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The Financial Situation

It is now evident that the arrangement under which the miners went back into the coal pits has settled nothing. Equally plain has it become that this is not, as many suppose and as the Administration would have us believe, merely an isolated case carefully designed by a particularly troublesome labor leader who is bent upon "getting even" with the President of the United States. No one can longer doubt that organized labor generally is spoiling for about the same kind of fight that the coal miners are engaged in, and is being held in check—so far as it is held in check—merely by a desire to avoid the unfavorable publicity that must attend such an effort. The dispassionate observer cannot escape the conclusion, moreover, that the factors which have brought the coal situation to a head are, apart from personal animosities, also responsible for the unrest in the ranks of wage earners elsewhere.

Roosevelt vs. Lewis Not The Issue

So much has been said about the Roosevelt-Lewis feud, and at times the moves and counter-moves of the Administration and Mr. Lewis have so degenerated into showmanship that the public is prone to overlook the underlying factors in this unfortunate situation. The truth is that we have here an impasse which has developed directly and almost inevitably out of the ill-conceived and bungling "economic stabilization" program and its checkered history. It may or may not be true that Mr. Lewis has long been lying in ambush impatiently awaiting the time when he could fire a damaging shot at the President, whom he doubtless cordially hates. If so, however, it must be said that he has been handed his long-awaited opportunity upon a silver platter. To some observers it appears strange that the President should have gone on month after month condoning if not actively approving a policy of "finding excuses" for making exceptions to his wage stabilization order, only to come vigorously and aggressively forward at the precise moment that Mr. Lewis was preparing to present his "excuse" for an exception for the coal miners, but the President was obliged to call a halt somewhere if he was to save even the shadow of his program.

Labor Better Off

Of course it is not true, as labor leaders would have us believe, that the cost of living has risen more rapidly than the actual weekly earnings of the wage earners in this country. (Continued on page 1779)

Social Security Can Be Secured, But Only Through Labor: Linton

The labor of men and women, rather than money, will provide real social security, according to M. A. Linton, President of the Provident Mutual Life Insurance Company of Philadelphia, who spoke to the Philadelphia Control of the Controllers Institute of America on the subject of the Beveridge Plan and Social Security in the United States.



M. A. Linton

"There is no doubt that complete social security for everyone—including provision for old age, unemployment, dis-

ability and medical care—is a desirable goal," said Mr. Linton. "However, the means of achieving it, and the extent to which governmental compulsion should be employed is a matter for the most careful consideration. As individuals or as a nation, we can have as much protection as we want, provided we are willing to pay the price," he said.

"A complete program, insuring on even a modest basis against the major hazards of life, would cost from 15 to 20% of our pay-rolls," Mr. Linton continued. "This can be translated into terms of the wealth produced by, say seven hours' work each week. Either we shall have to work more hours to provide comprehensive social security protection or we shall have to give up some of the goods and services that now combine to produce our standard of living.

"The question is not so much whether social security is a thing worth having, as it is whether we want social insurance enough to pay the price in the hours of labor required to achieve it."

Aldrich Declares Government "Liquid Savings" Figures As Published Have Little Meaning

Criticizes Congress Delay In Formulating Pay-Go Tax

With "Savings and War Finance" as the topic of an address last week at the 1943 business meeting of the National Association of Mutual Savings Banks in New York, Winthrop W. Aldrich, taking up the question of what constitutes real savings, observed, that "composed of many diverse elements, the totals upon 'liquid savings' published by the Government have little meaning." In his remarks on this point, under the title of "Psychology of Savings," Mr. Aldrich said:

"To the extent that excess war come is held in the form of currency hoards and commercial bank deposits, a real inflationary danger is created for the community. Individuals do not plan to hold their hoarded currency or idle bank balances inactive for any considerable period of time. They do not look upon them in the same light as one of your customers looks upon his savings account.



W. W. Aldrich

"I emphasize this difference in psychological attitudes because certain statistics released by the Government classify an increase in individual cash holdings as savings, irrespective of the intent of the owner. For example, according to the Department of Commerce, net 'savings' of individuals in 1942 approximated \$27,000,000,000. This figure was obtained by deducting from total income payments of \$116,000,000,000 consumer expenditures of \$82,000,000,000, and personal tax and non-tax payments to Federal, State, and local governments of \$6,600,000,000.

"Estimates of the Securities and Exchange Commission placed the 'liquid savings' of individuals in 1942 at \$29,000,000,000, a figure fairly close to that of the Department of Commerce. This amount was made up of many conglomerate elements which have their

own peculiar characteristics, and which react differently upon the economy. First of all, there was an item of \$2,400,000,000 representing the reduction of debt. Both from the point of view of the individual, and from the point of view of the whole economy, the reduction of individual indebtedness, resulting largely from

restrictions on consumer credit, represented a very desirable development. This use of excess purchasing power not only improved the financial position of the individual, but also acted as a counter-inflationary force.

"A second item, payments on account of public and private insurance and pension reserves, came to \$4,800,000,000. These payments originated largely in individual thrift and contributed to the war effort by being invested in Government obligations. "A further item of \$10,300,000,000 was represented by purchases (Continued on page 1782)

Says Economic Salvation Depends On Abundant Production

Declaring that the economic salvation of society is not scarcity, but plenty, Emil Schram, President of the New York Stock Exchange, urged the latter part of last month that the doctrine of abundant production "be preached, practiced and propagated by governments, farmers, industrialists and wage earners" and called for the rejection of the economic heresy of limited production.

In an address before a luncheon meeting given by the San Francisco Chamber of Commerce at the San Francisco Commercial Club, Mr. Schram said that "anything that prevents free enterprise from attaining its highest productivity, from rendering its maximum service to society, is bad economics and bad government."

He added that "so long as this country accepts free enterprise and individual ownership as the best possible economic system, it should be the



Emil Schram

objective of government to make this system work efficiently and pay the highest dividends to society as a whole." He added:

"Anything that contributes to this end is good economics and good government. Anything that prevents free enterprise from attaining its highest productivity, from rendering its maximum service to society, is bad economics and bad government."

Speaking on the relationship between business and government, Mr. Schram said at the outset of his remarks:

"If our system of free enterprise operates in a healthful atmosphere, the securities business does not need to worry very much about reasonable regulation. On the other hand, capital markets will have little excuse for existence, no matter how free and untrammelled they may be, if our enterprise system loses its capacity (Continued on page 1786)

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From Washington Ahead Of The News

By CARLISLE BARGERON

To many people it will undoubtedly be terribly disheartening that the Allied victory in North Africa should be largely offset by the retirement of Fowler Harper as Paul McNutt's deputy administrator. But as both Mr. Churchill and Mr. Roosevelt have warned us, we've got to mix our exultations with sorrow. And apparently the newspaper editors, particularly the local ones, were determined that we should not forget this.

because right along there on the front pages with the description of the boys sweeping into Tunis and Bizerte was the ominous intelligence about Fowler. It seems that Fowler, or rather Fowler's unnamed friends, as we read the accounts, considered that McNutt had "shifted from the left of center to the right of center," so Fowler thought he had better move out. Aside from this shifting from one side of a center, to the other side on McNutt's part,

it also seems that he had shifted Fowler's office from next to his own to down the corridor a distance. You get the impression that this emphasized McNutt's shiftiness to Fowler.

Your correspondent thinks the story deserves the treatment it is about to get because it is a story of Washington in a nutshell these days.

Fowler was a college professor out in Indiana. He taught law. (Continued on page 1782)

Paying And Saving In Great Britain

By NORMAN CRUMP

Editor's Note—This article is carried because of our belief that our readers would be interested in knowing how today's war economy has affected the citizens of Great Britain. In any event, as previously stated, it does not, of course, follow that, simply because Great Britain has seen fit to adopt certain tax policies, we should do likewise. The "Chronicle" does feel, however, that our Government would do well to broaden our tax base materially. Norman Crump, author of this article on Britain's finances, is statistical editor of the London "Financial Times" and the former editor of the London "Sunday Times." We are indebted to the office of the British Information Services for making it possible to obtain this editorial.

Ordinary revenue for the financial year 1942-43 amounted to £2,820 millions. This total compares with £2,074 millions for 1941-42, when taxation was lower. It is £193 millions in excess of the estimate of £2,627 millions for 1942-43, made by the Chancellor in his budget speech a year ago.

A comparison between the Chancellor's estimate of April, 1942, and the actual result for the year to March 31, 1943, is made in the following table, which includes the chief sources of revenue.

	1942-43 Estimate (millions)	1942-43 Actual (£ millions)	Difference
Income Tax	913	1,007	+94
Surtax	78	75	-3
Estate Duties	90	93	+3
National Defense Contribution and Excess Profits Tax	425	377	-48
Customs	438	459	+21
Excise	367	425	+58

The real contrast lies between the increases over the estimates shown in income tax, customs and excise; and the decreases shown in surtax and excess profits tax plus national defense contribution.

Income tax is now imposed on all except the smallest incomes. A wage earner with no dependents is assessed for income tax if his wages exceed £110 a year, equal to little more than £2 a week. Customs and Excise duties are the traditional and technical names for indirect taxation—the duties imposed on such commodities as beer, spirits, tobacco, sugar and tea, and also the war-time purchase tax imposed upon a very wide range of goods.

Surtax only affects incomes in excess of £2,000 a year. Excess Profits Tax is the tax imposed upon all businesses earning more than their "pre-war profits" (as defined in a somewhat complicated manner), and its rate is 100% of all profits over that pre-war standard. National Defense Contribution is levied at a flat rate on all business profits without reference to any pre-war standard. A firm does not pay both duties, but pays whichever is in its case the greater of the two.

The first deduction from the returns is that the war is bringing about a re-distribution of the national income in favor of the lower income ranges. It is common ground that the total national income is growing. This is confirmed by the fact that the actual receipts from income tax exceeded the Chancellor's estimate. Yet surtax, which is confined to the larger incomes, failed to reach the budget estimate. Moreover, while the rate of this tax remained unchanged, its yield in 1942-43 was practically the same as in the preceding year.

It is clear that no additional large personal incomes are being made out of this war.

The short-fall in National Defense Contribution plus Excess Profits Tax may be due to a combination of circumstances. Assessments to these taxes are very complex and necessarily give rise to lengthy discussions between the taxpayers and the authorities. Thus it is possible that there may have been many unexpected delays in assessing these taxes. But the short-fall may also point to the successful way in which war contracts are costed so as to yield no large profit margins. This costing is also very complicated, and at times gives rise to the complaint that the work it involves

The News Behind The News

By PAUL MALLON

A substantial number of constant readers took pens in hands and jabbed same into me for my column, published April 23, criticizing Mr. Wendell Willkie's fast-selling book "One World."

The amount of critical mail was as heavy as I have ever received in protest against a column, some saying it was the only column with which they had disagreed so sharply in many a year.

Generally, they pointed out Mr. Willkie advanced no wild new notions of post-war, but merely set forward a reasonable, restrained accounting of his experiences in flying around the world in 49 days, and he concluded that the plane had brought the nations of the world together—a physical fact which should guide us in arriving at a post-war plan.

"What could I find in Mr. Willkie's book to protest?" my friends asked.

The basic idea; the fundamental principle is set forth; the premise that Mr. Willkie adopted when he wrote the book; the reason for writing it; namely, the conclusion that oneness makes oneness. Mr. Willkie has deluded himself and obviously also deluded a great number of my good readers.

Distances never have had anything to do with unity. You may have lived next door to two neighbors for 20 years, barely spoken to one and have become very close to another—but not nearly so attached as to a friend, who lives on the other side of town, or perhaps one in Canada or Labrador.

Oneness is made out of something more spiritually substantial than distance. It comes from similarity of ideals, habits, customs, methods of living.

If a Chinese happened to live next door to you and you did not understand his way of life, the proximity would not in itself lead you to be friends. But if you happened to be a fellow Chinese, or a person who knew the Chinese way of life intimately, you might become close friends and might establish a basis of unity.

Nations are only groups of people in a world neighborhood, and always have been.

Therefore, Mr. Willkie has erred grievously in his primary idea. He is just plain wrong in his initial assumption that whereas this was many worlds before, the plane has made it one world.

We like people who like us, who share our views, hopes, and expectations, and we will always continue to like such people and dislike others regardless of how fast a few can fly back and forth.

Mr. Willkie's error is grievous, because if we now base our hopes of peace on a false assumption we will not only be disillusioned sadly, but we are likely to have more international troubles as a direct result, perhaps even war. Only a thoroughly realistic peace can be a lasting peace.

From a military standpoint, it will also be necessary, for our protection, to acquire bases throughout the world from which



Paul Mallon

The State Of Trade

Expansion of volume in business during the past week was limited largely to the retail and wholesale trade, with a number of the heavy industries running slightly behind the previous week.

Distribution of electric power last week declined to 3,886,721,000 kilowatt-hours from 3,925,175,000 in the preceding week, it was announced by the Edison Electric Institute.

Despite the drop in demand, consumption of electricity in the week ended May 1 held at 17% above demand in the comparable week of 1942, when the total was 3,304,602,000 kwh.

Generator output in the Pacific Coast area, swelled by war industry usage, ran 32.4% ahead of a year ago to lead gains on a regional basis.

Carloadings of revenue freight for the week ended May 1 totaled 788,783 cars, according to reports filed with the Association of American Railroads. This was a decrease of 5,411 cars from the preceding week this year, 70,128 cars fewer than the corresponding week in 1942 and 5,516 cars under the like period two years ago.

This total was 120.23% of average loadings for the corresponding week of the 10 preceding years.

Steel operations this week are scheduled at 99.4% of capacity, an advance of 1.2% from the 98.2% rate of the previous week, according to the American Iron & Steel Institute.

A month ago operations were at the rate of 98.8%, while a year ago they stood at 99.6% of capacity. Tonnage produced this week will amount to around 1,721,300 net tons against 1,700,500 last week.

The output of some steel producers for the third quarter is being covered rapidly in certain products and two important makers of hot-rolled sheets appear booked to capacity and are refusing further orders for that period, according to the magazine "Steel."

Civil engineering construction in continental United States for the week totaled \$72,237,000. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 53% higher than in the preceding week, but is 83% below the record-breaking total of \$434,955,000 reported for the corresponding 1942 week by "Engineering News-Record."

Private work is 13% higher than a week ago, and public construction is up 58% as a result of the 68% gain in Federal. Compared with the week last year, however, private is down 70%, public is off 84% and Federal declined 84%.

Department store sales on a country-wide basis were down 5% for the week ended May 1 compared with the same week a year ago, according to the Federal Reserve Board.

Store sales were up 17% for the four weeks ended May 1, compared with the same period a year ago.

Department stores sales in New York City in the week ended May 8 were 7% larger than in the corresponding week of last year, according to a preliminary estimate issued by the New York Federal Reserve Bank.

In the previous week ended May 1, sales of this group of

we may intercept possible air attacks on us.

But these are not the things Mr Willkie was talking about. He spoke of political unity as a primary assumption, but the prospective use of the plane commercially and militarily does not itself justify such an assurance.

These factors are just as apt to lead to rivalry as oneness. Certainly if rivalry is to be avoided entirely, the world politicians will have to remake human nature not only here at home but chiefly abroad.

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stores were 1% less than in the like week a year ago.

Chain store sales recorded substantial gains during April, according to the figures of reporting companies. Reflecting the Easter buying, clothing stores and shoe chains reported large increases in dollar sales during the month over April of last year. With one exception, mail order companies continued to show declines in volume due to the shortages and restrictions on heavy consumer goods items.

Food stores, drug and variety chains also had good dollar volume gains during the month, as did those companies with units in the heavy war-production centers.

Placements of Government contracts for war supplies and facilities declined about \$14,000,000 in the three months ended in February, compared with a quarterly rate of \$22,500,000,000 in 1942, the National Industrial Conference Board recently disclosed.

Awards for new plants in the three-month period were valued at only \$238,000,000, against a quarterly rate of nearly \$2,000,000,000 in 1942. Ship contracts aggregated \$1,200,000,000, compared with \$3,000,000,000 quarterly in 1942.

Contracts for aircraft, parts and equipment placed during the quarter were valued at \$4,900,000,000, raising the cumulative total of such awards to \$31,600,000,000. The corresponding authorized program for aircraft calls for the expenditure of \$56,800,000,000.

CPA Blamed For Low Oil Reserve

In addressing directors of the Independent Petroleum Association of America at St. Louis last week, responsibility for a national oil shortage, which he said is inevitable within two years unless present trends are immediately reversed, was placed squarely upon the Office of Price Administration and the Treasury Department by Walter S. Hallanan, President of Plymouth Oil Co., and member of the Petroleum Industry War Council, St. Louis news dispatches state.

Declaring that the situation is no longer one that concerns the oil industry alone, Mr. Hallanan said: "It is now a great national and international problem which seriously threatens the effective prosecution of the war and holds grave consequences for our domestic economy."

He asserted that the nation was currently producing and consuming five times as much oil as is being discovered and said that the only remedy for this swift liquidation of oil reserves lies in an immediate price increase which, he declared, would stimulate wild-catting and restore thousands of stripper wells to production.

While sharply criticizing two Governmental departments, Mr. Hallanan praised Petroleum Administrator Ickes for the "intelligent and decisive manner" in which Ickes approached the solution of the oil problem.

Mr. Hallanan declared that the small independent operator who, he said, had discovered 75% of the nation's oil, is being liquidated along with the country's oil reserves.

diverts people from occupations more directly contributive to the war effort.

The other side of the picture is illustrated by the increases over the 1942-43 estimates in the yields from Customs and Excise. As the rates of indirect taxation were known when the original estimates were made, the only possible conclusion is that the consumption of commodities by the public has proved greater than had been anticipated.

This is not entirely a good sign. Probably this over-consumption has had no direct effect on the war effort. Not a single worker, or ton of raw material, has been diverted from the war to meet this extra demand. It has come out of existing stocks.

There is ample evidence, however, of the real and general appreciation of the need to save and for clamping down on spending. The remarkable response to the "Wings for Victory" savings campaign with town after town, and village after village, not only achieving but surpassing its target total provides that encouraging proof.

Everyone in Britain today is heavily taxed on the earnings he receives and yet over and above this comes the impressive voluntary support for National Savings.

Government expenditure for 1942-43 amounted to £5,623 millions, compared with an original estimate of £5,707 millions. These are prodigious figures, and the difference between them is not large enough to call for comment. The limit to war expenditure is not financial. It is determined entirely by the productive resources of the country.

One point in the expenditure returns merits notice. The cost of the national debt in 1942-43 was only £325 millions. In 1928 the cost was £35J millions. This means that in spite of the war growth in the national debt, its cost is still less than it was 11 years before the war; the saving being entirely due to the debt conversions of the early thirties. This is a striking proof of the benefits of the cheap money policy in force before and during the war. It also encourages the belief that the national debt will not be a crippling burden after the war.

To Protect Mortgagees In Military Service

The Senate passed on April 26 and sent to the House a bill amending the National Housing Act so as to halt foreclosures on Federally insured mortgages against persons in the armed services. This provision, supplementing the Soldiers' and Sailors' Civil Relief Act, would continue for three months after the cessation of hostilities. Under the bill the Federal Housing Commissioner could compensate mortgagees for any losses they might sustain in interest on debentures and for insurance premiums.

The Financial Situation

(Continued from first page)

try. These complaining spokesmen for labor are unquestionably right in saying that the increase that has occurred in the cost of living is substantially greater than the figures of the Bureau of Labor Statistics or any of the other agencies would lead the unwary to believe. Not only have rationing and scarcity made wide changes in the things housewives buy for their families (and thus left many of the quotations used in compiling the usual retail price indexes without meaning) but, as everyone who buys anything of consequence in the stores today knows well enough, there has been a general deterioration in quality which prices, no matter how carefully compiled, do not reflect. Moreover, price ceiling violations are rather more than common, and any one who has ever undertaken to report prices knows the difficulties of determining what prices prevail in a market of that sort.

The earnings of labor have, however, risen much more rapidly than wage rates, which are almost invariably employed when the attempt is made to show that the laborer is now receiving lower real wages than he was when we entered the war. Overtime at punitive rates have greatly enlarged the actual pay of most of the workers who are making the greatest clamor for higher wage rates. Many of the others could increase their earnings by the same means if they were willing to work at regular rates for more than 40 hours a week—and, of course, if the law were changed to permit such procedure. Although it is impossible to present accurate statistics to demonstrate it, there can be little doubt in any informed mind that the rank and file of the wage earners of this country receive substantially more real wages in their pay envelope each week than they did when Japan attacked Pearl Harbor.

Labor's Education

But this is not the whole story by any means. Labor has been told over and over again by this Administration that employers habitually victimize it. It has had all manner of assistance from this Administration in organizing and conducting campaigns for higher and ever higher wage rates and for shorter work hours. It has been told many thousands of times that not only it but the public at large was greatly benefited by higher wages and shorter hours. It knows, of course, that most industry is going at capacity, and that but for the enormous taxes imposed upon all business profits would be large. It may even believe the continually repeated misstatement that they are large in any event. It is shrewd enough to understand that in many instances further increases in wages would, if granted, be paid but in small part by the employer, the larger part of the burden resting upon the Government itself, partly because the Government is the chief customer these days and partly by reason of the very high rate and highly graduated scale of taxes on profits. It has been taught to be greedy, and it wants to take advantage of this golden opportunity to improve its position further.

Nor is this all. The wage earner knows, as does everyone else, that during the past month or two retail prices, particularly prices of food, have been rising with extraordinary rapidity. Whatever may happen in the future, it must be admitted that recent weeks have offered no evidence whatever that the cost of living was under control. On the contrary, the housewife has had ample reason every time she visited the grocer or the butcher to believe that prices were getting badly out of hand. Now labor, in this day and time, and with the education which the New Deal has given it, is in no mood to sit idly and permit its position to become worsened.

Another Promise

To be sure, the President in his hold-the-line order again gave assurance that prices would be controlled, and even "rolled back" to remove some of the more recent increase—but how many times in the past has this same assurance been given? And with what results? The outcome of past efforts appears on the whole to have done more to restrict supply than to control prices, and the wage earners as well as the rest of us probably at present feel fully as much concerned about the possibility—to say the least—of not being able to obtain the necessities of life in adequate amounts as they do about prices. In fine, not being a fool, he sees the price control effort of the Administration as a dismal failure to date, and without real promise for the future, and he demands, rather naturally we must say, if possibly mistakenly, to be permitted to look out for his own interests.

Lest the reader gain the impression that we are undertaking to argue Mr. Lewis' case for him, let it be said categorically that we are doing no such thing. We feel nothing but disgust over the whole miserable episode. Neither do

we wish to be considered arguing for the demands of labor generally for higher wages. They are doing very well without any aid from us. What we do feel, and feel very deeply, is that the Administration has made a horrible mess of its attempt to "stabilize" the situation, that it is endangering the war effort and, fully as important, civilian supplies quite unnecessarily and very seriously by its futile and ill-conceived activities; that the problem is not nearly so simple as devising ways and means of humiliating Mr. Lewis or of bringing pressure upon other labor groups. We are also quite certain in our own minds that there are more important considerations than absolute "stabilization" of either prices or wages.

The latest plans for "rolling back" prices, at a cost, so it is said, of some two billion dollars to the taxpayers, is obviously largely a fraud when presented as a means of reducing the cost of living, and may well largely complete the process of demoralizing distribution. The time has come for a real "new deal."

A Tariff Dictator?

"Let there be no belittling of this issue. If the United States repudiates the Trade Agreements Act, either outright or by crippling amendments, if it thus repudiates the idea of economic non-aggression, it will have destroyed the stuff of which peace is made; it will have struck a heavy blow at the hopes of mankind for ridding this world of the scourge of war and for creating a just, a workable and a lasting peace."

"Economic attacks and counter-attacks characterized this [post World War I] period. The resulting destruction to international trade finally brought the world to the verge of an economic collapse and contributed greatly to the general state of international anarchy and non-cooperation which proved a fertile field for the growth of another world war."

"It is my confident belief that [permanent peace] . . . today is the ideal and the objective of the overwhelming majority of the people of this country. If that objective is to be attained, the people of the United States must assume their full share of responsibility for the creation of that kind of world in which men and women in the years to come can, as a basic part of their essential security, in very truth be free from the fear, as well as from the fateful consequences, of economic aggression."—Under-Secretary of State Sumner Welles.

With what appears to be Mr. Welles' argument against barriers to natural international exchange of goods, we are in full sympathy, but is it necessary to maintain a tariff dictatorship in this country to avoid the evils he condemns?

That, after all, is the crux of the Trade Agreements Act controversy.

Lend-Lease Aid Passes \$10,000,000,000 Mark—90% Of Goods Transferred Sent Overseas

Edward R. Stettinius, Jr., Lend-Lease Administrator, announced on May 2 that total aid rendered by the United States under the lend-lease program from March 11, 1941, to April 1, 1943, had a dollar value of \$10,319,518,000. Of this amount \$688,000,000 of aid was rendered in March, 1943. It is further announced that goods transferred up to April 1 totaled \$8,494,135,000, or 82% of lend-lease aid.

While lend-lease aid from the United States has passed the \$10,000,000,000 mark, Mr. Stettinius said, reverse lend-lease provided to the United States by other United Nations and aid which they render to each other on a lend-lease basis have continued to mount in volume and importance. Exact figures are not now available but we know that in proportion to the resources they have available this lend-lease aid by our Allies to us and to each other is entirely comparable to our own. The statement added that goods transferred by the United States under the lend-lease program include finished munitions, industrial supplies, food and other agricultural products provided to our Allies for their war effort. Services include shipping and air-ferrying, ship repairs, production facilities and such activities as the pilot-training program.

Mr. Stettinius' statement continued: "Fifty-five per cent of goods transferred to date have been munitions, 27% industrial supplies, 15% food and 3% other agricultural products."

"About 90% of all lend-lease goods transferred by the United States have been sent overseas."

"In 1941 more than two-thirds of all lend-lease shipments went to the United Kingdom and only small amounts to Russia and the Far East."

"In the last three months for which export figures are available lend-lease shipments were divided as follows:

United Kingdom	38%
Soviet Union	31
Africa and Middle East	16
Far East (including India)	14
Others Areas	1

"Food for the Soviet Army and British production workers make up more than 90% of the \$1,268,991,000 of lend-lease food transferred to date. Small amounts have also gone to North Africa. Until this year most food has gone to the United Kingdom. This year we expect to send as much food to the Soviet as to Britain be-

cause of the increasingly acute food shortage in Russia.

"Last year lend-lease food shipments were about 6% of total United States food supply. This year we expect to send more. The size of the increase will depend upon the total amount of food available for the needs of our armed forces, our civilians and our Allies and the availability of shipping."

"The program of lend-lease aid from the United States has been accompanied by similar programs of aid by our Allies."

"Canada, for example, has provided \$1,000,000,000 worth of supplies to its Allies without payment. In proportion to population, this is equivalent to \$12,000,000,000 of lend-lease aid by the United States. And Canada has started on its second billion dollar mutual aid program. Great Britain has provided the Soviet Union with comparable amounts of munitions and services on a lend-lease basis, and is also providing aid to China and forces of the governments-in-exile."

"The United Kingdom, Australia and New Zealand especially are providing large and increasing amounts of reverse lend-lease to United States forces. In the British Isles the construction cost alone of airdromes, barracks, hospitals and other buildings built expressly for American use has been estimated by the Chancellor of Exchequer at about \$600,000,000. Almost all the food for American forces in Australia and New Zealand is being lend-leased to us by these countries. And we continue to receive without payment by us a great variety of other supplies and services in mounting volume as more American troops move overseas."

Following is a table showing cumulative lend-lease totals by category:

LEND-LEASE AID Cumulative From March, 1941 Through March 31, 1943 (Thousands of Dollars)

Goods Transferred																																							
Munitions:																																							
Ordnance	450,040																																						
Ammunition	943,742																																						
Aircraft and Parts	1,405,744																																						
Tanks and Parts	731,376																																						
Motor Vehicles	467,668																																						
Watercraft and Parts	686,855	Total	4,685,425	Industrial Products:		Machinery	370,655	Metals	607,430	Petroleum Products	413,312	Other Industrial Products	862,212	Total	2,253,609	Agricultural Products:		Foodstuffs	1,268,991	Other Agricultural Products	286,110	Total	1,555,101	Total Goods	8,494,135	Services Rendered		Ship Repairs, Etc.	262,135	Shipping	929,782	Production Facilities	572,896	Miscellaneous	60,570	Total Services	1,825,383	Total Lend-Lease Aid	10,319,518
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Certain transfer totals include small amounts of goods diverted to United States armed forces after lend-lease transfer, but subject to future replacement.

Jackson To Head OWI Work In Middle East

The Office of War Information announced on April 21 the appointment of Charles D. Jackson as chief of all OWI operations for North Africa, the Middle East and Turkey. Mr. Jackson recently returned from a special mission to Turkey on behalf of the State Department and is expected to leave soon for North Africa.

Nation-Wide Job Stabilization Plan Cancelled By WMC; To Use Regional Pacts Instead

Plans for a nation-wide employment stabilization plan have been cancelled, it was announced on May 3 by Paul V. McNutt, Chairman of the War Manpower Commission, who explained that 12 regional agreements covering the country will be used instead. It is stated that most of the regional management-labor pacts, of which nine have been completed, will require essential workers to get a "certificate of availability" before transferring to a new job, regardless of whether it calls for more, less or the same wages.

Associated Press accounts from Washington had the following to say in the matter:

"The wage-job control order of April 17 covered only transfers at higher pay but in other respects the regional agreements are more liberal.

"They permit workers to change jobs for more money, if laid off or discharged, if they are working only part time or if they would make a greater contribution to the war effort by taking the new position.

"Mr. McNutt said the regional agreements also would permit transfers in 'hardship cases,' or in situations where the shift was necessitated by compelling personal circumstances.

"The regional control agreements are temporary, to be replaced as rapidly as possible, McNutt said, by permanent ones.

"The manpower chief said the regional agreements would make it unnecessary to establish the nation-wide employment stabilization agreement under consideration following complaints from labor groups that the control order of April 17 was too harsh, in that it prevented any transfers to higher paid jobs.

"The country-wide plan was abandoned last week, Mr. McNutt said, when his regional directors at a meeting here disclosed they had made rapid progress in working out temporary agreements.

"The regions with headquarters in Chicago, Kansas City and Denver still lack agreements but their directors have promised they will be ready in a few days.

"The regional agreements follow the pattern of stabilization pacts in effect for some time in a number of local areas. Such controlled areas were exempt from the April 17 order, but in uncontrolled areas there was no provision for transfers to higher paid jobs. This will be remedied by blanketing the whole country with regional control agreements. Where local agreements are less stringent than a region's, the local provisions will be revised accordingly.

"The 'certificates of availability' or 'quit slips' as they are known, are issued either by the employer or by the United States Employment Service and must follow the wording established by WMC."

Plans for the establishment of the job stabilization plan were noted in our issue of April 29, page 1596. The order of April 17 was referred to in these columns April 22, page 1497.

Stabilization Fund Bill Signed By President

President Roosevelt signed on April 29 the resolution extending for two years after June 30 the operation of the Treasury's \$2,000,000,000 Stabilization Fund and preventing its use in an international fund for post-war stabilization of world currencies.

Congressional action on the legislation was completed on April 22. The measure first passed the Senate on April 16, at which time the provision for extending the President's power to devalue the dollar beyond June 30 was eliminated. The House, in approving the measure on April 21, inserted the amendment restricting its use and the Senate concurred in the change on April 22; this action was reported in our issue of April 29, page 1588.

Post-War Boom Seen By Commerce Dept.

Commerce Department economists reported on April 28, after reviewing post-war markets at the suggestion of the Committee for Economic Development, that the country's problem after the war may be to control a boom rather than prevent a depression. A special dispatch to the New York "Times," on April 28, from Washington, in which this was reported, added:

"They set off the accumulation of purchasing power by the public and of depreciation reserves and surplus profits by corporations against a post-war dearth of consumer goods and the need for reconverting and constructing plants to make them.

"If business and Government can successfully plan together to bridge the immediate reconversion period, there will be opened up, the report stated, 'enormous markets which did not exist before the war.' But business will have to rise to this challenge.

"Discussing the demand for consumer goods, the report estimated the capacity of available manpower in 1946 at \$165,000,000, expressed in 1942 prices. This, it said, would create a demand for almost 34,000,000 cars on the road. To build up this level, at the same time take care of current replacements, would require an output of more than 6,000,000 cars a year for about four years.

"Could such a volume of consumer goods be sold? Yes, said the report. If the war lasted through 1944 the amount of accumulated savings available for spending at the end of the year should be about \$60,000,000,000.

"It is calculated that if the civilian labor force available after the war is effectively used, with unemployment held to a practicable minimum of about 2,000,000 and with 1940 hours of work, the country has a demonstrated capacity to produce almost 50% more than in the best pre-war years—\$142,000,000,000 of goods and services at 1940 prices against an output of \$97,000,000,000 in 1940.

"About 80% of all civilians now employed," says the report, "are producing essential civilian goods and services or war materials in industries so similar to pre-war civilian industries that no serious plant reconversion problem is created. . . .

"The post-war labor situation," said the report, "will be this: between 1940 and 1946 another 2,500,000 persons will have been added to the labor force. If post-war output should be no greater than in 1940, the 9,000,000 who were unemployed in 1940 would again find themselves unemployed; the 2,500,000 new workers would increase their number and there would be added another 3,000,000 displaced by improvements in efficiency over the six years—a total of 19,500,000."

FDR Adds Three to WPB

The membership of the War Production Board was increased on April 23 when President Roosevelt named the heads of three war agencies in a move designed to facilitate completion of an over-all civilian supply program.

The new members are Secretary of the Interior Harold L. Ickes, in his capacity as Petroleum Administrator for War; Paul V. Mc-

Nutt, Chairman of the War Manpower Commission, and Joseph B. Eastman, Director of the Office of Defense Transportation.

The appointment of these officials was suggested by WPB Chairman Donald M. Nelson.

The other members of the War Production Board, besides Mr. Nelson, are: Secretary of War Stimson; Secretary of the Navy Knox; Secretary of Commerce Jones, in his capacity as Federal Loan Administrator; Vice-President Wallace, as Chairman of the Board of Economic Warfare; Harry L. Hopkins, the President's special assistant supervising the defense aid program; Price Administrator Prentiss M. Brown and Lieut. Gen. William S. Knudsen, Director of Production for the War Department.

30-Hour Work Week After War Envisaged

R. J. Thomas, president of the United Automobile Workers, speaking before the League for Industrial Democracy, at the Hotel McAlpin on May 9, attacked the National Association of Manufacturers and recommended a 30-hour week in the post-war transitional period, said the New York "World-Telegram" of May 9, which also had the following to say:

Mr. Thomas attacked the National Assn. of Manufacturers for what he characterized as their "smooth talk," which, he said, "insures a return to the free enterprise which has meant for the workers only the freedom to starve, or, in recent years, the freedom to be kicked around on miserable WPA jobs and on public relief."

"Labor will have to play the policing role to see to it that our wartime promises to our military force and our civilians endure," he said, adding there is "no escaping" the 30-hour week as one of the essential prerequisites of full employment after the war.

Freeman Elected Head Of Memphis AIB Group

Mark P. Freeman, of the Memphis branch of the Federal Reserve Bank of St. Louis, has been elected President of the Memphis Chapter of the American Institute of Banking, succeeding J. D. Stovall of the National Bank of Commerce.

Other officers named, according to the Memphis "Commercial Appeal," are Marvin H. Brooks of the First National Bank, Vice-President; Mildred Flaniken, National Bank of Commerce, Treasurer, and Lucia Miller, Federal Reserve Bank, Secretary.

Special Libraries Ass'n Conference Scheduled

The Special Libraries Association has scheduled a second wartime conference to be held at the Hotel Pennsylvania, New York City, June 22-24. In conjunction with the meeting, the Financial Group's tentative program included the following: a talk by Dr. Paul M. Cadman, Economist of the American Bankers Association, on June 22, on "Financial Aspects of the Second World War"; a discussion of Wartime Problems of Washington Financial Librarians and on Post-War Planning and Problems on June 23, and the annual business meeting on June 24. Miss Mary P. McLean, Librarian of the ABA, is Chairman of the Financial Group; Miss Ruth Miller, Librarian, Central Hanover Bank and Trust Co., New York, is Vice-Chairman, and Miss Margaret Siegmund, Librarian, Bankers Trust Co., New York, is Secretary-Treasurer.

Bell Urges Banks To Build Up Capital Reserves To Meet Problems Arising In Post-War Era

Pointing out that difficult times may lie ahead, Elliott V. Bell, New York State Superintendent of Banks, urged the banks on May 1 to take advantage of the present opportunities to strengthen their positions so that they may be prepared for the problems that will arise in the post-war period.

"We must use every opportunity to strengthen ourselves against whatever tests are to come," said Mr. Bell, speaking before the annual dinner of Group I of the New York State Bankers Association at the Hotel Statler, Buffalo. "For the banking system these are days of large problems, but relatively speaking these are also good times. We are acquiring more and more high-grade liquid assets. We are adding to our earning power. We have the opportunity to straighten out some of our longstanding problems." He added:

"These are the times to prepare for still more difficult times that may be coming." These are the times to build up capital reserves, to clear out slow and doubtful holdings, to put the house in order and to tie down loose ends. I do not suggest this because I fear the future, but rather because I want our bankers to be able to meet the future without fear."

Mr. Bell said that the forces now making for some measure of inflation might assert themselves even more strongly after the war is over. In the last war the nation's policies all but invited a great post-war deflation, but this time the country may be building toward a post-war inflationary boom, said Mr. Bell.

In the last war prices were less rigorously controlled, said Mr. Bell, who continued: "There was more speculation in farm land, in securities, in commodities, yet the demands of our armed forces were relatively less, the curtailment of civilian consumption was less, the accumulated deferred demand for civilian goods was less."

"After the last war flexibility in the economy was still considered natural. The rapid removal of controls and a return to 'normalcy' were everywhere demanded. As soon as the Victory Loan was financed the Federal Reserve Banks embarked on a frankly deflationary policy. Government securities fell heavily and no effort was made to prevent it."

In contrast, he said, during the present war "an enormous demand for consumer goods is being created. Huge potential purchasing power has been built up. The needs of the rest of the world for food, clothing, medicine, machinery will tend to augment our own domestic post-war demands. Government policies will almost certainly not be deliberately deflationary."

The Government's effort to suppress the effects of war-time inflation by price control and rationing, said Mr. Bell, "may succeed in slowing down the process of inflation during the war so long as it receives the patriotic support of a majority of the people. It is a frail reed upon which to rely when the approach of victory or the actual end of the war releases some of the restraint and patience our people have thus far so magnificently shown." He further observed:

"By that time the volume of accumulated shortages will have created a staggering deferred demand. Growing exasperation with bureaucratic controls and regulations will have aroused pressure for their removal if not a wholesale tendency to evade and disregard them. Under such circumstances there could easily develop an inflationary psychology sufficient to produce a serious blow-up in prices."

Mr. Bell said that no important reduction in the volume of bank deposits could be expected after the war ended. A decline in bank deposits, he said, could result from a retirement of government debt,

a reduction in other investments and bank loans, an increase in currency circulation, or an outflow of gold. Currency expansion and gold exports could scarcely reach proportions sufficient to reduce materially the swollen deposits resulting from the war, he said, and the chances would appear to favor an increased demand for bank loans after the war rather than a further decline. While the post-war budget would be greatly reduced from its present level of more than \$100,000,000,000, he doubted that the margin of revenue available for debt reduction would be large.

Even though the total volume of bank deposits might not decline to any appreciable extent, said Mr. Bell, there was every reason to believe that there would be a shifting of deposits from war boom areas.

"It should be obvious," he said, "that a boom area bank will be in a better position to meet post-war withdrawals if it has kept its government portfolio fairly short. One simple formula would be for a bank to figure out how much its gain in deposits exceeds the average gain for all banks and then to keep at least all of this excess in short governments."

1942 National Income Reached All-Time High

National income reached an all-time high of \$119,800,000,000 during 1942 and, if present price levels and tax legislation continue without substantial change, may total in the neighborhood of \$140,000,000,000 for 1943, the Federation of Tax Administrators said on April 29 after analysis of figures released by the Department of Commerce.

The Federation's announcement further explained:

"The 1942 figure represents a 43.8% increase over national income for 1929, highest in the '20s, and a 25.3% increase over 1941. The decade change between 1932, the all-time low, and 1942 was 199.8%; however, national income for 1939 was 15% below that for 1929. A rapid and steady rise in national income started in 1939, with 1940 and 1941 income higher by 9.9 and 22.9% than totals for 1939 and 1940 respectively.

The Federation's analysis showed a considerable number of shifts during the last year in the relative importance of income shares as well as industrial source of income. Though income originating in each industrial group increased in general, the largest increases occurred in those groups feeling the direct impact of war-time demands.

"National income contributed by all manufacturing groups in 1942 was 30.6% of the total, though the same groups contributed only 24 and 25% in 1939 and 1929 respectively. The same picture holds true for the agricultural group, which accounted for 9.2% of the 1943 income to increase in relative importance from 7.4% in 1939 and 8.1% in 1929.

"The construction industry, while increasing from 2.7% of the total in 1939 to 4% in 1942, has not reached the importance it enjoyed in 1929, when it represented 4.3% of the total.

"Relative declines occurred in the distribution and service industries, the analysis showed. The financial group, especially, declined from 12.2% in 1929 and 9.6% in 1939 to 7% in 1942."

Inter-American System Suggested As Guide For International Organization In Post-War Period

Fundamental rules of international conduct which may serve as a guide to post-war organization are embodied in a report prepared under the direction of the Executive Committee on Post-War Problems of the Governing Board of the Pan American Union, and released by that organization on May 3. The report sets forth the basic principles of the Inter-American system as enunciated in treaties, conventions and declarations adopted by the American Republics during the last half century. Many of these principles, the Executive Committee declares, are of universal application and are presented "in the hope that they may be helpful in determining the standards that shall govern international relations generally, and in re-establishing such relations on the basis of law and order." Advices in the matter from the Pan American Union in Washington state:

"Emphasizing the foundation principle of 'absolute juridical equality and complete sovereignty and independence of each State,' the study submits as the basis of the juridical relationships among the American Republics respect for treaty obligations, non-intervention in the internal or external affairs of another state, condemnation of force and the non-recognition of territory acquired by force, and the principle of pacific settlement of international disputes. To provide a means for the peaceful solution of controversies, the American Republics have set up comprehensive machinery for commissions of investigation, conciliation, arbitration, good offices and mediation. Supplementing these formal procedures, the report explains, there has developed on the American Continent a sense of responsibility for continental conduct, whereby any question that affects two or more states immediately becomes the concern of every other member of the American community.

"Over and above the specific rules and agreements that have been adopted to determine the relations between American States is the all-pervading sentiment of cooperation. The Pan American system, the report declares, is essentially a cooperative system. In contrast to the principle of universal dominion and the balance of power theory, both of which have been rejected by the American Republics, the nations of the Western Hemisphere have conceived and developed the system of cooperative action in their mutual relations.

"Recognizing the fact that inter-American solidarity applies not only to matters within the Continent, but to non-continental conflicts and differences as well, the study clearly establishes the status of American relations with non-American states. This is exemplified by the assertion that aggressive acts against any American nation by outside forces shall be considered as an aggression against all the states of the Americas. At the same time the report emphasizes that the inter-American system is not founded on any spirit of isolation, nor is it in any sense antagonistic to any other section of the world or to any other international organization. The American Republics, the study declares, recognize the interdependence of the world as a whole, and the inevitable necessity of every state and region maintaining contact with and being influenced by developments in every other State or region.

"Equally as vital as political and juridical principles to the successful operation of any international system, in the opinion of the framers of the report, are the economic, cultural and social relationships between nations. The program of the Inter-American system involving these factors is predicated on the betterment of living conditions for the people of each country, their health and sanitation, education, and material

welfare. Toward this end, the inter-American system favors strong international trade, reduced tariffs, and the elimination of export and import quotas."

FDR, George VI Laud African Successes

President Roosevelt on May 9 congratulated Gen. Dwight D. Eisenhower on the Allied victory in Tunisia and said the unprecedented degree of Allied cooperation involved "makes a pattern for the ultimate defeat of the Axis."

The President also expressed to Gen. Henri Honore Giraud "the admiration of the people of America in saluting the brilliant contributions of the French forces" in the capture of Tunis and Bizerte. The texts of the messages as reported in United Press accounts from Washington, follow:

"Gen. Dwight D. Eisenhower:

"My warm personal congratulations to you on the great success of the recent operations in North Africa. The power and coordination with which the Allied forces are crushing our enemies in Tunisia is a tribute to your leadership. The unprecedented degree of Allied cooperation makes a pattern for the ultimate defeat of the Axis.

"Convey to Gen. Alexander my appreciation of the splendid manner in which he directed the ground armies of three nations in a series of devastating blows against the enemy. My congratulations to Air Marshal Tedder on his overwhelming air victory; to Admiral Cunningham on the destruction of the Axis shipping by his naval craft; to Gen. Montgomery on the culmination of his Odyssey, and to Gen. Anderson for his perfect team-play."

"Gen. Henri Honore Giraud:

"I express the admiration of the people of America in saluting the brilliant contributions of the French forces under your command which culminated yesterday in the capture of Tunis and Bizerte. Soldiers of France have demonstrated they waited only the opportunity to spring back at their Nazi oppressors. This precedent, so victoriously established, is the beginning of the day when the United Nations, working in concert, will restore France to its people."

A message of congratulation was also addressed to Gen. Eisenhower on May 9 by King George VI, this, according to United Press accounts from London, stating:

"Thoughtout: the six months during which you have been in command of Allied forces in North Africa," the message said, "I have watched with admiration the progress of operations on sea, land and in the air.

"Under your leadership, forces diverse in nationality and race have been knit into one united and successful whole. Their task has not been easy and resistance of the enemy has been determined and desperate.

"But now with the capture of Tunis and Bizerte, your campaign almost is concluded. The last enemy forces in Africa are being captured or destroyed and the debt of Dunkerque is repaid.

"In behalf of all my people, I express to you as supreme commander of Allied forces and to all ranks under your command, our heartfelt congratulations on your victory."

War Deadlocked Says Franco In Peace Plea

Generalissimo Francisco Franco, Chief of State of Spain, speaking on May 9 at Almeria, made an appeal for world peace and said that the war had reached a deadlock, in which neither side had the power to destroy the other, and that "those of us who witness the struggle serenely consider it senseless to delay the peace," according to Associated Press advices from Madrid on May 10, which added:

Franco spoke at a demonstration organized to receive him at Almeria at 7 o'clock last night, but the speech was not released until today. His clear appeal for world peace followed a similar appeal by his Foreign Minister, Count Gen. Francisco Gomez Jordana at Barcelona on April 16.

"Abroad, Spain demands a post which corresponds to her history in service, humanity and worth," Franco declared. "It is the serene policy which we have followed since the first day of our movement, without abandoning our sovereignty nor our prestige, and which, in these times when the world is a sea of blood and hate, raises its voice, united with that of the Holy Pontiff, to appeal to the conscience of peoples."

"The world has now undergone three years of war, and when this time is passed, it is fitting to think of peace, of ending hates and of bringing peoples together. The fact that the belligerents remain deaf to these appeals does not mean that the war has no solution.

"We have reached what may be called the dead point in the struggle. None of the belligerents has the power to destroy his opponent. Therefore, those of us who serenely watch the struggle consider it senseless to delay peace. And I say this because behind this facade, there is something worse: There is Communism pushing, sowing hates carried on through 25 years of Russian barbarism, awaiting its prey. This is the anti-European denial of our civilization, the destruction of all which we hold most dear and precious."

At another point in his address, Franco declared: "Our ceremony today is an example of reconstruction and internal strengthening which offers the world an example of good sense, showing that Spain is united and strong to fight against all storms."

House Votes To Curb War Brokers' Profits

The House approved on April 20, without a record vote, legislation to curb "excessive" profits realized by commission sales agents for procuring Government war contracts.

The measure, which was endorsed by the War and Navy Departments, defines sales agents handling war, navy or maritime contracts in excess of \$25,000 as subcontractors and, as such, subjects their earnings to Government scrutiny and renegotiation.

The legislation is the result of a lengthy inquiry conducted by the House Naval Affairs Committee. In the course of these hearings, several of the agents are said to have acknowledged aggregate fees totaling millions of dollars. Urging approval of the legislation, the Committee's report said the fees and commissions earned by the brokers "were so excessive as to become scandalous and shocking to the public conscience."

This was the second attempt by the House to restrict the profits of commission agents. Last year the House passed a bill to outlaw commission fees on all government contracts, but the legislation was pigeonholed by the Senate Naval Committee.

Munitions Production Up 11% In March Nelson Announces In Monthly Report

Munitions production in March advanced 11% over that of February, it was announced on May 4 by Donald M. Nelson, Chairman of the War Production Board, in his ninth monthly report on war production. On a daily average basis, Mr. Nelson explained, there was little change as March had three days more than February. The advices from the WPB continued in part:

"However, a number of new production records were scored in the month. Among them: "Airplane output reached a new high of 6,200 planes.

"Construction of both naval and merchant ships, measured by the value of work done in shipyards, was the greatest on record.

"Delivery of Liberty ships for the first time exceeded 100 a month.

"But munitions production for the first quarter of 1943 was only 18% of output scheduled for the year, indicating that average quarterly output for the succeeding quarters must average 27% of program, or half again as large as in the first quarter, to meet schedules in accordance with military plans.

"The record of March munitions production shows gains in all major categories as follows:

Total munitionsup 11%
Aircraftup 11%
Ground ordnanceup 7%
Navy and Army vesselsup 14%
Merchant vesselsup 7%
Miscellaneous munitionsup 12%

Mr. Nelson's report further stated:

"Although there are indications that war production in the next month or two will show substantial gains, the very great advances made in the last year cannot be sustained for many months longer. The March Index of Munitions Production (preliminary) rose to 533 from 482 in February. This compares with 201 in March, 1942, an increase of 165%.

"One of the facts we must face is that the amount of steel available for war production, although enormous, has its limits. We are nearing top capacity in steel production. Our allocation system has cut down steel going into civilian production close to minimum. This means that war production is getting nearly as much steel as it can get.

"Hence, to attain our goals it will be necessary to use in place of steel less scarce metals, plastics and wood. All along the line substitutes are being found for more critical materials, but this development must be pushed much further, and with all of our ingenuity.

"Shortages of manpower, particularly of highly trained key personnel, are retarding production. This means using still greater imagination in adapting machines to replace hands and in accelerating the training of women.

"Scheduling techniques are beginning to show development, but we can do much more in making the order boards in war plants dovetail in to an overall production pattern that will mean higher output, and the least possible dislocation in shifting from one type of production to another.

"There are also improvements that must be made in our system of distributing materials and critical common components under the Controlled Materials Plan. Inventories must be further limited and periods of fabrication and processing reduced to a minimum.

"To get the most from ourselves and our machines we should constantly envisage our men fighting upon the world's battlefronts. We should not measure time in days and weeks, but in thousands of lives spent in defeating our enemies—and days mean lives."

First Nat'l Of Boston Favors Forced Savings

"With the speeding up of Federal spending in consequence of the intensification of the war effort, the steady reduction in private debts, and the dwindling supplies of goods available, we are entering the critical stages of inflation," says the First National Bank of Boston in its current "New England Letter."

Declaring that the crux of the inflation problem is the huge excess consumer income, the Bank says that this surplus money must be immobilized "to prevent a strong upward pressure on the cost of living," and that "unless this is done the battle against inflation is lost." The First National Bank contends that, in addition to the imposition of heavy taxes, including a sales tax, "it will be necessary to adopt some form of forced savings and lending." Regarding this viewpoint, the Bank's "Letter" states:

"The voluntary basis of selling bonds is the most satisfactory when it works. But so far this means has not been adequate despite the magnificent services rendered by volunteer workers. Since the defense program began in June, 1940, the amount of war savings bonds sold to individuals has aggregated only about \$16,000,000,000, or about one-fifth of the Government securities issued during the period. Consequently, more drastic measures are necessary. The most realistic and equitable method would be to require that a high percentage of the increase in personal income that has taken place since 1939 be invested in Government securities or in some form of savings.

"Such a measure would absorb a large proportion of the idle money in the hands of consumers. While there are undoubtedly administrative difficulties involved, these could be overcome. The facts are that it would be much better to put up with temporary privations in order to protect and safeguard the purchasing power of the dollar against untold depreciation in value. To prevent undue hardship, allowances could be made in this allotment for savings deposited in the course of the fiscal year as well as for net premium paid on life insurance, for institutions involved in these transactions are investing most of their surplus funds in Government bonds. Reductions in private debt could also be considered in this connection."

Guffey Coal Act Extended

President Roosevelt signed on April 24 the resolution extending the Guffey Bituminous Coal Act for 30 days, through May 24. The Act setting minimum prices and defining certain fair trade practices in the soft coal industry was due to expire at midnight April 26.

The House voted 99 to 6 on April 21 to grant a 120-day extension. Representative Doughton (Dem., N. C.), Chairman of the Ways and Means Committee, explained that the temporary extension was needed in order that his group could have additional time to consider more permanent legislation. However, the Senate on April 22 amended the extension legislation, reducing the time limit from 120 days to 30 days. The House concurred in this action on April 22, completing Congressional action and sending the measure to the White House.

Govt. "Liquid Savings" Figures As Published Have Little Meaning, Aldrich Declares

(Continued from first page)

of Government securities on the part of individuals. This, too, constituted a desirable development, although the amount must be increased if inflationary forces are to be held in check.

"Aside from a small investment in private securities, the remaining portion of the increase in so-called 'liquid savings' was made up of an item of \$11,300,000,000, the largest of all, representing individual holdings of currency and deposits. The bulk of the amount consisted of demand deposits with commercial banks, which had not resulted from voluntary thrift, but which, on the contrary, had their origin in the inflation of dollar incomes, resulting in large measure from bank credit expansion.

"When the Government finances its deficit in part through the commercial banking system, a rise in deposits results, and individuals may be expected to acquire their normal proportion. If the Government had financed itself through taxation, or through the sale of securities to individuals, commercial bank deposits would not have increased. To designate an increase in individual holdings of currency and checking accounts as 'savings' leads to the untenable conclusion that the greater the volume of bank credit expansion, the greater the volume of savings.

"Composed of many diverse elements, the totals on 'liquid savings' published by the Government have little meaning. Each of the component items has different implications for the economy. In consequence, we should not be lulled into a false sense of security when we read that 'liquid savings' have increased by some huge sum. Rather, we should be alarmed at the large amount of these 'liquid savings' which is composed of currency and commercial bank deposits. Both resulted from prior bank credit expansion and from the inability of individuals to spend their whole income. Both are highly unstable and may, if individuals become determined to spend their funds, break through rationing and price controls and foster the growth of black markets. Currency hoards and commercial bank deposits would not have increased if savings funds had absorbed the deficit of the Government."

Mr. Aldrich, who is Chairman of the Board of the Chase National Bank of New York, in his address told the officials and trustees attending the meeting that "the success that you have achieved in the sale of Government obligations has resulted from the fact that you consistently have preached the doctrine of thrift." He went on to say:

"You preached the doctrine of thrift in the decade of the 20's when all too many were being misled by the Pied Piper of speculative profits. You preached the doctrine of thrift in the decade of the 30's, when many were prone to minimize its importance, and when the return upon savings was decreased to inordinately low levels by the adoption of easy money policies. You are preaching the doctrine of thrift today, when thrift once more has come into its own, and when it is of supreme importance for the people of this nation to save an even larger part of their income to avoid the hazards of inflation.

"Thrift performs a vital function, whether a nation is at peace or at war. In time of peace, an individual placing funds with one of your institutions foregoes a certain amount of consumption that otherwise he could enjoy. This sacrifice upon his part releases men and materials for the construction of dwellings, rail-

roads, industries, and public utilities. The community is enriched, more goods are produced and brought to the markets, and the standard of living is improved. The use of savings funds in productive enterprise generates income for the 'servicing' of the debt incurred by the borrowing industry, and hence for the payment of interest to the savings depositor, whose sacrifice of present consumption made possible the increase in productive equipment."

Turning attention to the broader aspects of saving under present emergency conditions, Mr. Aldrich continued: "Although thrift, in time of war, unfortunately is not matched by an increase in the wealth of the community, it does make a significant, two-fold contribution to the war effort. In the first place—by reducing the civilian consumption of goods—it releases facilities for war production; and, in the second place, it holds inflationary developments in check. Civilian consumption must be reduced upon a huge scale; otherwise labor, goods, and productive equipment will not be released for the production of war material. The military strength of a nation in large measure is dependent upon its ability to transport, feed and provide equipment for its military forces. At the beginning of a conflict, an expansion in production usually can be brought about by a more complete utilization of available facilities, by expanding employment for those not gainfully employed, and by bolstering the efficiency of all productive facilities. The demands of modern warfare, however, are such that all productive equipment and available manpower soon are fully employed, and a further expansion in war production becomes increasingly dependent upon a reduction in civilian consumption."

Looking into the question of war financing from current income, Mr. Aldrich expressed the view that "upon the whole, the progress that has been made in his war in siphoning off the excess income of the community has been disappointing." "The Treasury," he said, "has failed to furnish Congress with well-conceived measures of taxation. The Treasury has improvised where constructive advice was needed. Congress has delayed inexcusably long in placing the nation's taxes upon a 'pay-as-we-earn' basis, which is the only method that effectively will curtail immediately available spending power, and insure the Treasury of the revenues it requires." He further commented:

"Despite commendable efforts by the United States Treasury to place its securities with individual purchasers and despite substantial progress achieved in the Second War Loan Drive, the volume of obligations purchased by individuals, either out of current income or disposable funds, has not reached satisfactory levels. The failure of individual purchases to reach such levels forced the commercial banking system—through 1942—to absorb \$23,000,000,000 of Government securities, an amount which represented about 48% of the increase in the total Federal debt. Reliance upon the commercial banking system has caused bank deposits to soar, has aggravated the problem of price control, and greatly intensified the difficulty of returning to normal economic relationships at the close of the war."

According to Mr. Aldrich "our own fiscal record suffers badly in comparison with that of the British and Canadians." As to this he stated:

"A little less than a month ago,

Sir Kingsley Wood, British Chancellor of the Exchequer, introduced a budget that aptly has been described as 'record-breaking.' In his address before the House of Commons, he declared Britain "was proud and privileged to throw in everything she can into the common effort, and that proposed expenditures would be covered to the extent of about 56% by tax revenues. In our own case, expenditures are being covered only to the extent of about 30% by tax revenues. The British are fortunate in possessing a true budget, in which the Chancellor of the Exchequer not only presents Parliament with estimates of expenditures during the forthcoming fiscal year, but also with a full and definite set of tax proposals. Our own so-called budgetary system bears only the faintest resemblance to that of the British. The adoption of a true budgetary system is one of the many reforms needed to place our financial house in order.

"In the United States we should strive to emulate the examples of England and Canada by covering a larger proportion of national expenditures by taxation and by the sale of bonds to the public. To the extent that we succeed, the Treasury will be enabled to make use of excess civilian purchasing power in the financing of its requirements, and will be forced to rely less upon commercial bank credit expansion. To the extent that we fail, the dangers of inflation will be increased."

Estimating future prospects, Mr. Aldrich said:

"If we are to avoid post-war inflation and over expansion; if we are to avoid the impoverishment of the middle classes, which have contributed the bulk of our nation's savings; if we are to avoid economic debacle, we must take appropriate measures now. We are at a crucial point in the battle against inflation. We must keep down the costs of production. We must not give way to the demands of organized minority groups for increased wages or higher commodity prices. We must make the rationing system work by practicing self-denial as individuals and by giving support to the enforcing agencies. We must siphon off an increasing proportion of popular purchasing power by taxation and by sales of war bonds. We must unceasingly preach the old-fashioned principle of 'work and save' and we must practice these doctrines in every phase of our national life. Only then will we be able to hold the line against inflation. Only then will the purchasing power of the savings of the community be protected."

From Washington

(Continued from first page)

Why, in the name of goodness, with his ambition to make over the world he didn't come down to Washington in one of the earlier migrations of the professors, I don't know. The pickings were and still are good for those boys who got in on the ground floor.

But probably the bewilderment of it all left Fowler transfixed to his teaching job. Anyway, he bided his time until McNutt became one of the czars. He had been a McNutt disciple out in Indiana. In fact, that day at Chicago in 1940, when McNutt "gracefully withdrew" in favor of Henry Wallace and unity, Fowler cried unashamedly.

Well, the story since McNutt became Manpower Administrator is one of how an ambitious young fellow moves along in Washington these days. At first Fowler would just get a day or so off from his classroom lectures and come down as a per diem consultant. He was always as busy as a pea in a pod on those consulting trips, but we could never tell just what sort of consulting he was doing. In due time he came to be known

around town as a man "close to McNutt." A large part of this town's industry is built upon "being close to somebody." Fowler was close to McNutt. The inevitable was bound to happen. He got a permanent office in McNutt's set-up, came to be known as the man really to be seen over there; then he became Deputy Administrator of Manpower.

First thing we knew, a lot of old and outmoded phrases came to issue from the McNutt melange, such, for example, as "left of center." That was an early New Deal phrase. The New Dealers are up on phrases, if nothing else, and they've dropped such things as "left of center" long ago and moved on to better ones. Regardless of the age of the phrase, however, it seemed strange that such as it should be issuing from McNutt quarters, he who is about as essentially radical as the First National Bank.

It was not long then before a lot of other uncharacteristic phrases began to flow from the Manpower headquarters, phrases about forcible transplanting of massed groups of workers, of compulsion, of freezing wages, freezing employment. McNutt, according to these representations, was developing into an unusually "strong" man, a picture which unquestionably delighted those who relish "strong" men these days. But it was an entirely different picture from that McNutt had given to the labor leaders when he sold them on letting him become Manpower Administrator. His troubles began to mount. Nothing was solved. The so-called manpower problem became more chaotic. McNutt couldn't imagine the source of the stew about him. He had little or no idea of Fowler's ambitious activities, little or no idea that Fowler was responsible for the tumult. He would be amazed to read in the papers that he was going to do this and that, things that were utterly foreign to his nature. It wasn't that Fowler was disloyal to him. Fowler thought he was making his chief a great man and also he had a lot of ideas about how the world should be run, and he was in a place to enunciate them.

The funny thing about it is that the unnamed "friends" of Fowler who were quoted in the papers represented him as taking the side of labor "against business" in McNutt's councils. The fact is that Fowler almost scared the AFL leaders to death every time he talked with them.

The new Washington journalism by which most any subordinate can get the ear of a Washington columnist or a young, inexperienced reporter and feed him "authoritative" stuff in return for the subordinate's being built up as a big man, is responsible in no small degree for the confusion. Prentiss Brown can't accomplish anything in his OPA because some of the young left-wingers, left-overs from Leon Henderson, rush to the newspaper boys and anonymously tell them that Prentiss is embarked upon a disastrous policy. Apparently no longer is it a case of the head of an agency being permitted to run it. There are commissars scattered all around him with the knack of catching the ear of the newspaper boys and not having to take responsibility for what they spread.

New Members Of N. Y. Chamber Of Commerce

At the monthly meeting of the Chamber of Commerce of the State of New York on May 6 four new members were elected. They are:

R. E. Gilmor, President of the Sperry Gyroscope Co., Inc.

Walter P. Hedden Director of Port Development of The Port of New York Authority.

Douglas W. Morgan, President

Bassett Heads Ass'n Of Mutual Savs. Banks

George J. Bassett, President of the Connecticut Savings Bank, New Haven, was elected President of the National Association of Mutual Savings Banks at the business meeting in New York City on May 7. Mr. Bassett brings to his new post a varied experience in business and public affairs, having formerly been head of the Savings Banks Association of Connecticut and Bank Commissioner of the State.

After graduation from school he entered the hardware business, with which he has been continuously identified from that time. Mr. Bassett became Vice-President of the New Haven Bank, N. B. A., in 1923, and served in that capacity until he was appointed Bank Commissioner of the State in 1931. Two years later trustees of the Connecticut Savings Bank invited him to the Presidency of that institution, and under his direction the bank has developed its service to the community along broad lines.

Other officers of the Association elected for the coming year are: Vice-President, Isaac W. Roberts, President of the Philadelphia Saving Fund Society, Philadelphia; Treasurer, Edmund P. Livingston, Vice-President, Union Dime Savings Bank, New York City, and Executive Secretary, John W. Sandstedt.

Accepting the presidency of the National Association of Mutual Savings Banks, Mr. Bassett had the following to say:

"It is the 'small savers' of the nation who are doing most to support the Government under war conditions. We never saw a better example of what the 'little man' can do than his contribution to the financing of this greatest of wars. Today almost 25,000,000 workers are fulfilling their payroll pledges every pay day to purchase War Savings Bonds.

"Likewise we have just witnessed consummation of the second Victory Bond drive, contributing added billions of dollars to the Treasury, financial operations surpassing any previous Governmental undertaking. A large share of this imposing sum was drawn from savings agencies which are custodians of the average man's reserve dollars. In this group of institutions, mutual savings banks take a leading part. With deposits of \$10,500,000,000 belonging to 15,500,000 depositors, our institutions stand at their peak positions and are rendering to the Government maximum service in the distribution of War Savings Bonds and Stamps. Our first billion of bond sales is well within sight and we expect to achieve still greater results in the year ahead."

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 March 31, 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 \$16,249,773,305 as against \$16,087,533,935 on Feb. 28, 1943, and \$11,565,766,034 on March 31, 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 \$3,459,424,174.

of the Palisades Trust Co., Englewood, N. J.

Dr. Theodore M. Switz, Director of Export Department of the Hercules Powder Co., Wilmington, Del.

Canada To Meet Third Quarter Newsprint Quota; Shipments After October 1 Uncertain

Assurance has been received from Canada that it will supply its quota of newsprint for United States use during the third quarter of 1943, WPB Chairman Donald Nelson announced on April 17. Canada is pledged to supply 90% of the newsprint shipped here in 1941, under an agreement which requires United States publishers to reduce their consumption by 10% of the amount used on Jan. 1, 1943. The delivery quotas are based on reduction of newsprint consumption to 100% of the tonnage each newspaper used to produce its net paid circulation in 1941, plus 3% for spoilage.

It was stated in Washington advices April 17 to the New York "Times" that American publishers had received a warning that day from Donald Gordon, Chairman of the Canadian Wartime Prices and Trade Board, that they must further reduce their consumption of newsprint if Canadian exports plus domestic American production are to be expected to cover their needs.

From the "Times" advices we also quote:

"In the first quarter of this year American newspapers, Mr. Gordon noted, reduced consumption by only 5% as compared with the first quarter of 1941. In March the reduction was still only 8.3% compared with March, 1941. Thus consumption is not being cut by the 10% which is necessary.

"The WPB announced today that at a meeting in New York this week the entire pulp and paper situation was reviewed. The Canadian representatives, he added, reaffirmed existing agreements to deliver to the United States 1,550,000 rough cords of pulpwood during 1943, plus 1,278,000 tons of woodpulp, in addition to the newsprint quota. It was agreed to hold further meetings whenever the pulp and paper situation called for it.

"The following representatives of WPB attended the New York meeting:

"Donald J. Sterling, consultant to the Chairman; W. G. Chandler, Director, and H. M. Bitner, Deputy Director of the Printing and Publishing Division, and A. G. Wakeman, Director, and David Graham, consultant of the Pulp and Paper Division.

"Representatives of the Canadian Wartime Prices and Trade Board at the meeting were R. M. Fowler, Secretary; R. L. Weldon, Newsprint Administrator; F. L. Mitchell, Technical Adviser for the Pulp and Paper Administration, and Monteath Douglas, Assistant Washington Representative of the Board."

On April 20, W. G. Chandler, Chief of the Printing and Publishing Division of the War Production Board, told the American Newspaper Publishers Association that further economy in the use of newsprint is necessary as wartime conditions make it impossible for Canada to predict shipments beyond October 1.

He pointed out that even a 10% cut would bring the calculations down to an estimated use of 3,536,000 tons in 1943, which is still 66,000 tons more than the yearly production of 3,470,000 estimated by Canada, Newfoundland and the United States.

May Quota Of New Tires For Rationing

The quota of new passenger-car tires for rationing in May is 1,006,882, compared with 1,058,000 for April, the Office of Price Administration announced on April 28. Certificates for purchase of these tires go to drivers whose mileage rations exceed 240 miles monthly and who do not have recappable casings. [The April new-tire quota was made up of 506,000 Grade I tires and 552,000 Grade II's, but these grade distinctions were dropped May 1 and all tires in both grades are being designated Grade I.]

Quota of used and recapped casings—Grade III's—for needed

replacements on cars with monthly mileage of 240 or less, is 600,799 for May, against 598,000 for April.

Truck-tire quota for May, a month when commercial vehicle use of tires ordinarily increases, is 414,108 against 363,000 in April. No quota for truck-tire recapping has been assigned, since restrictions on the number of recapping certificates that may be issued were removed May 1.

Innertube quotas for passenger cars amounted to 735,781 for May against 736,000 for April, and for trucks amount to 434,355 for May against 338,100 for April.

Cartels Opposed For Post-War Business

Cartels will not be permitted to throttle small business after the war, Assistant Attorney Tom C. Clark declared at a special meeting of the American Business Congress at the Hotel Pennsylvania in New York on April 22. Mr. Clark told the group, which was formed to protect small business, that the Anti-Trust Division of the Department of Justice aims for the preservation of free enterprise, and he said:

"I can assure you there will be no witch-hunting, no uprooting of American customs or traditions; but there will be a practical, swift, hard-hitting law enforcement."

From the New York "Sun" of April 23 we quote:

"The danger facing America," asserted Mr. Clark, "is that the enormous industrial plants created for war purposes must be converted to peacetime production. The danger is that these plants will not be in competition and that general access to raw materials and markets upon which depends the peace and prosperity of the peoples of the world will be controlled by a small group which will set up its own trade barriers by private agreement—commonly known as cartels. We must not permit the re-establishment of the cartel system. It is the purpose of the Anti-Trust Division to prevent such a move and to do it now."

Mr. Clark declared that the war has created a monopoly in industry—that at the start of the war program in this country 175,000 companies provided 70% of the nation's manufacturing output, while today 100 corporations hold 70% of the war and essential civilian contracts. He said that this group has obtained the bulk of the \$14,000,000,000 worth of new plants built at Government expense.

Inter-American Coffee Agreement To Be Extended

The Inter-American Coffee Board in Washington announced on April 26 that the Inter-American agreement, a commercial treaty signed by 15 American republics, has worked so successfully that it has been unanimously decided by the participating countries to extend the life of the agreement until October, 1944. Final formalities connected with the authorization for this step are now under way, it was stated in Washington advices April 26 to the New York "Herald-Tribune" which added:

"This announcement coincides with publication of the first official report of the Inter-American Coffee Board, the official body charged with administration of the agreement. In some respects this agreement is a unique docu-

ment in diplomatic annals and it has frequently been cited as furnishing a possible guide for post-war international agreements in other fields.

"The agreement signed in Washington on Nov. 23, 1940, went into effect April 15, 1941. It was ratified by the United States Senate and the governments of the 14 Latin-American coffee-producing countries. They are Brazil, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Peru and Venezuela.

Business Executives Hope To Avoid Disastrous Post-War Inventory Deflation

Although many painful adjustments are considered inevitable, most executives consulted by the Division of Industrial Economics of The National Industrial Conference Board in a survey just completed are hopeful that a general, disastrous post-war inventory deflation will be avoided. Two-thirds of the companies reporting to the Board experienced serious inventory losses following World War I. The Conference Board's announcement explained:

"Most executives consider the pattern of events following the last war as no criterion for the future. Outstanding in this war has been the avoidance so far of a general price rise as steep as occurred in the last war. Conservative pricing, wide use of 'Lifo' and protection clauses in many war contracts are also believed by reporting cooperators to be factors militating against severe inventory difficulties at the end of hostilities.

"About half of the companies anticipate a decline in their inventories during the next six months. Government allocation of numerous materials through the Controlled Materials Plan is an important reason why some executives look for a decline in inventories in various lines. Voluntary and involuntary production and sales curtailment of non-essential goods also tend to reduce stocks, as do the increasing difficulty or impossibility of obtaining adequate supplies and the inability of replenishing stocks as fast as sales deplete them.

"To protect against possible devaluation of supplies resulting from the termination of war and

"A unique feature of the agreement, is that it marks the co-operation of a consuming country having no producers of its own with the producing countries supplying its market. The agreement sets up quotas for each of the Latin-American producing countries, establishing the amount of coffee which each may deliver to the United States market during the year. Provision also is made for emergency increases in the quotas to prevent any shortage of coffee in the United States market."

cancellation of war contracts, about four-fifths of the reporting business executives have set up reserves, or expect to do so this year.

"Three-fifths report that inventories have grown with sales, although sales have in many instances outdistanced inventories. This condition is particularly apparent in the heavy machinery and other durable goods industries engaged in war production. Nearly 30% state that their sales have increased while stocks declined or were unchanged. A negligible percentage indicate a decline in sales and an increase in inventories, a condition reflecting Government restrictions.

"The rapid and extensive expansion of production facilities and increased sales because of the war have contributed to the general rise in inventories during the past year. Other factors include rising costs; Government freezing of supplies for war use; protection against higher prices; shortages of labor, materials and transportation; inability of customer to accept material as scheduled and the need to build up and hold larger supplies of maintenance materials."

Farm Machinery Is Sufficient For Normal 1943 Food Production, Says Dr. McKibben

American farmers are equipped for a nearly normal food production in 1943 provided a reasonable farm labor supply is made available, but they are not equipped for maximum production with minimum labor, Dr. E. G. McKibben, Consultant for the Farm Machinery Division of the Equipment Bureau of the War Production Board declared on April 21. Mr. McKibben spoke before the two-day food conference at the Hotel Commodore, New York City, sponsored by the Commonwealth & Southern Corp.

Other speakers on the program were: G. A. Rietz, in charge of the Farm Electrification Section, General Electric Co.; L. F. Livingston, Manager of the Agricultural Division, E. I. du Pont de Nemours & Co., and A. P. Yerkes, Director of Farm Practice Research, International Harvester Co.

The conference was attended by about 200 farm specialists whose employers, ten operating utility companies, were pioneers in farm electrification in the United States. Justin R. Whiting, President of the Commonwealth & Southern Corp., presided.

Commenting on the rapid development of the public utility industry, Mr. Whiting in his speech opening the conference said that the gross revenue of the entire industry in 1906 was \$145,000,000. "Last year the revenue of Commonwealth & Southern alone exceeded \$189,000,000," Mr. Whiting said. "That shows you what a virile, young industry we are and the job that has been done, in large part as a result of the development of the holding company since the last world war."

Dr. McKibben's subject was,

that food supply the outcome of the war may depend.

Speaking on "Research on the Farmers' Problem," Mr. Livingston told the conference that numerous new products and new processes, most of which work is unheralded and unseen by the general public, are today contributing importantly to the unprecedented war effort on all Allied fronts.

Treasury To Borrow \$70 Billion This Year

As the \$13,000,000,000 Second War Loan drive was launched on April 12, Secretary of the Treasury Morgenthau disclosed that this campaign is only the starting gun of a \$70,000,000,000 borrowing program to finance the war this year.

Of the \$70,000,000,000 total, the Government expects to borrow \$25,000,000,000 from the people.

The banks are expected to contribute a third of the grand total, with the remainder coming from corporations, insurance companies, savings institutions, State and local governments and from the Federal Government's own investment funds.

The Treasury estimates that expenditures for all purposes this year will be about \$100,000,000,000 and will be financed by some \$30,000,000,000 of tax receipts and \$70,000,000,000 of borrowings.

The financing plans call for the borrowing of \$20,000,000,000 in the first four months of 1943, \$25,000,000,000 in the second four months and \$25,000,000,000 in the final period.

The Treasury's official estimate of where the \$70,000,000,000 is coming from follows:

Individuals, \$25,300,000,000; other non-banking sources such as corporations, \$13,100,000,000; insurance companies, \$3,300,000,000; savings institutions, \$1,800,000,000; Federal, State and local government trust funds, \$500,000,000.

The total from non-banking sources is \$47,900,000,000 and from commercial banks \$22,800,000,000.

The Treasury said the \$25,000,000,000 from the people is a minimum goal and that it expects much more from them.

The Treasury estimated that total payments (wages, salaries, interest and dividends and other earnings) this year for the Nation's 63,000,000 income earners would be \$132,000,000,000 and that personal taxes would absorb \$13,000,000,000 and consumer spending will use up little more than \$74,000,000,000, leaving \$45,000,000,000 for personal savings. It is from this that it hopes the people will lend at least \$25,000,000,000.

Lend-Lease & WSA To Guarantee War Loans

President Roosevelt authorized the Lend-Lease and War Shipping Administrations on April 26 to guarantee and provide funds for loans which the War and Navy Departments and the Maritime Commission have made to small business for the benefit of the two agencies. Associated Press Washington advices likewise reported the following:

"The authorization followed up an executive order of March 26, 1942, permitting the War and Navy Departments and the Maritime Commission to guarantee or make loans necessary for war production to increase participation by small business concerns.

"The Lend-Lease and War Shipping Administrations, under provisions of the new order, may enter into guaranties, agreements of indemnifications, agreements to provide funds and other financing arrangements with the War and Navy Departments and the Commission and 'to pay out funds' in conformance with the agreements."

Agricultural Department General Crop Report As Of May 1, 1943

Crop prospects declined in most parts of the United States during April and were much less promising than at that time last year. In portions of several southwestern and west central States drought conditions developed to a point where crop losses had begun, but growing conditions were quite favorable in the Pacific Northwest, good in the main Corn Belt and fair to good in other areas east of the Mississippi River. Since May 1 rains have relieved the situation in part of the Southwest.

During April the rainfall in the area between the Mississippi River and the Rocky Mountains averaged about 30% below normal for the month. In South Dakota, New Mexico, western and southwestern Texas and western Oklahoma crops and ranges were suffering for lack of rain. Larger areas, including southeastern Montana, eastern Wyoming, part of eastern Colorado, southern Minnesota, Nebraska, western Kansas, eastern Oklahoma and much of Texas were dry and needed rain soon to prevent crop deterioration; but in most of these areas the subsoil still held considerable moisture and conditions were far better than at this season in the severe drought years. Most portions of North Dakota, Montana and parts of Colorado have had fair rains late in April. In Iowa the moderately dry weather, while not favorable for oats or hay, may help farmers to plant their full acreage of corn in good season. In this whole group of States between the Mississippi and the Rockies good growing weather during the rest of May could more than offset the unfavorable start.

East of the Mississippi River late frosts, severe freezes or alternate freezing and thawing have caused extensive damage to fruit crops, to early Southern vegetables and to some corn and cotton in the South. These conditions also caused somewhat more than the usual damage to winter wheat, winter barley, clover and alfalfa, delayed the opening of the new pasture season and retarded the progress of farm work, but may not materially reduce total agricultural production. In this area moisture conditions were quite generally favorable in early May and farm work was going ahead rapidly. In the Northeast the very late start of the planting season may prevent some farmers from carrying out their plans, but on the whole the delay does not seem likely to be important unless complicated by additional unfavorable weather.

West of the Rockies there has been a lack of rain the South but ample rain in the North. Western Colorado, western New Mexico, Utah, Nevada and Arizona need rain for ranges, for such dry-land crops as are grown and for some of the irrigation systems which depend on current rainfall. In Idaho, Washington and Oregon the severe winter damaged some wheat and there has been some frost damage to early blooming fruits, but in these States and California there have been good winter rains and there is an abundance of snow in the mountains and of water in storage for irrigation. In the Pacific Coast States, more than in most other parts of the country, industrial developments have absorbed many agricultural workers and small farm operators, but the strong demand for farm products of the area assures full utilization of most of the available crop land.

The hay crop appears to have had about an average start, but loss of alfalfa during the winter evidently was rather heavy. Growing conditions were still favorable in Wisconsin and Minnesota on May 1, but much more rain will be needed soon. Further east, grass is late but prospects seem not far from average. Unless there are good rains in May and the wild hay crop of Nebraska and South Dakota will be short. Allowing for about average pro-

duction of kinds of hay not yet planted, present prospects are for a hay crop about equal to the average production during the last five years but 10 or 11% smaller than the record crop cut last year. Allowing for the large carryover from last year's hay crop and for the expected further increases in livestock, the supply of hay per unit of livestock next winter seems likely to be little more than the average during the pre-drought period, but substantially less than during the last five years. The quantity utilized last winter was the largest in many years owing to the very large number of consuming livestock and to exceptionally heavy feeding per head.

Prospects for winter wheat have declined quite generally and conditions on May 1 indicated prospects for a below-average crop of 515,000,000 bushels. This would be 43,000,000 bushels below prospects on April 1 and more than 100,000,000 below the very favorable prospects reported last fall. Rye production is estimated at less than 37,000,000 bushels, which would be about an average crop.

Rough approximations of the expected total production of commercial truck crops for the fresh market in 1943 indicate a reduction of 14% from the production in 1942. Plantings of cucumbers, cantaloups and watermelons have been reduced sharply and, excluding these crops, expected production in 1943 may be only about 10% below last year. Carrots and snap beans are about the only market vegetables now expected to show increases in production over last year. The decrease in commercial truck crops will, however, be offset to an unknown extent by the widespread increase in home gardens. Acreages of vegetables for canning and processing reported to date show an increase of about 3%. Excluding cucumbers for pickles, which show a material reduction in acreage, the increase is 4%. As yields of a number of these crops were unusually high last year, production in 1943 does not seem likely to equal last year's unprecedented total.

Production of peaches in 1943 will be light, particularly the early crop in the Southern States, where winter and spring freezes caused serious damage to fruit buds. Other deciduous fruits escaped freeze injury except locally in some States.

Wheat

The indicated 1943 winter wheat production is 515,159,000 bushels, the smallest since 1935, 27% less than the 1942 crop and 6% below the 10-year (1932-41) average. This production allows for wheat which is expected to be harvested from a relatively large acreage of "volunteer" wheat in western Kansas, parts of adjacent States and Texas. The acreage remaining for harvest—33,310,000—is 7% less than last year. Prospective abandonment from winter kill, insects, soil drifting and other causes, including diversion to purposes other than for grain, is estimated at 11.1%. This figure is compared with 10.4% indicated on April 1, 7% for 1942 and 20.6% for the 10-year (1932-41) average. Abandonment due to winter killing is heavy in Ohio, Indiana, Illinois and other important soft wheat producing States. Abandonment also has been very heavy in the Pacific-Northwest, Montana and South Dakota because of poor plant development last fall and severe damage from low winter

temperatures. Heavy loss of acreage in New Mexico can be attributed largely to dry soil conditions. In the southern great plains timely rains early in April relieved the acute shortage of surface moisture but top soil was beginning to be quite dry by May 1. Subsoil moisture supplies are below last year in the western great plains, but with moderate replenishment should carry the wheat crop to harvest. Cold dry weather prevailing during much of April retarded wheat growth and reduced moisture requirements. Green bugs have caused some loss in Oklahoma and parts of Texas. The indicated yield on May 1 is 15.5 bushels per harvested acre, compared with 19.7 bushels last year and an average of 14.3 bushels.

Early Potatoes

Condition of the 1943 early Irish potato crop in the 10 Southern States and California was 78% on May 1, the same as on May 1 last year but 2 points above the 10-year (1932-1941) average condition of 76% on May 1. April growing conditions were quite favorable in Alabama, Mississippi and Louisiana, but frost damage and continued cold weather held back the potato crop in the Carolinas and Georgia. The combined condition for the 11 States was unchanged from April 1.

Harvest of the North Florida potato crop began about the first of May after being delayed about three weeks by freezes. With recent excellent growing weather the condition has improved remarkably and indications point to a fair yield. In Alabama digging of commercial early potatoes began about May 1 with the crop generally in excellent shape. The Louisiana crop was retarded early in the season by freezes and cold, wet weather. April weather, however, was quite favorable and potatoes made good progress. Carrot movement began April 30.

In California harvest is in full progress and crop prospects continue to be very favorable. Quality of the early harvest has been exceptionally good.

Lawson Heads ABA Ration Coupon Banking

Appointment of Wilbur F. Lawson, Vice-President of the First National Bank of Boston, as Chairman of the Ration Coupon Banking Committee of the American Bankers Association, is announced by W. L. Hemingway, President of the Association, effective May 1. Mr. Lawson succeeds Rowland R. Hughes, Comptroller of the National City Bank of New York, who asked to be relieved of his responsibility because of the pressure of other duties. Mr. Hughes has been Chairman of the Committee since the inception of the ration banking project. Mr. Lawson has been an active member of the Committee from the start of the ration coupon banking program and has served with the Sub-committee which has been working out the problems and details of the program with the OPA.

SEC Repeals Rule

The Securities and Exchange Commission on May 1 announced the repeal of Rule X-3 A 12-1 of the General Rules and Regulations under the Securities Exchange Act of 1934. This was a rule which granted temporary exemption of certain passbooks and assignments of claims traded on the Cleveland Stock Exchange from Sections 7, 8, 12 and 13 of the Securities Exchange Act of 1934.

This action, the SEC explained, is taken as a result of information received from the Cleveland Stock Exchange that it has discontinued trading in passbooks of building and loan companies and savings and loan companies, as well as in

U. S. Has Economic, Political Responsibility To World In Post-War Period, Says Dr. Coombs

Dr. H. C. Coombs, Director General of Post-War Reconstruction in Australia, speaking at the 175th annual meeting of the Chamber of Commerce of the State of New York on May 6, declared that it was important that the men in the United States who make decisions in the field of economic activity—business men, bankers, public servants and politicians—should be aware that our economic policy is no longer "merely a matter of domestic concern."

He said that more than any other country the United States in the post-war period will determine the character of the economic background against which other countries will be obliged to solve their problems. "Upon what you do depends whether we (Australia) will be able to do the things we want," he added.

"The United States has a responsibility not merely to its own population, but to the world as a whole," Dr. Coombs, who is a delegate to the United Nations food conference at Hot Springs, Va., said. "There is evidence in this country of an increasing awareness of that responsibility which shows itself in an increasing willingness to participate in international collaboration, both economic and political." He went on to say:

"This tendency is, to us at least, welcome, but I should like to emphasize a feature of United States responsibility which in the first enthusiasm for these new-found international responsibilities may tend to be forgotten. That is, that the most important thing which the United States can do for the rest of the world is not in the international field, but in its own domestic field. If the United States as a matter of domestic policy ensures a high level of production and employment, rising incomes and standards of living for the mass of its people, then it will by that very action be creating an economic situation in the world as a whole in which all countries will be better able to solve their own problems."

Dr. Coombs warned that the chance of securing "tolerant, objective and intelligent action" in the field of international collaboration in the reduction of trade barriers depended upon prosperous conditions in the individual countries. He said:

"Once security of income and employment, however, is threatened all hope of liberalization and increasing sanity in international policy goes by the board. To a people threatened with unemployment and idle resources, no restrictions on the freedom of trade, however selfish, are too severe and no relaxation of trade barriers, however justifiable, is within the field of practical politics."

Dr. Coombs said that the success in solving the specific problems of demobilization from war to peace, in the case of Australia at least, would depend upon how well the major task of building an expanding economy, in which resources were fully employed, was carried out. He stated:

"This is a problem which should be solved in different ways in different countries in accordance with their traditions. In Australia we have long accepted public investment as one of the mainsprings of economic activity. We expect that in the post-war period the part played by governments, and other authorities will increase rather than decrease. Public opinion looks in the post-war period for planned housing, for the provision of community facilities, schools, libraries, hospitals, health centers, playing fields, and the like, for the modernization and extension of our transport system, for large scale regional development projects that will decentralize industry and bring the amenities of the city to country dwellers. These are things

assignments of claims of banks in liquidation.

which, in Australia at least, can be done effectively only by public authorities."

President Suspends Wheat Import Quotas

President Roosevelt on April 30 suspended limitations on wheat and flour imports, acting on recommendation of the Tariff Commission. The action, designed to permit the importation of surplus wheat from Canada and Australia for feed purposes, applies to wheat and wheat flour purchased by the War Food Administration or any agency designated by the Administrator.

In Washington advices to the "Wall Street Journal" of May 1 the following was reported:

WFA already has purchased about 7,000,000 bushels of Canadian wheat for shipment to this country as soon as Great Lakes facilities become available. This grain and other quantities expected to be brought from Canada in the near future will be sold to livestock feeders at prices in line with corn and other feed grains.

Chester C. Davis, War Food Administrator, has not indicated how much wheat the Government plans to buy from Canada and Australia, but there have been reports purchases may exceed 100,000,000 bushels this year. Grain secured from Australia would be brought back as ballast in ships used to send military supplies to the Southwest Pacific.

Millions For Land Army

President Roosevelt signed on April 29 the legislation appropriating \$26,100,000 to assist in providing an adequate supply of workers for the production and harvesting of agricultural commodities essential to the prosecution of the war.

The amount would be apportioned not less than \$9,000,000 or more than \$13,050,000 to the Agricultural Extension Service for intrastate movement of workers. The other \$13,050,000 would be available to the Administrator of Food Production and Distribution for interstate movement of farm labor.

The \$26,100,000 appropriation was the original amount approved by the House on March 17 by a vote of 195 to 81. The Senate voted on April 8 to appropriate \$40,000,000, but the Senate-House Conference Committee agreed on the House figure. The House approved the conference report on April 15 and the Senate on April 16.

The Department of Agriculture had asked for \$65,075,000 to run the land army program and favored the plan handled by the Farm Security Administration. Congress, however, placed the funds under the direction of the Agricultural Extension Service of the Federal Government, in cooperation with State extension services.

Anglo-U. S. Parley On Refugee Problems Ends; Recommendations To U. S. & British Govts.

The Anglo-American conference on refugee problems at Hamilton, Bermuda, was concluded on April 29 after an 11-day meeting with the delegates agreeing on "a number of concrete recommendations," which they feel "will lead to the relief of a substantial number of refugees of all races and nationalities."

At the closing session, which was open to the press, members of the two delegations signed a joint report for submission to their respective Governments and issued a statement outlining in general terms the scope of their discussions.

The statement emphasized that the refugee problem "was broken down into its main elements" with the questions of food, shipping and supply fully investigated. However, it was pointed out, the delegates were limited in their recommendations in that no measures could be effected which might interfere with or delay prosecution of the war effort of the United Nations and by the fact that the proposals had to be capable of accomplishment under war conditions.

The statement, as contained in press advices from Hamilton April 29, follows:

"The United States and United Kingdom delegations examined the refugee problem in all its aspects, including the position of those potential refugees who are still in the grip of the Axis powers without any immediate prospect of escape.

"Nothing was excluded from their analysis and everything that held out any possibility, however remote, of solution of the problem was carefully investigated and thoroughly discussed.

"From the outset it was realized that any recommendations that the delegates could make to their governments must pass two tests; would any recommendation submitted interfere with or delay the war effort of the United Nations, and was the recommendation capable of accomplishment under war conditions?

"The delegates at Bermuda felt bound to reject certain proposals which were not capable of meeting these tests.

"The delegates were able to agree on a number of concrete recommendations which they are jointly submitting to their governments and which it is felt will pass the tests set forth above, and will lead to the relief of a substantial number of refugees of all races and nationalities.

"Since the recommendations necessarily concern governments other than those represented at the Bermuda conference, and involve military considerations, they must remain confidential.

"It may be said, however, that in the course of the discussion the refugee problem was broken down into its main elements. The questions of food, shipping and supply were fully investigated.

"The delegates also agreed on recommendations regarding the form of inter-governmental organization which was best fitted in their opinion to handle the problem in the future. This organization would have to be flexible enough to permit it to consider without prejudice any new factors that might come to its attention.

"In each of these fields the delegates were able to submit and agreed upon proposals for consideration by their respective governments."

It was stated in United Press accounts that while the report on the conference of the American and British representatives is expected to remain confidential until both governments concerned decide its contents can safely be revealed, it is believed to be along the following lines:

1. A declaration of Anglo-American determination to aid war refugees wherever such measures do not interfere with military operations, and a statement that the refugee problem is not con-

finned to any particular race or creed;

2. An analysis of shipping difficulties, with recommendations for utilization of whatever facilities are available;

3. Recommendations for broadening the activities of the Inter-Governmental Refugee Committee beyond its present limitations;

4. A detailed recounting of possible havens both in neutral States and among the United Nations;

5. A recommended procedure for financial guaranties to any country caring for refugees, such procedure to be sponsored by the various governments involved;

6. Agreement that Palestine and American immigration quotas are outside the scope of the conference;

7. Rejection of all proposals of bargaining with Fuehrer Adolf Hitler for release of refugees, without barring completely all avenues of escape for such persons in occupied territories.

The same advices said:

The American delegation was headed by Dr. Harold Willis Dodds, President of Princeton University, and the British delegation by Richard K. Law, Parliamentary Under-Secretary of the Foreign Office. Law is expected to leave here for the United States to head Great Britain's delegation at the impending United Nations food conference at Hot Springs, Va.

Post-War Committee Of Republican House Members Appointed

Announcement of the appointment of a Republican Committee of 33 House members to study post-war domestic problems was made on April 25 by Representative Joseph W. Martin, the minority leader. Representative Charles A. Wolverton of New Jersey heads the Committee; among those named by Mr. Martin to serve with Representative Wolverton was Representative Dirksen of Illinois, one of the original proponents of post-war planning, says the Associated Press, which added:

"A leader in the recent move that resulted in House refusal to appropriate funds for the National Resources Planning Board, Dirksen said he believed the responsibility for solving post-war problems rested primarily on Congress.

"Congress has a duty and a responsibility to face this thing squarely," Representative Dirksen said. "The problems that will arise in the post-war period will be big ones, and upon their solution may depend whether we shall enjoy an enduring peace or must go through another war. It is up to Congress to do its own planning for the future and not to depend on the bureaucrats, and we must tackle the job now."

Representative Martin was quoted in the New York "Times" Washington advices as saying:

"The aftermath of the war will find the country confronted with grave domestic problems. Industry, mining, agriculture and every other phase of American economic life will face serious dislocations. We must be prepared for these problems so that we can avoid disaster, keep the nation solvent and provide steady employment for our people. We must begin our preparations now.

"Cancellation of war contracts, the reconversion of industry from a war to a peacetime basis, the

adjustment of the Government financial interests and control of industry—all present problems which challenge the best statesmanship of the nation. The adjustment of those problems will determine what kind of life and government we will have in America.

"The Committee will study these problems and be prepared to advocate or oppose measures as will best promote a better life for the people of America.

"The large Committee will divide itself into many subcommittees so as to study minutely the many phases of the different problems."

Besides Representatives Wolverton and Dirksen the members of the Committee are: Representatives Rogers (Mass.), Holmes (Mass.), McWilliams (Conn.), Wadsworth (N. Y.), Kilburn (N. Y.), Taylor (N. Y.), Powers (N. J.), Rodgers (Pa.), Miller (Pa.), Ditter (Pa.), Griffiths (Ohio), Bolton (Ohio), McGregor (Ohio), Schiffler (W. Va.), Halleck (Ind.), Harness (Ind.), Calvin D. Johnson (Ill.), Arends (Ill.), Bradley (Mich.), Keefe (Wis.), Judd (Minn.), Dondero (Mich.), Leconte (Iowa), Hoeven (Iowa), Curtis (Neb.), Ploeser (Mo.), Arnold (Mo.), Dworshak (Idaho), Mott (Ore.), Eglebright (Calif.), Hinshaw (Calif.).

President Urges DAR To Increase War Aid

American women must take an ever-increasing part in production of arms to smash the Axis because "in a profound sense, it is a women's war," President Roosevelt said in a message on April 17 to the congress of the Daughters of the American Revolution at Cincinnati.

In reporting this, United Press advices from Cincinnati quoted the President as saying:

"It is a women's war, first, because we have never before faced an enemy whose pronounced policy has been the degradation of womanhood, whose ultimate design is to build a world where women everywhere will be slaves.

"In shops and in offices, in factories and on farms, women are doing men's jobs, that men may be free to do the supreme job of beating the Axis.

"Women have played heroic roles in every crisis of our history, but no other crisis has so deeply threatened their freedom, or so urgently demanded their strength."

Calif. Business Declines

California business activity declined during March for the first time since 1942, according to the Wells Fargo Bank & Union Trust Co. of San Francisco. The bank reports that the March index stood at a preliminary level of 246% of the 1935-39 average, as compared with a revised level of 250.6 in February and 195.8 in March, 1942. Of the four factors on the index, department store sales and car-loadings were down from the previous month, while bank debits and industrial production registered gains. It is further stated:

"Sales volume of certain lines made outstanding gains in February over the February, 1942 volume. Women's ready to wear store sales increased 141%; shoe, dry goods and general merchandise stores, 79%; men's clothing and furnishings stores, 67%; family clothing stores, 61%; liquor stores, 59%; eating places, 54%; jewelry stores, 39%; and food and drug stores, 36%. Losses in sales volume in the automotive group were 21%; in the furniture-household-radio group were 4%, and in the lumber-hardware-building group, 6%."

Industry Must Assume Initiative In Creating Jobs After The War To Preserve Free Enterprise

American Business Congress Declares Key Problem Of Post-War Era Is Employment

Only by assuming, among other responsibilities, the initiative in creating jobs immediately after the war's end for the millions of returning soldiers and displaced munitions workers can industry hope to insure the preservation of the free enterprise system, it is asserted by the Post-War Economic Planning Committee of the American Business Congress in its initial report of its deliberations, made public May 2.

Entitled "Concepts on Post-War Planning," the report stresses employment as the key problem of the post-bellum period. In it are summarized the views of more than 100 committee members from virtually every State, representing, it is said, under the Chairmanship of Benjamin A. Javits, lawyer, author and economist, such diverse groups within the nation as industry, banking, labor, agriculture, education, journalism and the legal profession. It is stated that the Committee fears that unless this problem is solved by industry, with the cooperation and coordinated help of the Federal, State and municipal governments, the free enterprise system will give way to a form of State socialism. Labor, it is felt, should be guaranteed freedom from want and freedom from fear by industry as well as the Government, with the latter providing, through the RFC, loans to corporations as a means of maintaining employment.

The report points out:

"Profit sharing meets with wide acceptance by Committee members. If generally practiced, such a program is foreseen as eliminating labor strife, increasing production, reducing costs and, if lower costs are passed on to the consumer, enlarging markets, thereby insuring continuity of employment. Labor's productivity, however, should be the criterion upon which plans for the sharing of profits should be based."

Among requisites for the survival of competitive capitalism, the report insists, is the organization of the industrial forces—labor, capital, technicians and management—upon a common basis to accept the responsibility of full employment and profitable production. Coincidentally, it is felt that industry should map its obligations to serve the public "if it is to be granted its full rights to rule over its own dominions."

The report voices the Committee's conviction that agriculture be organized as a part of business and industry. Representatives of both groups, it is recommended, should strive for equilibrium in their respective price structures. Moreover, the report suggests, they should work together in developing new industrial uses and processes for agricultural products to the end that farming, with industry's help, may become profitable. In further indicating its views the Committee says:

"More coordination along economic lines, is a pressing need. Every business, small or large, should become a member of its respective trade association to be best organized for war and peace. Organization of stockholders' unions is recommended to provide a constituency for management and to give the investor a voice in management. The Committee also favors the formation of a National Economic Council representing all industrial components."

In the Committee's opinion, intelligent and constructive expansion of credit is deemed essential to winning the peace. With reservations, it favors the creation of a fund to facilitate the conversion of industry to peacetime operations. Also, but with definite limitations, it recommends the extension of credits for the re-

habilitation of the nations of the world and for their industrial development. The size of the national debt, it holds, need not arouse concern "if the economic system produces fully." The report likewise says:

"That a reasonable profit for labor, capital and management is essential is the Committee's unanimous conviction. In actuality, profit is a social necessity. As a good citizen, the business man must provide in his prices enough to cover the cost of labor, materials, contribution toward the cost of Government, reserves for depreciation and for general unemployment, as well as earnings to make new capital attractive."

Other matters discussed in the report are the Committee's deliberations on such subjects as "Congress of the Free Enterprise System," "Peace and World Reconstruction," "Mobilization of Economic and Geographic Groups," and "Tolerance and Education." Prefacing the report is the Committee's belief that the course of economic events after the war will adhere, with variations to the historic pattern of the past.

War Adv. Conference In New York In June

The Advertising Federation of America will hold a War Advertising Conference at the Waldorf-Astoria in New York City, June 28, 29 and 30, to plan intensifying of advertising's part in the war effort, and particularly to further the work of war advertising committees in local communities throughout the country. The conference this year takes the place of the Federation's annual convention which has been a high point in organized advertising for many years. The Federation's announcement April 15 stated that visual demonstrations of war-time advertising will be a feature of the three-day program. These demonstrations will be presented by the Office of War Information, the Advertising Council, and by national associations representing various advertising media. It is added that cooperation with official government bodies and tying in with war programs will be the chief subjects for the Federation's Conference. Speakers will include important leaders both in government and advertising, to be announced later.

Gardner Cowles, Jr., Director of Domestic Operations of the Office of War Information, commented in a letter to the Federation:

"I see in this a splendid opportunity for a large-scale demonstration of war-time advertising, and by means of conferences with the leaders in the local areas we can consider ways and means of improving our efforts toward the end of speeding the day of victory."

Due to the limitations on war-time civilian travel, attendance at the conference will be largely restricted to delegated representatives of advertising interests from all parts of the country and these selected individuals will report on the proceedings of the conference to their local associates.

Economic Salvation Is Plenty, Not Scarcity Says Schram Urging Doctrine Of Abundance

(Continued from first page)

to serve society. Restrictions on the creative genius and the productive capacity of the American business man and industrialist are infinitely more dangerous to our American way of life and much more likely to cause anemic markets than any type of regulation which we can anticipate now."

Saying it is apparent that there is a conservative political reaction in progress, the Stock Exchange head further declared:

"If I judge present-day currents of thought correctly, the people are re-affirming their faith in our free institutions — they are expressing their attachment to our traditional way of life. Since our free enterprise economy is the very heart of that way of life, we may safely assume, I believe, that we have decided, after a period of confusion and perplexity, that we would not exchange our present system for any other. It is especially heartening that we have reached this conclusion because it seems to me that for some years we have attempted to mix the practice of capitalism with the philosophy of socialism while we were trying to decide. We have not, of course, given capitalism a fair chance. We have given socialism an unfair advantage. That is why I am so encouraged — we have rejected socialistic principles after giving them a thorough trial under circumstances favorable to them.

"The present incentive of American industry, quite rightly, is patriotism rather than profit. I might observe that, unless there is enough patriotism to bring victory over the Axis, there will be no profits. So, while we are not now working for profit, in the ordinary sense, we certainly are working for the right to profit.

"The contribution of American industry to the war effort thus may be regarded as a measure of the extent to which the system of private, enterprise, which is the American way of life, is cherished by labor and management alike. It is tremendously encouraging that the economic system in this country is working so competently in this emergency. It is working well because men have an incentive and understand exactly what that incentive is.

"However dissatisfied the country may be with some phases of the war management, no one can gainsay that management and labor are turning in a superlative performance in the production of the sinews of war. When the history of this war is written, it will be recognized that it was won on the home front in America just as much as in the air, on the sea, or on the field of battle. American industry and American labor have aroused themselves spontaneously to amazing feats.

"But the great patriotic urge, which is expressing itself now, soon must be replaced by the more normal and less prosaic incentive to earn a profit and a wage. If the incentive of unlimited accomplishment is permitted to operate, the American way of life will perform miracles as great in peace as it is now performing in war. If we tell men that they may earn just so much and no more, if we develop the suspicion that large earnings are socially uncouth, if we advance farther in taking from the prudent and productive to maintain the improvident and the indolent, if we teach that idleness is a virtue and work is a curse, if we cultivate jealousy toward the successful and if we encourage those who fail to remain failures, we shall weaken the moral fibre of our people and the American way of life will decay.

"What we Americans want is production to create an ever-ris-

ing standard of living. Our wants and ambitions are unlimited. We want the fun of gratifying them. We are willing to work, and we are unwilling to be idle. Our traditional procedure is to reward without limit those who give us what we want. When we begin to tell people that they can have so much and no more, regardless of their contribution to society, we are dimming the spark of initiative and making a frontal attack on the whole system of free enterprise.

"I believe that in this country our political leaders have too long discounted and discredited the profit incentive as an instrument of human progress. It is an elemental instinct of American life. It is as firmly imbedded in the laborer and in the small business man as in the great industrialist. Without it, our enterprise loses its mainspring; and when it is not nurtured, that mainspring becomes like a piece of fatigued metal. Let us not be deceived. So long as we have free enterprise and private property—so long as we do not become a socialistic or a communistic state—we must have profits and the profit incentive. In the post-war world our government will have to nourish, rather than merely tolerate, the profit motive. And I have no doubt that it will do so.

"But most important of all, the American people and their government must realize that there can be no such thing as over-production in our national economy. If there is a lack of balance between supply and demand, it is not due to over-production, but to under-consumption. There never has been a time in our history when there was as much need for emphasis on production as there is today. Production is winning the war; and production will win the fight against inflation and will win the peace when nothing else can. Inflation thrives on scarcity; it cannot exist in the midst of plenty.

"All that is necessary to prevent or arrest an upward spiral of prices in the post-war economy is an abundance of goods that the people want. It is an historic fact that inflation after wars in all countries has been controlled almost wholly to the extent that the supply of goods kept pace with demand.

"We must put away that economic heterodoxy that it is the function of government to reduce the supply of commodities, goods or services, in order to maintain the price. The controlling objective should be more and cheaper goods, not less goods at higher prices. We did not over-produce in 1929; we under-consumed. We did not raise too much wheat and too much cotton in the early 1930's; we did not use enough. Labor does not gain by limiting output. By doing so it deprives itself of goods and encourages employers to mechanize at a faster rate. The effect of high prices is to reduce demand. The effect of low prices is a wider distribution of the product. In other words, the economic salvation of society is not scarcity, but plenty. We need an economy of abundance."

Mr. Schram went on to point out that so-called pressure groups are fast becoming "a dangerous menace to our democratic system" in that they "undermine national unity, breed class consciousness, prostitute sincerity in politics and propagate the idea that one segment of society can profit by gaining the upper hand." He added that some movement in the direction of controlling selfish pressure groups, "even if it arouses deep resentment, must be necessary if we are to have

effective and efficient government in the all-important post-war period."

Mr. Schram also called for attaining "more than an armed truce between the divergent interests in our national life," pointing out that "one of the many important by-products of the present great national effort should be a new unity of purpose for the common good," based on mutual respect between government and industry.

March Life Insurance Sales Show Advance

Sales of new ordinary life insurance for March exceed the same month of last year by 12%, according to figures released May 5 by the Life Insurance Sales Research Bureau of Hartford, Conn. Not only that, but it was the biggest March since 1937 and the largest month since Feb., 1942, when sales were still abnormally high because of rate changes and the adoption of war clauses, the Bureau further reported.

March sales for the past seven years have been:

1937, \$764,548,000; 1938, \$585,785,000; 1939, \$577,203,000; 1940, \$567,872,000; 1941, \$598,217,000; 1942, \$552,044,000; 1943, \$631,863,000.

These are estimated totals based on reports from 53 companies producing over 80% of the new ordinary business.

The Bureau likewise said:

"Terminations for the first quarter continue to show the same favorable downward trend as has been in evidence for some time. The rate of ordinary termination, expressed as a percentage of outstanding insurance in 87 companies with 87% of the total, was 3.88% of the ordinary in force on Jan. 1. This is undoubtedly the lowest termination rate in history. For the past five years these rates have been: Year 1938, 6.84%; year 1939, 6.17%; year 1940, 5.67%; year 1941, 5.03%; year 1942, 4.40%; first quarter 1943, 3.88%.

"This improvement is especially pleasing in view of the predictions that increased taxes would cause a marked increase in lapse and surrender of life insurance policies. While it is too soon to be sure that this will not happen, the record for this quarter is most encouraging."

Insurance Sub-Group To Value Securities—To Open N. Y. Offices

The Sub-Committee of the Committee on Valuation of Securities of the National Association of Insurance Commissioners met in New York City on April 28. The Chairman of the Sub-Committee, Commissioner Charles F. J. Harrington of Massachusetts, announces that the Sub-Committee has arranged for all the work in connection with the determination of security values and the amortization of bonds to be done by it, the Sub-Committee, instead of by a statistical organization as heretofore.

Suitable offices have been leased and an agreement executed with Llewellyn A. Griffin, formerly with Moody's Investors Service, under which he will have immediate charge of the work and the Committee's office, with the title "Executive Secretary to the Committee on Valuation of Securities." The action taken by the Committee was under the authority in the resolutions adopted by the Executive Committee of the Association and the Committee on Valuation of Securities at their meetings in Columbus, Ohio, on April 9. The offices located in Room 1501 at 61 Broadway, New York City, will open for business on May 15.

House Votes Farm Appropriation Measure—Eliminates FSA; Forbids Incentive Payments

The House on April 20 passed by voice vote and sent to the Senate an Agriculture Department appropriation bill allotting \$715,099,622 for fiscal 1944 but abolishing the Farm Security Administration and banning incentive payments to farmers.

United Press Washington advices reported the following regarding the bill:

The measure carries \$8,000,000 more than the \$707,040,844 total endorsed by the Agriculture Committee, and as recommended by the Committee, it lopped \$240,093,647 off the original budget request.

The revised total of \$715,099,622 was arrived at by adding \$20,000,000 for the Rural Electrification Administration and striking \$12,000,000 sought by the FSA for rural rehabilitation loans.

It represents the most positive action yet taken by the House in fulfillment of economy pledges by the new Congress. In its budget request, the Agriculture Department had asked for \$947,134,491.

In final House form the bill:

1. Abolishes the FSA by transferring its major remaining functions to the Farm Credit Administration.

2. Abolishes the Federal crop insurance program for wheat and cotton, effective July 31, 1943.

3. Carries an amendment stipulating specifically that none of the funds may be used for incentive payments to farmers producing war crops. An allotment of \$100,000,000 for that purpose was refused.

4. Sets aside \$300,000,000 for the AAA conservation program—\$100,000,000 less than the budget request.

5. Prohibits the payment of more than \$500 to any one person for soil conservation purposes.

6. Prevents restoration of the Regional Credit Agricultural Corp. designed to make loans to farmers for food production.

7. Allots \$20,000,000 for REA, thereby shifting to direct appropriation an amount previously obtained from the Reconstruction Finance Corp.

The House struck out a provision inserted by the Committee banning Federal loans to farmers in communities where private capital is available through existing lending agencies.

Biggest chunk removed from the original budget request was the \$200,000,000 combined total for incentive and conservation payments. No effort was made to restore these Committee cuts; but the House beat down a Republican move to slash another \$100,000,000 from the AAA program and thus reduce it to \$200,000,000.

Abolition of FSA and transfer of its functions to FCA provided chief controversy in the five-day debate on the bill, but all attempts to reinstate the agency failed. Opponents of abolition argued that the action constituted legislative procedure not properly the subject of an appropriation bill.

Wood Pulp Output In First Quarter Off 18.5%

Wood pulp production in the United States in the first quarter of 1943 was about 18.5% lower than in the comparable period of 1942, according to Fred G. Stevenot, President of the Puget Sound Pulp & Timber Co. Production of chemical pulps declined 17.5% and of mechanical pulp, 22.8%.

Comparative tonnage records for first-quarter periods, the announcement said, were: all grades combined, 2,268,000 tons in 1943 and 2,784,000 tons in 1942; all chemical grades, 1,843,000 tons in 1943 and 2,233,000 tons in 1942; mechanical pulp, 425,000 tons in 1943 and 551,000 tons in 1942.

"Shortage of logs and manpower were the main causes of lower production in the Winter months of 1943," Mr. Stevenot stated, "and this led to restrictions now in effect on paper con-

sumption by publishers."

Extremely bad weather in the Winter just passed forced suspension of logging in the Pacific Northwest for about two months, instead of the usual two or three weeks, Mr. Stevenot reported. Log inventories shrunk virtually to the vanishing point, causing sharp reduction in pulp production in the region.

He further declared: "Somewhat normal logging operations have been resumed in our own Pacific Northwest, inventories are being built up, and the Puget Sound pulp industry is looking forward to augmenting domestic log production with shipments from Canada. However, the date of resumption of such shipments is still uncertain."

27 States Attain

ABA Farm Honor Roll

The banks of 27 States have attained the honor roll of the Agricultural Commission of the American Bankers Association for their high record of agricultural activities during 1942, it was announced May 3 by Otis A. Thompson, Chairman of the Commission, who is President of the National Bank and Trust Co., Norwich, N. Y. The association points out that the honor roll rating of the States is based upon their having achieved a 1,000-point goal by fulfilling the Commission's requirements of banker-farmer cooperation. These requirements include bank participation in 4-H Club work and similar activities, cooperation with county agricultural agents, participation in the Food-For-Freedom program, attendance at agricultural meetings, a minimum expenditure per bank in farm work, selection of key bankers for farm work in each county of the State, and a successful record of encouraging specific farming projects.

Outstanding among the year's accomplishments is the fact that the States of Oregon, Georgia and North Dakota have attained the honor roll for 14, 13 and 12 years, respectively. Each of these States was presented previously with a silver plaque for having achieved the honor roll for 10 consecutive years.

Earnshaw Named By Washington AIB Group

George B. Earnshaw, Assistant Cashier of the National Metropolitan Bank, Washington, has been nominated as President of the Washington Chapter of the American Institute of Banking to succeed George M. Rowzee.

Advices to this effect by S. Oliver Goodman, were contained in the Washington "Post" of April 23, which said:

"Mr. Earnshaw during the last year served as First Vice-President of the A. I. B. Chapter. Other nominations were as follows:

"First Vice-President, B. Bruce Frantz, American Security & Trust Co.; Second Vice-President, Thomas J. Norris, Bank of Commerce & Savings; Treasurer, Kenneth O. Hulse, Hamilton National Bank; Secretary, Miss Margaret Allison, National Savings & Trust Co.; Assistant Secretary, Mrs. Vivian McNitt, Liberty National Bank, and Chief Consul, Theodore P. Cowgill, Riggs National Bank.

For the Board of Governors, J. Earle McGeary, Hamilton National Bank, and Francis E. Robey, Bank of Commerce & Savings.

Moody's Bond Prices And Bond Yield Averages Wholesale Commodity Index Advanced 0.1% During Week Ended May 1, Labor Dept. Reports

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	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
May 11	119.13	109.97	118.20	115.43	110.52	97.47	101.64	113.12	115.82
10	119.06	109.97	118.00	115.43	110.52	97.47	101.64	112.93	115.02
8	119.06	109.97	118.00	115.43	110.52	97.31	101.64	112.93	115.82
7	119.03	109.79	118.00	115.43	110.52	97.16	101.47	112.93	115.82
6	118.95	109.97	118.00	115.63	110.52	97.31	101.64	112.93	115.82
5	118.54	109.97	118.00	115.63	110.52	97.31	101.64	112.93	115.82
4	118.37	109.97	118.00	115.43	110.52	97.16	101.47	112.93	115.82
3	118.34	109.79	118.00	115.43	110.52	97.16	101.47	113.12	115.82
2	118.34	109.79	118.00	115.43	110.52	97.00	101.31	113.12	115.63
1	118.36	109.79	118.00	115.43	110.52	97.00	101.31	113.12	115.63
Apr. 30	118.22	109.60	118.00	115.43	110.34	96.69	100.98	113.12	115.82
26	118.06	109.60	117.80	115.43	110.52	96.38	100.81	112.93	115.63
22	117.48	109.60	117.80	115.43	110.52	96.69	100.98	113.12	115.63
9	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
Mar. 26	116.86	109.42	117.60	115.43	110.52	95.92	100.32	113.12	115.63
19	116.87	109.24	117.60	115.43	110.52	95.77	100.16	112.93	115.43
12	116.97	109.42	117.80	115.43	110.34	95.77	100.16	113.12	115.43
5	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
Feb 26	117.11	109.06	117.60	115.24	110.15	95.01	99.69	112.93	115.43
19	117.13	108.88	117.60	115.24	109.97	94.86	99.36	112.93	115.43
11	117.09	108.85	117.60	115.04	109.97	94.71	99.04	112.75	115.63
5	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
Jan. 29	119.13	109.79	118.20	115.63	110.70	97.47	101.64	113.31	116.02
High 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
Low 1943	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
High 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
Low 1942	117.74	106.56	116.02	113.12	107.44	92.29	96.69	110.70	112.75
1 Year ago	118.51	106.56	116.61	113.12	107.09	91.62	97.00	110.70	113.70
May 11, 1942									
2 Years ago									
May 10, 1941									

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

1943— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings				Corporate by Groups		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
May 11	1.93	3.17	2.74	2.88	3.14	3.91	3.65	3.00	2.86
10	1.93	3.17	2.75	2.88	3.14	3.91	3.65	3.01	2.85
8	1.93	3.17	2.75	2.88	3.14	3.92	3.65	3.01	2.86
7	1.93	3.18	2.75	2.88	3.14	3.93	3.68	3.01	2.86
6	1.94	3.17	2.75	2.87	3.14	3.92	3.65	3.01	2.86
5	1.97	3.17	2.75	2.87	3.14	3.92	3.65	3.01	2.86
4	1.98	3.17	2.74	2.88	3.14	3.93	3.68	3.01	2.86
3	1.98	3.18	2.75	2.88	3.14	3.93	3.68	3.00	2.86
1	1.98	3.18	2.75	2.88	3.14	3.94	3.67	3.00	2.87
Apr. 30	1.98	3.18	2.75	2.88	3.15	3.94	3.67	3.00	2.87
26	1.99	3.19	2.75	2.88	3.15	3.96	3.69	3.00	2.86
22	2.00	3.19	2.76	2.88	3.14	3.98	3.70	3.01	2.87
9	2.04	3.19	2.76	2.89	3.14	3.96	3.69	3.00	2.87
Mar. 26	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
19	2.07	3.20	2.77	2.88	3.14	4.01	3.73	3.00	2.87
12	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.01	2.88
5	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.00	2.88
Feb 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
19	2.06	3.22	2.77	2.89	3.16	4.07	3.77	3.01	2.88
11	2.06	3.23	2.77	2.89	3.17	4.08	3.79	3.01	2.88
5	2.06	3.23	2.77	2.90	3.17	4.09	3.81	3.02	2.87
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.93	3.18	2.74	2.87	3.13	3.91	3.65	2.99	2.85
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago	1.99	3.36	2.85	3.00	3.31	4.26	3.96	3.13	2.97
May 11, 1942									
2 Years ago									
May 10, 1941	1.93	3.36	2.82	3.00	3.33	4.30	3.94	3.13	3.02

*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.

Steel Operations Rise—Orders Absorbing Third Quarter Output—Expansion Program Lags

Currently, the steel industry is attempting to meet the new 48-hour-week order, which will be modified; to get set for possibly another walk-out at the coal mines at the end of the present truce; to continue expediting (in the face of obstacles) its expansion programs which are lagging badly; to make the new Controlled Materials Plan more workable, and to perfect operation in numerous departments where pressure for more production is severe," states "The Iron Age" in its issue of today (May 13), which further goes on to say:

"The decision of the War Manpower Commission to modify its 48-hour-week order in steel results from the insistence of the steel industry that the original plan was not practical, and comes after a serious flareup inside the WMC. At the same time within the past week some authorities discovered that 'average' steel industry employment figures do not represent actual conditions because of the high rate of turnover and absenteeism being experienced. It will be almost impossible for the steel industry to average 48 hours per employee per week, regardless of the rules that might be established.

"The lag in steel expansion was brought to the fore this week by WPB Steel Division Director H. G. Batcheller who pointed out that by the end of May the open-heart expansion program will be only 29% complete; the electric steel program will be 44% complete and the blast-furnace pro-

gram will be only 43% complete. Most significant of all, and pointing to possibly the most serious bottleneck in the whole picture, was the disclosure that the by-product coke oven expansion program will be only 30% complete by the end of this month.

Anxious to make fullest possible use of the nation's enlarged magnesium supplies, the aircraft industry is seeking to interest foundries and other fabricators in switching over to magnesium. Meanwhile secondary metals are being adopted for war production to an increasing extent.

"Many of the jobbing foundries in the East are reported looking for additional work now, particularly those foundries which have been engaged heavily in casting for the machine tool industry over the past two years. However, this trend has not reduced the demand for pig iron to any appreciable extent. With numerous blast furnaces being repaired, the pig iron supply picture is very tight.

"The nation's railroads desperately are seeking more motive

The U. S. Department of Labor announced on May 6 that the Bureau of Labor Statistics' comprehensive index of prices in primary markets moved up 0.1% during the week ended May 1, offsetting the decline of the preceding week. Prices were higher for fruits, vegetables and certain other foodstuffs while most grains and cotton were lower. Petroleum products advanced. The all-commodity index again reached the recent peak level of 103.5% of the 1926 average. The Department's announcement further states:

"Farm Products and Foods: There were sharp advances in prices for both sweet potatoes and white potatoes in certain markets; for apples in the Chicago market, and for cows, lambs, and oats, each of which advanced over 3%. As a result, average prices for farm products as a whole rose 0.3% during the week to reach 124.3% of the 1926 level, the highest point since the Autumn of 1920. Lower prices were reported for rye and wheat, for steers and hogs, and for cotton, eggs, flaxseed and onions.

"Industrial Commodities: There were a few scattered increases reported in prices for industrial commodities. Pennsylvania fuel oil rose 4% and gasoline in the California area advanced 11%. Prices for maple flooring and for rosin continued to rise."

The following notation is made: "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 3 weeks, for April 3, 1943 and May 2, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

Commodity groups—	(1926=100)					Percentage changes to			
	5-1 1943	4-24 1943	4-17 1943	4-3 1943	1942	May 1, 1943 from—	4-24 1943	4-3 1943	5-2 1942
All commodities	103.5	103.4	103.5	103.4	103.4	98.7	+0.1	+0.1	+4.9
Farm products	124.3	123.9	124.4	124.7	104.8	+0.3	-0.3	+18.6	
Foods	108.7	108.5	108.4	107.8	99.9	+0.2	+0.8	+8.8	
Hides and leather products	118.4	118.4	118.4	118.4	120.0	0	0	-1.3	
Textile products	96.9	96.9	96.9	96.8	97.2	0	+0.1	-0.3	
Fuel and lighting materials	81.5	81.1	81.1	80.8	78.6	+0.5	+0.9	+3.7	
Metals and metal products	103.9	103.9	103.9	103.9	103.9	0	0	0	
Building materials	110.3	110.2	110.3	110.4	108.7	+0.1	-0.1	+1.5	
Chemicals and allied products	100.1	100.1	100.1	100.1	97.1	0	0	+3.1	
Housefurnishing goods	104.2	104.2	104.2	104.2	104.6	0	0	-0.4	
Miscellaneous commodities	91.6	91.4	91.4	91.2	89.6	+0.2	+0.4	+2.2	
Raw materials	112.7	112.5	112.5	112.8	100.1	+0.2	-0.1	+12.6	
Semimanufactured articles	92.9	92.9	93.0	93.0	92.5	0	-0.1	+0.4	
Manufactured products	100.9	100.8	100.8	100.7	99.1	+0.1	+0.2	+1.8	
All commodities other than farm products	99.1	99.0	99.0	98.9	97.3	+0.1	+0.2	+1.8	
All commodities other than farm products and foods	96.9	96.8	96.8	96.7	95.6	+0.1	+0.2	+1.4	

power and more steel rails. The need for additional freight cars is said to be secondary at the moment, in the opinion of some of the leading carriers. Many locomotives and cars are being built for service abroad and export shipments of rails have been heavy, while domestic railroad requirements for third quarter of this year have been pared from about 2,300,000 net tons to 1,350,000 tons.

"Difficulty has been experienced by some steel producers with regard to export sales. These sales, not included in Lend-Lease, have been held up in many cases because exporters have had licenses either revoked or suspended."

The American Iron and Steel Institute on May 10 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 99.4% of capacity for the week beginning May 10 compared with 98.2% one week ago, 98.8% one month ago and 99.6% one year ago. This represents an increase of 1.2 points or 1.2% from the preceding week. The operating rate for the week beginning May 10 is equivalent to 1,721,300 tons of steel ingots and castings, compared to 1,700,500 tons one week ago, 1,710,900 tons one month ago and 1,691,800 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets stated in part as follows:

"Some steel producers find their output for third quarter being rapidly covered in certain products and two important makers of hot-rolled sheets appear booked to capacity and are refusing further orders for that period.

"Some bar producers are sold out for third quarter on large rounds and flats, as well as bars requiring special heat treatment. Although some sheet mills are in tight position on hot-rolled sheets they are relatively easy on cold-

rolled and galvanized sheets and can offer some shipments for July. Small tonnages of hot-rolled can be booked for July delivery by many makers.

"Plate buying follows closely the pattern of recent months, small variations being noted. Distribution of orders is under such close control that tonnage is equitably spread and all essential requirements are being met.

"Iron ore started moving down the Great Lakes April 24 and in the remaining days of that month shipments totaled 1,954,817 gross tons, 5,902,289 tons less than in April, 1942, a loss of 17.12%. The season movement to May 1 this year was 6,694,891 tons less than last year, 77.40% loss. This is a severe handicap in the race for 95,000,000 tons asked by the War Production Board, which compares with 92,076,781 tons moved last year, an all-time record.

"At the moment steel and iron scrap is moving at a rate allowing consumers to choose what they will accept, in marked contrast to conditions prevailing a few months ago when quality was waived.

"Loss of beehive coke tonnage because of the coal mining interruption is likely to be felt as an aggravation of the already tight situation and demand is expected to prevent much addition to coal stocks as a cushion against possible further strike interference. Effects of the strike of 1941 are still evident, a large by-product producer being unable in the interval to rebuild coal stocks beyond about one-third normal reserve."

Recommit Vetoes Farm Bill

The Bankhead farm parity bill, which was vetoed by President Roosevelt, on the ground that it was inflationary, was returned to the Senate Agriculture Committee on April 7 when the Senate voted 62 to 23 to recommit the measure. The Senate farm bloc,

conceding that the two-thirds vote necessary to override the veto was lacking, took the recommend action in preference to an Administration attempt to have the veto sustained. This latter action would have killed the bill outright for this session but in sending it back to committee the Senate farm bloc keeps the measure technically alive since it might be brought up again at some later date. Senator Bankhead (Dem., Ala.), sponsor of the measure, which would prevent the Government from including benefit payments in fixing farm price ceilings, said that the legislation will be stored with the committee to await the Administration's further developments in its efforts to curb inflation.

Senator Barkley, of Kentucky, majority leader, led the fight to have the bill decided on finally for this session by a direct vote.

The President's veto was referred to in our issue of April 8, page 1308.

Start Vacations Early In Week, ODT Urges

Joseph B. Eastman, Director of the Office of Defense Transportation, has asked business and industry to begin and end all employee vacations on Tuesdays, Wednesdays or Thursdays, and to schedule employee vacations throughout the year, the ODT said on April 25.

Mr. Eastman's request for industry's support of a policy of staggered vacations was made in a letter to executives of 2,500 trade associations and similar groups. The ODT Director said the transportation situation made it imperative to start vacation schedules now and extend them throughout the year in such a way as to avoid travel at holiday periods. He asserted that railroads and bus lines could not handle vacation travel this year if it were concentrated in July and August.

Adoption by employers of the recommended vacation policy was necessary, Mr. Eastman said, to even out the usual mid-Summer and week-end travel concentrations. The ODT Director also asked employers to reinforce ODT's campaign to conserve travel facilities by urging their employees to refrain from all unnecessary non-vacation travel.

Saying that substantial increases in military travel and in war-connected business travel are expected during the coming months, Mr. Eastman declared in his letter to the trade associations that "vacation travel can be handled only if it is held to a low minimum and only to the degree that it replaces strictly non-essential travel."

"We are strongly urging persons who can take vacations this year," he said, "to spend them at home or as near home as possible. We are urging them, if they go away from home, to limit their travel on public carriers to a single round-trip to the place where the vacation is spent. And we are urging them to do any vacation traveling only on days other than Fridays, Saturdays, or Sundays, so as to avoid the week-end travel peaks."

Moody's Daily Commodity Index

Tuesday, May 4	246.5
Wednesday, May 5	246.4
Thursday, May 6	246.8
Friday, May 7	246.7
Saturday, May 8	246.1
Monday, May 10	245.6
Tuesday, May 11	245.1
Two weeks ago, April 27	246.2
Month ago, April 10	247.6
Year ago, May 11	232.0
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, April 1	249.8
Low, Jan. 2	240.2

Daily Average Crude Oil Production For Week Ended May 1, 1943 Up 6,550 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended May 1, 1943 was 3,919,150 barrels, a gain of 6,550 barrels per day over the preceding week, but 584,150 barrels per day higher than in the corresponding period last year. The current figure, however, was 266,950 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of April, 1943. Daily output for the four weeks ended May 1, 1943 averaged 3,924,550 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 3,849,000 barrels of crude oil daily and produced 10,977,000 barrels of gasoline; 3,629,000 barrels of distillate fuel oil, and 8,314,000 barrels of residual fuel oil during the week ended May 1, 1943, and had in storage at the end of that week 90,029,000 barrels of gasoline; 30,791,000 barrels of distillate fuels, and 66,991,000 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 April	*State Allowables Begin April 1	Actual Production Week Ended May 1, 1943	Change from Previous Week	4 Weeks Ended May 1, 1943	Week Ended May 2, 1942
Oklahoma	379,300	379,300	1,342,350	+ 900	341,950	404,650
Kansas	309,900	309,900	1,316,250	- 2,550	313,650	255,300
Nebraska	2,600		12,250	+ 50	2,200	3,900
Panhandle Texas			91,000		91,000	78,500
North Texas			134,950		134,950	161,800
West Texas			214,450		214,450	140,150
East Central Texas			99,700		99,700	73,900
East Texas			319,800		319,800	146,400
Southwest Texas			188,500		188,500	114,500
Coastal Texas			340,750		340,650	181,250
Total Texas	1,502,000	1,500,342	1,389,150		1,389,000	896,500
North Louisiana			88,950	+ 550	88,650	81,850
Coastal Louisiana			257,900		257,900	232,500
Total Louisiana	359,300	379,300	346,850	+ 550	346,550	314,350
Arkansas	78,600	73,789	72,500	+ 300	71,900	73,600
Mississippi	50,000		55,800	+ 2,150	55,300	91,250
Illinois	251,900		230,850	+ 5,600	236,500	295,150
Indiana	16,000		14,950	+ 1,750	14,150	20,850
Eastern (not incl. Ill. and Ind. & Ky.)	94,300		83,850	+ 8,150	78,150	92,000
Kentucky	20,000		21,550	+ 400	21,250	11,200
Michigan	63,700		58,600	+ 1,500	58,950	63,200
Wyoming	97,100		92,950	+ 650	91,850	90,750
Montana	24,600		20,250		20,250	21,600
Colorado	7,400		6,850		6,600	5,250
New Mexico	105,700	105,700	97,150	- 100	97,250	73,650
Total East of Calif.	3,362,400		3,151,250	+ 19,350	3,145,500	2,713,200
California	823,700	823,700	767,900	- 12,800	779,050	621,800
Total United States	4,186,100		3,919,150	+ 6,550	3,924,550	3,335,000

*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 January, 1943, as follows: Oklahoma, 27,900; Kansas, 5,800; Texas, 101,100; Louisiana, 19,800; Arkansas, 2,500; Illinois, 10,300; Eastern (not including Illinois, Indiana or Kentucky), 9,500; Kentucky, 3,100; Michigan, 100; Wyoming, 2,300; Montana, 400; New Mexico, 5,700; California, 42,500.

†Oklahoma, Kansas, Nebraska figures are for week ended 7 a.m. April 28.

‡This is the net basic allowable as of April 1 calculated on a 30-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 15 days, the entire state was ordered shut down 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 shutdown 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 MAY 1, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

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

District	Daily Refining Capacity	Potential % Re-Porting	Crude Runs to Still Daily Average	% Operated	Production of Gasoline at Refineries Includ. Natural Gasoline	Stocks of Finished Gasoline	Stocks of Unfinished Gasoline	Stocks of Gas Oil and Distillate Fuels	Stocks of Residual Fuel Oil
*Combin'd. East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,762	72.1	4,987	37,778	13,145	10,435	
Appalachian	177	84.8	159	89.8	379	2,519	789	476	
Ind., Ill., Ky.	824	85.2	724	87.9	2,443	19,432	3,747	2,856	
Okl., Kansas, Mo.	416	80.1	355	85.3	1,076	6,816	1,575	1,441	
Rocky Mountain	147	48.0	94	63.9	302	2,077	328	521	
California	817	89.9	755	92.4	1,790	21,407	11,207	51,262	
Tot. U. S. B. of M. basis May 1, 1943	4,825	86.2	3,849	79.8	10,977	190,029	30,791	66,991	
Tot. U. S. B. of M. basis April 24, 1943	4,812	86.2	3,737	77.7	10,583	191,001	31,142	67,455	
U. S. Bur. of Mines basis May 2, 1942			3,435		10,409	101,591	28,876	79,169	

*At the request of the Petroleum Administration for War. †Finished, 79,492,000 barrels; unfinished, 10,537,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 3,629,000 barrels of gas oil and distillate fuel oil and 8,314,000 barrels of residual fuel oil produced in the week ended May 1, 1943, which compares with 3,954,000 barrels and 8,168,000 barrels, respectively, in the preceding week and 3,234,000 barrels and 6,387,000 barrels, respectively, in the week ended May 2, 1942. ¶Revised due to inadvertent inclusion by a reporting company of certain military stocks of finished gasoline.

Census Bureau Report On Cotton Ginning

Cotton ginnings for the crop of 1942 totaled 12,444,766 running bales, according to a final report on cotton ginnings issued April 27 by J. C. Capt, Director of the Bureau of the Census. The statistics on cotton ginnings were compiled from the individual returns collected from 10,776 active gineries located in 880 counties in 18 States. The final figures of 12,444,766 running bales, counting round as half bales, are 6,883 running bales greater than the preliminary figures issued on March 20. The ginnings for the 1942 crop are equivalent to 12,826,211 bales of 500 pounds each.

The Bureau of the Census will issue soon the annual bulletin on

Cotton Production for the crop of 1942. This bulletin will show the ginnings for the crops of 1942, 1941 and 1940, and production for the crops of 1942 and 1941, by States and by counties. It will show also the ginnings to specified dates throughout the season, by States and by counties, for the crop of 1942.

Final figures of cotton ginned by States for the last three crops are shown in the following tabular statement. Quantities are given in both running bales, counting round as half bales, and in equivalent 500-pound bales:

COTTON GINNED FROM THE CROPS OF 1942, 1941, AND 1940

State	Running Bales (Counting round as half bales)			Equivalent 500-Pound Bales (Gross weight)		
	1942	1941	1940	1942	1941	1940
United States	12,444,766	10,494,881	12,297,970	12,826,211	10,741,589	12,564,988
Alabama	892,458	774,441	768,525	921,540	788,033	775,459
Arizona	187,703	178,337	190,194	191,999	182,719	195,955
Arkansas	1,427,890	1,381,214	1,477,110	1,495,249	1,437,605	1,510,238
California	399,361	395,569	530,479	404,497	402,122	543,497
Florida	14,536	14,885	17,916	14,349	14,367	17,502
Georgia	860,081	637,469	1,006,657	866,847	629,770	1,015,453
Illinois	4,484	5,474	3,761	4,527	5,721	3,769
Kentucky	15,238	17,127	11,238	14,914	16,863	10,900
Louisiana	572,347	310,501	448,996	594,589	313,475	456,886
Mississippi	1,886,981	1,387,558	1,238,286	1,967,978	1,423,908	1,250,412
Missouri	414,286	471,019	395,828	411,311	471,490	384,590
New Mexico	104,374	96,059	114,583	104,943	97,621	117,830
North Carolina	735,079	568,978	748,644	735,292	559,466	743,691
Oklahoma	687,465	692,303	764,706	702,046	712,140	789,317
South Carolina	694,577	408,098	945,781	698,517	403,387	968,354
Tennessee	602,538	574,121	502,871	622,301	596,113	507,277
Texas	2,917,035	2,557,702	3,111,051	3,047,128	2,663,004	3,252,556
Virginia	28,333	24,026	21,344	28,184	23,785	21,302

National Fertilizer Association Commodity Price Average Advances Fractionally

The general level of wholesale commodity prices compiled by the National Fertilizer Association and made public on May 10, advanced slightly last week after remaining unchanged in the preceding week. This index in the week ended May 8 rose to 135.8 from 135.7 in the preceding week. A month ago it registered 136.5 and a year ago 128.0, based on the 1935-1939 average as 100. The Association's report added:

Last week's rise in the all-commodity index was due to higher quotations for industrial commodities as the farm products average declined. In the farm product group rising prices for wheat, rye, hogs and sheep were more than offset by declines for cotton, corn, oats, barley and lambs. The fuels index advanced moderately, due to higher quotations for petroleum products. Lower prices for linseed meal were responsible for a decline in the index representing the prices of miscellaneous commodities. Food prices remained unchanged at the previous week's level.

During the week six price series included in the index advanced and seven declined; in the preceding week there were 11 advances and eight declines; in the second preceding week there were seven declines and eight advances.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association 1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week May 8 1943	Preceding Week May 1 1943	Month Ago Apr. 3 1943	Year Ago May 9 1942
25.3	Foods	139.9	139.9	138.8	125.3
	Fats and Oils	147.8	147.8	147.7	138.7
	Cottonseed Oil	159.0	159.0	159.0	159.3
23.0	Farm Products	153.7	153.8	157.9	137.7
	Cotton	200.9	201.0	203.6	192.1
	Grains	142.8	143.2	149.2	118.3
	Livestock	148.5	148.5	152.8	132.3
17.3	Fuels	132.8	132.2	122.2	119.5
10.8	Miscellaneous commodities	130.1	130.4	130.4	128.1
8.2	Textiles	151.3	151.3	151.8	149.5
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.2	152.2	152.2	151.7
1.3	Chemicals and drugs	126.6	126.6	126.6	120.7
.3	Fertilizer materials	117.9	117.9	117.9	118.8
.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	135.8	135.7	136.5	128.0

*Indexes on 1926-1928 base were May 8, 1943, 105.8; May 1, 105.7; May 9, 1942, 99.7.

Non-Ferrous Metals—Iridium Now Under Complete Allocation—Die Castings Prices Set

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

"E. & M. J. Metal and Mineral Markets" in its issue of May 6, stated: "The War Production Board last week placed iridium, one of the metals in the platinum group, under full allocation because of growing war needs. OPA set ceiling prices in die castings, and eased the recent copper sulphate order to offset freight charges on shipments to the Pacific Coast. Small copper mines will be eligible for an extra premium payment in the event that increased revenue is necessary to maintain or increase production, Metals Reserve announced during the week. Estimated third-quarter supply of materials allotted by the Requirements Committee, WPB, included 1,000,000 tons of copper products and 330,000 tons of aluminum." The publication further went on to say in part:

Copper

With the war machine taking all copper available, producers see no change in the general situation. The domestic quotation remained at 12¢, Connecticut Valley basis. Foreign copper is moving into the country at unchanged prices.

Producers of rubber-covered wire and cable will be permitted

to quote higher than ceiling prices to reflect cost increases resulting from an authorized price increase for crude rubber, OPA announced last week. The adjustment in prices is granted under Amendment No. 3 to Revised Price Schedule No. 82, covering wire, cable, and accessories, and becomes effective May 8, 1943.

With Eastern producers of copper sulphate at a financial disadvantage in making deliveries to Western States, where shortages have now developed, OPA has eased the freight practices provision of the recent price order. The amendment to the order now permits producers to add 15¢ per 100 pounds to the existing schedule on sales ex Portland, Seattle, San Francisco, and Los Angeles.

The action, it was explained, covers only part of the total freight costs.

Lead

End-of-the-month business came through in the usual fashion, which is reflected in a larger sales total for the week ended May 5. Sales of common lead for the seven-day period were higher than in the week previous. Producers estimate that May requirements of consumers are about 80% covered. Interest in June needs is expected to increase from now on.

WPB last week ruled that terneplate may be used for maintenance and repair of roofing under Order M-21-e, as amended.

Zinc

OPA last week froze prices of die castings at the lowest levels that obtained between April 1, 1942, and April 30, 1943, "to avert the danger of a rise." In 1942, zinc die castings accounted for about 35% of total sales of \$90,000,000 for the industry. At present, most die castings are made of aluminum and magnesium, OPA reports.

The price situation in zinc was unchanged, Prime Western continuing on the basis of 8¼¢, East St. Louis. Allocation certificates for May came through during the last week as expected.

Iridium

WPB placed iridium under allocation on May 1 through issuance of Conservation Order M-49, as amended. The order forbids use of iridium except in contact points, fuse wire for detonators, electrical primers, and laboratory ware. Even for these uses, the metal may be used only upon special authorization from WPB. Crude iridium may be refined without special authorization.

Tin

With tin still listed by WPB as a most critical material, consumers look for no relaxation in the controls governing the use of the metal. Importations from the Belgian Congo have been increasing.

The price of tin was unchanged last week. Straits quality tin for shipment was as follows:

	May	June	July
April 29	52.000	52.000	52.000
April 30	52.000	52.000	52.000
May 1	52.000	52.000	52.000
May 3	52.000	52.000	52.000
May 4	52.000	52.000	52.000
May 5	52.000	52.000	52.000

Quicksilver

Demand for quicksilver for delivery over the next few months was fairly active. Quotations in New York continued at \$196 @ \$198 per flask of 76 pounds.

Silver

Except for a tight situation in silver supplies and the move in Washington to release more metal from the Treasury's holdings the market presented nothing new last week. London continues to quote 23½d. The New York Official and the 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.

Extend V-Mail To British

Postmaster Albert Goldman of New York announces that arrangements have been made to extend the V-mail service to correspondence between members of the British Army and Navy personnel temporarily residing in the United States and relatives and friends in Great Britain.

Therefore, V-mail letters mailed by the personnel referred to, addressed to civilians in Great Britain may be accorded the V-mail service. Postage on such V-mail letters addressed to civilians in Great Britain should be prepaid at the international rate, that is, 5 cents.

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 May 1 is estimated at 9,500,000 net tons, a decrease of 2,340,000 tons, or 19.8%, from the output in the preceding week. Production in the corresponding week last year amounted to 11,134,000 tons. For the current year to May 1, output of soft coal was 5.9% in excess of that for the same period in 1942.

The U. S. Bureau of Mines estimated that the output of Pennsylvania anthracite for the week ended May 1 was 1,002,000 tons, a decrease of 133,000 tons, or 11.7%, from the preceding week. When compared with the production in the corresponding week of 1942, there was a decrease of 319,000 tons, or 24.1%.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended May 1 showed a decrease of 11,300 tons when compared with the output for the week ended April 24. The quantity of coke from beehive ovens decreased 18,700 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL, WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

	Week Ended			January 1 to Date		
	May 1 1943	Apr. 24 1943	May 2 1942	May 1 1943	May 2 1942	May 1 1937
Bituminous coal and lignite—	9,500	11,840	11,134	203,875	192,470	162,750
Total, incl. mine fuel—	1,583	1,973	1,856	1,989	1,865	1,594
Daily average—	1,583	1,973	1,856	1,989	1,865	1,594
*Crude Petroleum—						
Coal equivalent of weekly output—	6,278	6,267	5,342	107,765	107,910	92,421

*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). †Revised. ‡Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

	Week Ended			Calendar Year to Date		
	May 1 1943	Apr. 24 1943	May 2 1942	May 1 1943	May 2 1942	May 4 1929
Penn. anthracite—	1,002,000	1,135,000	1,321,000	20,940,000	19,843,000	25,491,000
*Total, incl. colliery fuel—	962,000	1,090,000	1,268,000	20,102,000	19,049,000	23,656,000
†Commercial production—						
Beehive coke—						
United States total—	148,400	167,100	152,400	2,762,400	2,720,900	2,152,300
By-product coke—						
United States total—	1,212,800	1,224,100	1,175,400	21,095,700	20,444,600	†

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

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(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					April 1923
	Apr. 24 1943	Apr. 17 1943	Apr. 25 1942	Apr. 26 1941	Apr. 24 1937	
Alabama	376	379	367	42	21	412
Alaska	6	6	5	5	3	**
Arkansas and Oklahoma	78	66	52	10	5	70
Colorado	135	140	107	124	72	184
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,469	1,471	1,188	359	508	1,471
Indiana	538	502	445	53	173	514
Iowa	55	49	47	36	19	100
Kansas and Missouri	163	174	129	106	42	138
Kentucky—Eastern	900	934	979	33	786	620
Kentucky—Western	285	319	226	379	104	188
Maryland	38	38	42	4	15	52
Michigan	8	7	3	5	2	22
Montana (bituminous and lignite)	88	93	56	36	32	42
New Mexico	39	38	29	22	31	59
North and South Dakota (lignite)	34	26	26	21	21	**16
Ohio	693	689	731	62	364	766
Pennsylvania (bituminous)	2,774	2,880	2,888	19	2,018	3,531
Tennessee	137	145	155	27	45	121
Texas (bituminous and lignite)	6	5	5	7	15	20
Utah	138	136	90	17	32	70
Virginia	417	426	403	61	197	249
Washington	29	29	41	29	30	35
*West Virginia—Southern	2,332	2,377	2,276	4	1,630	1,256
†West Virginia—Northern	928	913	914	42	469	778
Wyoming	172	171	130	108	71	116
‡Other Western States	1	1	††	††	††	**6
Total bituminous and lignite	11,840	12,015	11,335	1,612	6,705	10,836
§Pennsylvania anthracite	1,135	1,368	1,289	715	1,615	1,974
Total all coal	12,975	13,383	12,624	2,327	8,320	12,810

*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.

The English Gold And Silver Markets

We reprint the following from the quarterly letter of Samuel Montagu & Co. of London, written under date of April 1, 1943:

Gold

The amount of gold held in the Issue Department of the Bank of England during the months of January, February and March, 1943 was unaltered at £241,718.

The Bank of England's buying price for gold remained unchanged at 168s per fine ounce, at which figure the above amount was calculated.

The gold output of the Transvaal for the months of January and February, 1943 is given below; together with the figures for the corresponding months of 1942 for the purpose of comparisons:

	1943	1942
January	1,074,754 fine ounces	1,216,164 fine ounces
February	1,011,672 " "	1,129,319 " "

Silver

The first quarter of the year was uneventful as far as the London Market was concerned and the price of 23½d per ounce standard for both cash and two months' delivery remained unaltered throughout the period. There were no new features, but a steady demand for industrial purposes was maintained; this was met mainly by silver from official stocks, with occasional small offerings from production sources.

In Bombay, prices continued to show rather a wide range, re-

fecting the trend of events in the war and political situations; the quotation for spot varied between Rs. 99-9-0 per 100 tolas early in January and Rs. 112-0-0 quoted about the middle of March.

There has been little news from the United States of America, but a report was received early in February that an amendment to the Treasury and Post Office Appropriations Bill, prohibiting the use of Treasury funds for the purchase of silver under the Silver Purchase Act, had been passed by the House of Representatives by 166 votes to 103. So far, however, no news of any further developments in this direction has come to hand.

QUOTATIONS IN LONDON

Cash Delivery		Two Months'
23½d. throughout	January 1943	23½d. throughout
23½d. throughout	February 1943	23½d. throughout
23½d. throughout	March 1943	23½d. throughout

QUOTATIONS IN U. S. A. (per ounce .999 fine)

U. S. Treasury Price	New York Market Price
35 cents	44½ cents

The official dollar rates fixed by the Bank of England during January, February and March 1943 were as follows:

Buying	Selling
\$4.03½	\$4.02½

Continental Construction 55% Above Last Week

Civil engineering construction in continental U. S. for the week totals \$72,237,000. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 53% higher than in the preceding week, but is 83% below the record-breaking total of \$434,955,000 reported for the corresponding 1942 week by "Engineering News-Record" on May 6, which added:

Private work is 13% higher than a week ago, and public construction is up 58% as a result of the 68% gain in Federal. Compared with the week last year, however, private is down 70%, public is off 84%, and Federal declines 84%.

The current week's construction brings 1943 volume to \$1,290,346,000, an average of \$71,686,000 for each of the eighteen weeks of the year. On the weekly average basis, 1943 volume is 59% below the \$3,326,739,000 for the nineteen-week 1942 period. Private construction, \$132,960,000, is 48% lower, and public \$1,157,386,000, is down 60% when adjusted for the difference in the number of weeks reported.

Civil engineering construction volumes for the 1942 week, last week, and the current week are:

	May 7, 1942	Apr. 29, 1943	May 6, 1943
Total U. S. Construction	\$434,955,000	\$47,100,000	\$72,237,000
Private Construction	17,191,000	4,605,000	5,208,000
Public Construction	417,764,000	42,495,000	67,029,000
State and Municipal	21,644,000	5,306,000	4,612,000
Federal	396,120,000	37,189,000	62,417,000

In the classified construction groups, gains over last week are in sewerage, commercial and public buildings, earthwork and drainage, streets and roads, and unclassified construction. Earthwork and drainage is the only class of work to gain over a year ago. Sub-totals for the week in each class of construction are: waterworks, \$557,000; sewerage, \$553,000; bridges, \$340,000; industrial buildings, \$1,082,000; commercial building and large-scale private housing, \$4,126,000; public buildings, \$29,485,000; earthwork and drainage, \$3,871,000; streets and roads, \$7,423,000; and unclassified construction, \$24,800,000.

New capital for construction purposes for the week totals \$6,756,000 and is made up entirely of State and municipal bond sales. The week's total brings 1943 new financing to \$486,035,000 for the eighteen-week period, a volume that compares with \$6,777,852,000 reported for the nineteen weeks of 1942.

Electric Output For Week Ended May 8, 1943 Shows 16.0% 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 May 8, 1943, was approximately 3,903,723,000 kwh., compared with 3,365,208,000 kwh. in the corresponding week last year, an increase of 16%. The output for the week ended May 1, 1943, was 17% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended			
	May 3 1943	May 1 1943	April 24 1943	April 17 1943
New England	3.1	8.1	9.5	8.9
Middle Atlantic	13.3	13.0	16.7	15.7
Central Industrial	14.0	14.3	17.3	17.0
West Central	12.3	12.9	14.4	13.8
Southern States	14.4	19.5	24.9	20.3
Rocky Mountain	17.0	15.0	13.9	14.8
Pacific Coast	32.9	32.4	32.6	30.4
Total United States	16.0	17.0	19.9	18.4

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1943	1942	% Change			
			1943 over 1942	1941	1932	1929
Feb 6	3,960,242	3,474,638	+14.0	2,989,392	1,578,817	1,726,161
Feb 13	3,939,708	3,421,639	+15.1	2,976,478	1,545,459	1,718,304
Feb 20	3,948,749	3,423,589	+15.3	2,985,585	1,512,158	1,899,250
Feb 27	3,892,796	3,409,907	+14.2	2,993,253	1,519,679	1,706,719
Mar 6	3,946,630	3,392,121	+16.3	3,004,639	1,538,452	1,702,570
Mar 13	3,944,679	3,357,444	+17.5	2,983,591	1,537,747	1,687,229
Mar 20	3,946,836	3,357,032	+17.6	2,983,048	1,514,553	1,683,262
Mar 27	3,928,170	3,345,502	+17.4	2,975,407	1,480,208	1,679,589
Apr 3	3,889,858	3,348,608	+16.2	2,959,646	1,465,076	1,633,291
Apr 10	3,882,467	3,320,858	+16.9	2,905,581	1,480,738	1,696,543
Apr 17	3,916,794	3,307,700	+18.4	2,897,307	1,469,810	1,709,331
Apr 24	3,925,175	3,273,190	+19.9	2,950,448	1,454,505	1,699,822
May 1	3,866,721	3,304,602	+17.0	2,944,906	1,429,032	1,688,434
May 8	3,903,723	3,365,208	+16.0	3,003,921	1,436,928	1,698,492

Anti-Sabotage Bill Is Passed By House

A War Security bill, giving the Department of Justice power to provide stiff penalties, including death, for persons who commit hostile acts in war time for the purpose of aiding an enemy nation was passed by the House on April 2 after considerable debate.

Some members of the House expressed fears that the bill might jeopardize free speech and a free press and in order to meet, in part, these objections, the House stipulated by amendment that nothing in the measure shall be construed "to prevent any citizen or citizens, or any newspaper or other publications, at any time from freely discussing or openly criticizing the domestic or foreign policies of the Administration or the Federal Government, or of any public official, or from discussing or criticizing any existing or proposed law, regulation, directive or executive order."

This amendment, sponsored by Representative Fish (Rep., N. Y.), was adopted by a vote of 129 to 95.

A motion to recommit the bill to the Committee on the Judiciary was defeated on a standing vote of 133 to 93. The Associated Press stated:

"Generally, the measure proscribes a group of hostile acts which would be punishable by death during the life of the proposed law. It would cease to be in effect six months after the war if not previously repealed. Associations or organizations guilty of the acts would face a maximum fine of \$5,000,000.

"The Justice Department asked for the legislation, asserting that existing laws dealing with sedition and treason were inadequate."

It is stated that most of the debate centered around a section which termed a hostile act the acquisition, compilation or transmission of data calculated to inform the enemy with respect to the war effort of any of the United Nations "with intent to aid a country with which the United States is at war."

An amendment to remove this section was defeated by a standing vote of 112 to 82.

McFarland Made Director Of Pittsburgh Reserve

The Federal Reserve Bank of Cleveland announced on April 22 that Archie J. McFarland, President of Wheeling Steel Corp., Wheeling, W. Va., had been appointed a Director of the Bank's Pittsburgh branch. Mr. McFarland brings to the bank wide experience in a field which represents a substantial contribution to the economic welfare of the Fourth Federal Reserve District, and the appointment is in keeping with the bank's policy of maintaining close contacts with the manufacturing, commercial, and agricultural interests of the territory which it serves.

Mr. McFarland has been identified with the making of steel for 38 years. His business experience covers service with Whitaker-Glessner Co., Wheeling, W. Va., Portsmouth Steel Co., Portsmouth, Ohio, Wheeling Steel Corp., Steubenville, Ohio, Follansbee Bros. Co., Pittsburgh, and Wheeling Steel Corp., Wheeling, W. Va.

Mr. McFarland is a director of Wheeling Steel Corp. and its various subsidiary and affiliated companies, the Wheeling Dollar Savings & Trust Co., of Wheeling, W. Va., the West Virginia Manufacturers Association, the West Virginia Chamber of Commerce, Ohio Manufacturers Association, and the Ohio Valley Hospital Association of Wheeling.

Revenue Freight Car Loadings During Week Ended May 1, 1943 Decreased 5,411 Cars

Loading of revenue freight for the week ended May 1, 1943 totaled 788,783 cars, the Association of American Railroads announced on May 6. This was a decrease below the corresponding week of 1942 of 70,128 cars, or 8.2%, and a decrease below the same week in 1941 of 5,516 cars, or 0.7%.

Loading of revenue freight for the week of May 1 decreased 5,411 cars, or 0.7% below the preceding week.

Miscellaneous freight loading totaled 383,843 cars, an increase of 6,670 cars above the preceding week, and an increase of 622 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 97,574 cars, a decrease of 992 cars below the preceding week, and a decrease of 15,162 cars below the corresponding week in 1942.

Coal loading amounted to 134,264 cars, a decrease of 30,714 cars below the preceding week, and a decrease of 35,160 cars below the corresponding week in 1942.

Grain and grain products loading totaled 46,597 cars, an increase of 1,381 cars above the preceding week, and an increase of 10,404 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of May 1 totaled 31,828 cars, an increase of 896 cars above the preceding week and an increase of 9,155 cars above the corresponding week in 1942.

Livestock loading amounted to 15,713 cars, an increase of 557 cars above the preceding week, and an increase of 1,828 cars above the corresponding week in 1942. In the Western Districts alone, loading of livestock for the week of May 1 totaled 12,054 cars, an increase of 259 cars above the preceding week, and an increase of 941 cars above the corresponding week in 1942.

Forest products loading totaled 43,748 cars, an increase of 559 cars above the preceding week, but a decrease of 6,658 cars below the corresponding week in 1942.

Ore loading amounted to 53,391 cars, an increase of 18,008 cars above the preceding week, but a decrease of 25,606 cars below the corresponding week in 1942.

Coke loading amounted to 13,653 cars, a decrease of 880 cars below the preceding week, and a decrease of 396 cars below the corresponding week in 1942.

All districts reported decreases, compared with the corresponding week in 1942, except the Centralwestern and Southwestern, but all districts reported increases above the corresponding week in 1941 except Eastern, Allegheny, and 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
4 weeks of April	3,136,253	3,350,996	2,793,630
Week of May 1	788,783	858,911	794,299
Total	13,584,951	14,366,109	12,974,914

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended May 1, 1943. During this period only 39 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED MAY 1

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1943	1942	1941	1943	1942	1941
Eastern District—						
Ann Arbor	262	508	569	1,720	1,415	
Bangor & Aroostook	1,129	1,928	1,724	265	249	
Boston & Maine	6,229	7,123	9,362	13,549	16,651	
Chicago, Indianapolis & Louisville	1,422	1,373	1,238	1,916	1,973	
Central Indiana	27	40	16	53	64	
Central Vermont	1,047	1,129	1,383	2,032	2,395	
Delaware & Hudson	5,188	7,056	6,232	11,267	13,226	
Delaware, Lackawanna & Western	6,815	8,842	9,888	11,976	9,716	
Detroit & Mackinac	292	264	304	129	140	
Detroit, Toledo & Ironton	1,628	1,749	3,394	1,566	1,297	
Detroit & Toledo Shore Line	291	278	352	2,569	3,054	
Erle	11,865	15,032	15,435	18,931	17,024	
Grand Trunk Western	3,754	4,075	6,016	8,130	8,100	
Lehigh & Hudson River	185	212	336	2,736	3,858	
Lehigh & New England	1,886	2,367	2,322	1,579	1,885	
Lehigh Valley	6,843	9,933	9,995	14,655	12,459	
Maine Central	2,187	2,393	3,111	2,409	3,838	
Monongahela	3,566	6,803	3,819	475	385	
Montour	903	2,281	1,715	74	40	
New York Central Lines	53,941	48,220	51,357	49,288	56,019	
N. Y., N. H. & Hartford	9,804	10,881	12,293	17,887	21,204	
New York, Ontario & Western	895	1,056	1,092	2,272	3,345	
New York, Chicago & St. Louis	6,220	7,632	6,522	15,654	15,104	
N. Y., Susquehanna & Western	536	594	534	1,703	1,524	
Pittsburgh & Lake Erie	6,721	8,339	7,453	7,134	9,919	
Pere Marquette	4,806	5,604	7,085	7,275	6,238	
Pittsburgh & Shawmut	848	785	351	32	35	
Pittsburgh, Shawmut & North	283	401	410	346	310	
Pittsburgh & West Virginia	1,019	1,183	905	3,111	3,152	
Rutland	357	437	647	1,033	1,080	
Wabash	5,611	5,578	6,688	13,142	12,276	
Wheeling & Lake Erie	4,515	5,769	5,229	4,955	4,741	
Total	151,275	169,865	177,757	219,793	232,716	
Allegheny District—						
Akron, Canton & Youngstown	827	690	740	1,289	1,127	
Baltimore & Ohio	37,682	42,340	37,300	27,894	28,002	
Bessemer & Lake Erie	2,932	6,769	7,021	1,746	2,205	
Cambria Creek & Ganley	330	336	83	3	0	
Cambria & Indiana	940	1,920	1,327	7	13	
Central R. E. of New Jersey	6,672	7,276	7,954	20,977	20,961	
Cornwall	654	691	646	82	70	
Cumberland & Pennsylvania	206	309	73	6	27	
Ligonier Valley	127	148	112	41	47	
Long Island	1,194	817	772	3,927	3,575	
Penn.-Reading Seashore Lines	1,719	1,756	1,425	2,869	2,568	
Pennsylvania System	77,576	86,624	78,896	62,455	67,506	
Reading Co.	14,767	16,254	17,768	26,701	29,240	
Union (Pittsburgh)	22,149	20,932	19,862	4,728	7,630	
Western Maryland	3,810	4,187	3,500	10,546	13,601	
Total	171,585	191,049	177,479	163,371	176,572	
Pocahontas District—						
Chesapeake & Ohio	25,449	29,052	17,756	13,143	13,525	
Norfolk & Western	18,258	23,623	15,283	6,631	7,259	
Virginian	4,093	4,748	2,245	2,160	2,377	
Total	47,800	57,423	35,284	21,934	23,161	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1943	1942	1941	1943	1942	1941
Southern District—						
Alabama, Tennessee & Northern	281	323	351	320	424	
Atl. & W. P.—W. R. R. of Ala.	741	832	829	2,036	2,731	
Atlanta, Birmingham & Coast	803	815	798	1,480	1,176	
Atlantic Coast Line	14,135	13,029	12,559	10,759	8,944	
Central of Georgia	4,202	4,145	4,693	4,603	4,351	
Charleston & Western Carolina	408	489	552	1,924	1,790	
Clinchfield	1,515	1,701	1,682	2,838	2,907	
Columbus & Greenville	366	367	272	183	231	
Durham & Southern	99	173	203	708	831	
Florida East Coast	2,869	1,927	1,176	1,954	1,383	
Gainesville Midland	42	40	51	127	107	
Georgia	1,286	1,191	1,181	2,495	2,557	
Georgia & Florida	346	404	360	713	587	
Gulf, Mobile & Ohio	3,619	4,605	3,813	4,897	4,050	
Illinois Central System	26,002	28,402	22,808	18,501	16,529	
Louisville & Nashville	21,075	26,793	16,878	11,032	10,677	
Macon, Dublin & Savannah	210	162	196	963	766	
Mississippi Central	215	394	178	549	442	
Nashville, Chattanooga & St. L.	3,105	3,486	3,402	4,880	4,042	
Norfolk Southern	1,198	1,526	1,387	1,481	2,088	
Piedmont Northern	370	457	513	1,267	1,220	
Richmond, Fred. & Potomac	425	610	422	10,291	11,258	
Seaboard Air Line	11,096	11,554	10,712	8,596	8,020	
Southern System	21,580	25,516	25,266	24,505	24,308	
Tennessee Central	493	734	656	858	1,044	
Winston-Salem Southbound	97	130	151	900	903	
Total	116,579	129,808	111,089	118,880	113,362	
Northwestern District—						
Chicago & North Western	20,415	22,854	23,062	12,112	12,960	
Chicago Great Western	2,646	2,547	2,716	2,840	3,359	
Chicago, Milw., St. P. & Pac.	20,066	19,858	21,612	11,032	9,693	
Chicago, St. Paul, Minn. & Omaha	3,162	4,098	3,893	3,613	3,671	
Duluth, Missabe & Iron Range	15,791	23,720	21,820	200	320	
Duluth, South Shore & Atlantic	979	1,243	1,219	465	564	
Elgin, Joliet & Eastern	8,218	10,147	9,981	10,628	10,119	
Ft. Dodge, Des Moines & South	447	570	598	125	139	
Great Northern	15,468	21,638	23,073	4,757	4,914	
Green Bay & Western	517	566	637	887	731	
Lake Superior & Ishpeming	744	3,456	4,123	47	51	
Minneapolis & St. Louis	1,947	2,019	1,855	2,526	2,401	
Minn., St. Paul & S. S. M.	5,957	6,840	8,043	2,811	3,045	
Spokane International	10,214	10,431	9,656	5,349	4,576	
Northern Pacific	142	158	197	625	556	
Spokane, Portland & Seattle	2,237	2,695	2,573	3,301	3,404	
Total	108,950	132,840	135,058	61,318	60,503	
Central Western District—						
Atch., Top. & Santa Fe System	23,048	20,998	19,904	12,951	11,036	
Alton	2,828	3,497	3,322	3,663	4,091	
Bingham & Garfield	494	734	654	93	157	
Chicago, Burlington & Quincy	18,624	15,448	14,475	11,507	9,841	
Chicago & Illinois Midland	2,359	2,457	211	813	872	
Chicago, Rock Island & Pacific	12,900	11,529	12,527	13,126	11,205	
Chicago & Eastern Illinois	2,562	2,492	2,763	5,776	3,092	
Colorado & Southern	772	758	676	2,027	1,500	
Denver & Rio Grande Western	2,942	2,621	2,410	6,097	4,946	
Denver & Salt Lake	629	355	356	27	14	
Fort Worth & Denver City	629	857	901	1,845	1,205	
Illinois Terminal	1,604	1,939	1,996	2,044	2,258	
Missouri-Illinois	983	1,414	1,097	486	469	
Nevada Northern	2,030	2,045	2,040	152	146	
North Western Pacific	975	959	862	634	439	
Peoria & Pekin Union	14	10	4	0	0	
Southern Pacific (Pacific)	29,605	28,167	27,867	14,532	9,998	
Toledo, Peoria & Western	315	247	432	1,852	1,702	
Union Pacific System	13,452	14,267	14,717	16,308	12,751	
Utah	580	483	382	5	4	
Western Pacific	1,808	1,974	1,671	3,672	3,671	
Total	119,163	113,251	109,247	97,610	79,397	
Southwestern District—						
Burlington-Rock Island	1,122	191	119	248	181	
Gulf Coast Lines	7,127	5,553	2,874	2,174	2,310	
International-Great Northern	2,157	2,308	1,767	4,638	3,835	
Kansas, Oklahoma & Gulf	427	235	189	983	1,110	
Kansas City Southern	6,132	4,470	2,089	3,172	2,385	
Louisiana & Arkansas	3,437	3,325	2,318	3,165	2,247	
Litchfield & Madison	289	372	428	1,110	992	
Midland Valley	834	622	430	268	259	

Trading On New York Exchanges

The Securities and Exchange Commission made public May 8 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 April 24, 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 April 24 (in round-lot transactions) totaled 1,747,424 shares, which amount was 16.93% of the total transactions on the Exchange of 5,158,750 shares. This compares with member trading during the week ended April 17 of 2,714,760 shares or 19.15% of total trading of 7,087,690 shares. On the New York Curb Exchange, member trading during the week ended April 24 amounted to 606,690 shares, or 15.84% of the total volume of that Exchange of 1,914,760 shares; during the April 17 week trading for the account of Curb members of 423,985 shares was 15.15% of total trading of 1,398,805 shares.

The Commission made available the following data for the week ended April 24.

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	944	686
1. Reports showing transactions as specialists	173	80
2. Reports showing other transactions initiated on the floor	187	51
3. Reports showing other transactions initiated off the floor	205	92
4. Reports showing no transactions	484	482

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 APRIL 24, 1943

A. Total Round-Lot Sales:	Total for week	% Per Cent
Short sales	106,950	
Other sales	5,051,800	
Total sales	5,158,750	
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	397,290	
Short sales	50,240	
Other sales	326,420	
Total sales	372,260	7.51
2. Other transactions initiated on the floor—		
Total purchases	328,500	
Short sales	8,500	
Other sales	288,970	
Total sales	297,470	6.06
3. Other transactions initiated off the floor—		
Total purchases	202,115	
Short sales	13,560	
Other sales	131,229	
Total sales	144,789	3.36
4. Total—		
Total purchases	927,905	
Short sales	72,900	
Other sales	746,619	
Total sales	819,519	16.93

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

WEEK ENDED APRIL 24, 1943

A. Total Round-Lot Sales:	Total for week	% Per Cent
Short sales	13,580	
Other sales	1,901,180	
Total sales	1,914,760	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	155,415	
Short sales	6,270	
Other sales	126,435	
Total sales	132,705	7.52
2. Other transactions initiated on the floor—		
Total purchases	125,510	
Short sales	3,600	
Other sales	114,410	
Total sales	118,010	6.36
3. Other transactions initiated off the floor—		
Total purchases	37,700	
Short sales	100	
Other sales	37,250	
Total sales	37,350	1.96
4. Total—		
Total purchases	318,625	
Short sales	9,970	
Other sales	278,095	
Total sales	288,065	15.84
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	0	
Customers' other sales	50,957	
Total purchases	50,957	
Total sales	39,385	

*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."

Market Value Of Stocks On New York Stock Exchange Higher On April 30

The New York Stock Exchange announced on May 7 that as of the close of business April 30, there were 1,236 stock issues, aggregating 1,468,918,529 shares listed on the Stock Exchange, with a total market value of \$46,192,361,639. This compares with 1,239 stock issues aggregating 1,469,456,426 shares, with a total market value of \$45,845,738,377 on March 31 and with 1,241 stock issues aggregating 1,469,204,098 shares listed on the Exchange on April 30, 1942, with a total market value of \$31,449,206,904.

In its announcement regarding the current figures, the Stock Exchange also said:

"As of the close of business April 30, New York Stock Exchange member total net borrowings amounted to \$569,614,299. The ratio of these member borrowings to the market value of all listed stocks, on that date, was therefore 1.23%. 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	April 30, 1943		Mar. 31, 1943	
	Market Value \$	Average Price	Market Value \$	Average Price
Amusement	467,385,359	21.43	458,682,119	21.18
Automobile	3,801,269,154	31.42	3,777,583,086	31.51
Aviation	695,573,396	20.78	682,674,850	20.40
Building	532,529,083	25.95	539,475,549	26.28
Business & office equipment	369,757,665	31.35	372,284,144	31.56
Chemical	5,964,284,428	62.56	6,009,096,712	63.05
Electrical equipment	1,569,096,555	39.01	1,595,693,480	39.74
Farm machinery	739,874,447	56.49	750,149,610	57.25
Financial	951,188,818	18.92	945,604,765	18.69
Food	2,919,852,055	31.27	2,877,240,156	30.82
Garment	43,559,837	26.03	45,517,153	27.20
Land & realty	27,339,892	5.62	26,162,237	5.39
Leather	215,413,924	25.62	217,663,692	25.88
Machinery & metals	1,617,817,015	23.65	1,637,253,916	23.94
Mining (excluding iron)	1,474,114,434	25.10	1,536,487,193	26.16
Paper & publishing	450,765,213	19.99	438,999,295	19.47
Petroleum	5,505,439,125	28.81	5,467,898,486	28.42
Railroad	3,663,941,178	32.28	3,568,614,888	31.33
Retail merchandising	2,322,226,928	31.90	2,286,231,969	31.41
Rubber	528,282,619	50.60	511,969,290	48.45
Ship building & operating	109,302,281	22.93	112,552,278	23.61
Shipping services	15,414,760	8.94	12,803,303	7.42
Steel, iron & coke	2,193,757,737	43.61	2,245,807,415	44.85
Textiles	469,419,872	33.01	446,747,272	31.70
Tobacco	1,189,862,276	44.25	1,183,550,635	44.01
Utilities:				
Gas & electric (operating)	2,005,679,434	21.67	1,978,788,904	21.38
Gas & electric (holding)	994,114,008	10.33	928,785,558	9.69
Communications	3,427,842,425	81.97	3,270,422,896	78.21
Miscellaneous	98,226,390	13.36	97,071,883	13.20
U. S. companies oper. abroad	726,118,934	21.40	698,058,855	20.57
Foreign companies	968,196,055	23.93	996,528,800	24.63
Miscellaneous businesses	134,716,342	22.95	129,337,978	22.03
All Listed Stocks	46,192,361,639	31.45	45,845,738,377	31.20

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

1940—	Market Value \$	Average Price	1942—	Market Value \$	Average Price
Dec. 31	41,890,646,959	28.80	Feb. 28	35,234,173,432	24.02
1941—			Mar. 31	32,844,183,750	22.36
Jan. 31	40,279,504,457	27.68	Apr. 30	31,449,206,904	21.41
Feb. 28	39,398,228,749	27.08	May 29	32,913,725,225	22.40
Mar. 31	39,696,269,155	27.24	June 30	33,419,047,743	22.73
Apr. 30	37,710,958,708	25.78	July 31	34,443,805,860	23.47
May 31	37,815,306,034	25.84	Aug. 31	34,871,607,323	23.70
June 30	39,607,836,569	27.07	Sept. 30	35,604,809,453	24.20
July 31	41,654,256,215	28.46	Oct. 31	37,727,599,526	25.65
Aug. 30	41,472,032,904	28.32	Nov. 30	37,374,462,460	25.41
Sept. 30	40,984,419,434	28.02	Dec. 31	38,811,728,666	26.39
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
1942—			Mar. 31	45,845,738,377	31.20
Jan. 31	36,228,397,999	24.70	Apr. 30	46,192,361,639	31.45

Finished Steel Shipments By Subsidiaries Of U. S. Steel Corporation Fell Off In April

Shipments of finished steel products by subsidiary companies of the United States Steel Corporation for the month of April, 1943, amounted to 1,630,828 net tons, compared with 1,772,397 net tons in the preceding month, a decrease of 141,569 net tons, and with 1,758,894 net tons in the corresponding month in 1942, a decrease of 128,066 net tons.

For the year 1943 to date, shipments were 6,780,810 net tons compared with 6,895,312 net tons in the comparable period of 1942, a decrease of 114,502 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	1,730,366	931,905	845,108	1,605,510
April	1,630,828	1,758,894	1,687,674	907,904	771,752	1,617,307
May		1,834,127	1,745,295	1,084,057	795,689	1,701,874
June		1,774,068	1,668,637	1,209,684	607,562	1,529,241
July		1,765,749	1,666,667	1,296,887	745,364	1,480,003
August		1,788,650	1,753,665	1,455,604	885,636	1,500,281
September		1,703,570	1,664,227	1,392,838	1,086,683	1,262,874
October		1,787,501	1,851,279	1,572,408	1,345,855	1,333,385
November		1,665,545	1,624,186	1,425,352	1,406,205	1,110,050
December		1,849,635	1,846,036	1,544,623	1,443,969	931,744
Total by mos.	21,064,157	20,458,937	14,976,110	11,752,116	16,825,477	16,825,477
Yearly adjust.			*42,333	37,639	*44,865	*12,827
Total		20,416,604	15,013,749	11,707,251	16,812,650	

*Decrease.
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.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on May 8 a summary for the week ended May 1 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 the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended May 1, 1943	
Odd-Lot Sales by Dealers:	Total
(Customers' purchases)	for Week
Number of Orders	19,617
Number of Shares	578,251
Dollar Value	19,901,174

Odd-Lot Purchases by Dealers—

(Customers' Sales)	
Number of Orders:	
Customers' short sales	192
Customers' other sales	21,025
Customers' total sales	21,217

Number of Shares:

Customers' short sales	5,101
Customers' other sales	573,139
Customers' total sales	578,240
Dollar value	17,104,720

Round-Lot Sales by Dealers—

Number of Shares:	
Short sales	210
Other sales	154,860
Total sales	155,070

Round-Lot Purchases by Dealers—

Number of shares	174,740
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*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."

Nicaragua To Pay Off Commercial Debt

The following advices were contained in a special cablegram to the New York "Times" from Managua, Nicaragua, May 4:

"Nicaragua's Minister of the Treasury, Ramon Sevilla, has requested Col. Irving Lindberg, Collector General of Customs and High Commissioner and Fiscal Agent for the country's frozen commercial debt, to arrange to pay off before June 30 the entire debt covered by the contract with the Foreign Trade Council, Inc., of New York, now amounting to more than \$500,000 and held by American, Canadian and British nationals.

"The debt contract, signed in 1938, was to run eight years, and full payment in June means cancellation more than three years prior to the final due date. This, it is asserted, indicates the good financial condition of the republic and reflects the high business and moral ethics of the Nicaraguan Government. Funds for payment of the debt were made available by a tax of 10% on imported merchandise."

Warns Of Oil Crisis—Agency Rule Blamed

Senator E. H. Moore (R., Okla.), at the mid-year meeting of the Independent Petroleum Association of America held on May 8, asserted that the oil industry was so poorly managed under the direction of Government agencies an oil shortage crisis may develop, according to an Associated Press dispatch from St. Louis, Mo.

In a prepared address before the meeting, he was quoted as saying: "It would be a very grave development were we to find ourselves with an inadequate supply of oil on which depends so vitally civilization itself."

In another address, Representative Clarence F. Lea (D. Calif.), a member of the House Oil Investigating Committee, listed shortages of manpower and materials and an inadequate price ceiling as three major handicaps of the oil industry.

Items About Banks, Trust Companies

At a meeting of the Trustees of the United States Trust Company of New York held May 6, James M. Trenary was appointed Secretary in addition to his present duties as Vice-President.

The First National Bank of Wilkes-Barre, Pa., announces the death of its President, William H. Conyngham, on April 25.

The Union Bank of Commerce, Cleveland, in its report for the 12 months ended April 30, 1943, shows deposits of \$92,641,469, of which \$15,016,243 represented a deposit in the U. S. Government War Loan Deposit account. The bank had deposits of \$13,786,184 when it started operating five years ago. The original capital contribution of shareholders was \$7,000,000 but since organization \$442,434 has been added to surplus and undivided profits and \$657,961 added to reserves. The increment, thus, as reflected by the books of the bank, is \$1,100,395, it was explained by Oscar L. Cox, President of the institution in his report to shareholders. Liquidity of the bank, Mr. Cox added, continues high and now with deposits in a more favorable ratio to invested capital, earning power has improved without impairment of liquidity.

In a letter accompanying the report informing shareholders of the annual meeting on May 26, Mr. Cox said that the financial results of the operation of the bank are improving, with earnings for the first four months of 1943 totaling \$132,707, of which \$48,982 was allocated to reserves. He added that total deposits have increased approximately 23% and deposits excluding public funds have increased approximately 14%.

The Farmers State Bank of Stryker, Stryker, Ohio, has been admitted to membership in the Federal Reserve System, it was announced on May 6 by M. J. Fleming, President of the Federal Reserve Bank of Cleveland. The bank was organized in 1926 with a capital of \$25,000 and now has total deposits in excess of \$500,000. Roy E. Oberlin is President of the institution.

M. J. Fleming, President of Federal Reserve Bank of Cleveland, on May 1 announced the admission of the following banks to membership in the Federal Reserve System: Farmers State Savings Bank, Delta; Farmers State Bank Co., Fayette; Farmers State Bank of McClure, and Peoples State Bank, Wauseon.

Regarding the new member banks, the announcement stated:

The Farmers State Savings Bank of Delta was organized in 1900 as The Farmers National Bank with a capital of \$25,000. Because of restrictions applying to national banks on farm mortgage loans the bank was converted to a State chartered bank in 1914. In 1921 the capital was increased to \$50,000. Surplus of the bank is slightly in excess of half that amount and its total deposits are in the neighborhood of \$850,000. The bank is the oldest incorporated bank in Fulton County.

The Farmers State Bank of Fayette was organized in 1906, with a capital of \$12,500. In 1912 the capital was increased to \$25,000, and in 1920 again increased to \$50,000. Surplus at the present is \$34,000 and the deposits of the bank approximate \$1,000,000.

The Farmers State Bank of McClure (Henry County) was organized in 1917, with a capital of \$25,000. In 1919 capital was increased to \$35,000. Surplus is now \$22,500, and deposits in excess of \$750,000.

The Peoples State Bank of Wauseon was organized in 1889

as a private bank with a capital of \$15,000. In 1906 the bank was reorganized as a State bank using the name of The Peoples State Bank, with a capital of \$50,000 and surplus of \$20,000. In 1910 the capital of the bank was increased to \$100,000. Surplus now equals the capital, and deposits are approximately \$2,500,000.

The Mutual Trust and Deposit Co., New Albany, Ind., became a member of the Federal Reserve Bank of St. Louis on May 3. The new member, chartered in 1904, has a capital of \$194,000, surplus of \$6,000, and total resources of \$2,565,683. Its officers are H. A. Barth, Chairman of the Board and Vice-President; Frank P. Clipp, President; Addison R. Rue, Cashier-Secretary-Treasurer; Harry F. Harter, Assistant Secretary-Treasurer, and Edmund E. Magness, Assistant Cashier.

Grant Ration Banking Liability Insurance Coverage To Bank

Liability insurance coverage for banks protecting them against claims or suits by their ration banking customers for damages sustained under the operation of the ration banking plan is now included under the general liability policies issued by member companies of the National Bureau of Casualty and Surety Underwriters, the Mutual Casualty Insurance Rating Bureau and the American Mutual Alliance, it was announced on April 28 by the Insurance and Protective Committee of the American Bankers Association.

No additional premiums for this extra coverage will be charged by the insurance companies, nor will endorsements by the companies of individual general liability policies now in force be required, said the ABA announcement, which added:

"Following conferences between the Association's Committee and representatives of the insurance companies' bureaus, the bureaus circularized their member companies, authorizing them 'to construe general liability policies as covering Ration Banking Plan liability, without additional premium charge and without issuance of endorsements.' The companies thereupon forwarded to their bureaus letters granting the additional coverage for ration banking as it is now organized and operated.

"An analysis of ration banking conducted by the A. B. A.'s Insurance and Protective Committee and the Office of Price Administration showed that little, if any, liability is created for the banks taking part in the ration banking plan. Ration banking, however, has no precedent from which actual liability risk of the banks could be ascertained, and to eliminate any doubts, the A. B. A. Committee cooperated with the casualty insurance bureaus in adding this coverage to general liability policies. The companies granted this extension of protection as a further contribution to the war effort.

"Prior to this action, a separate policy specifically designed to cover ration banking liability to customers had been issued by the Indemnity Insurance Company of North America. Following the action of the insurance bureaus, authorizing their members to include ration banking coverage in their regular policies, this company announced that it would refund all premiums paid by banks which had already bought the special policy and offered to endorse its general liability policies, at the request of the banks it insures, to include ration banking

Savings Banks Assets Stronger, Nadler Says

The outlook for large institutional investors was explored on May 7 by Dr. Marcus Nadler, Professor of Finance, New York University and consultant Central Hanover Bank and Trust Co., New York. Speaking in New York before the business meeting of the National Association of Mutual Savings Banks, he said: "The investment problem of the savings banks divides logically into two phases: How to invest new deposits and how to handle existing investments. The first problem relatively is simple. The savings banks will continue to be buyers of Government securities, particularly those designed especially for them, and for insurance companies. In buying long-term Government bonds they do not incur any particular risk of depreciation because, so far as one can foresee, no material change in interest rates is likely.

"The handling of existing investments is more complicated. Very often savings banks are inclined not to sell corporate securities because of the satisfactory return and because of the inability to obtain an equally satisfactory return from new securities. Now is the time for savings banks to analyze their so-called credit bonds as carefully as possible. Obligations of those corporations of which the management has made a serious and successful effort to strengthen their financial position should be retained. All others should be gradually liquidated.

"In handling mortgages and real estate owned by the savings banks, it should be borne in mind that the post-war period may witness a great building boom. As is well known, new homes tend to decrease the value of older ones. Mortgages, upon the whole, particularly upon small and medium-sized family homes, as well as medium-priced apartments, are safe investments for savings banks provided they carry adequate amortization. The outlook for luxury homes and high-priced apartments is not favorable, to say the least. It also is quite possible that in the post-war period the efforts that will be made to reduce the cost of distribution may have an adverse effect upon commercial property. Assets of the savings banks are stronger and more liquid today than ever before in their long history."

Nat'l Chamber Favors Trade Acts Renewal

The Chamber of Commerce of the United States, at the concluding session of its meeting in New York City on April 29, approved a resolution endorsing the proposal before Congress for renewal of the Reciprocal Trade Agreements Act. Adopted by the Resolutions Committee by a vote of 34 to 11, it was held, however, that there should be appropriate safeguards in legislative provisions for ample public notice and open hearings and clauses in the agreements providing for the modification or withdrawal of concessions in order to prevent serious injury to domestic producers.

The Chamber adopted another trade resolution holding that as soon as war conditions permit, it should be the objective of the Government to pursue a policy that will maintain and increase the volume of export trade and foreign business transactions of American enterprises. All foreign trade controls should be administered through one agency and should be removed as soon as possible after the war in the interest of private business.

liability without payment of additional premium."

Warlike Distribution Analysis To Be Basis Of War Credit Congress In St. Louis

Analysis of war-stimulated distribution problems will be the underlying subject engaging the attention of delegates to the War Credit Congress being jointly sponsored in St. Louis, May 25-27, by the St. Louis Association of Credit Men and the National Association of Credit Men. Over 1,500 delegates representing manufacturing, wholesaling and banking firms throughout the country are expected to attend.

Among speakers already listed for the various sessions there will be Carle C. Conway, Chairman of the Board and President, Continental Can Co.; Ralph W. Carney, Vice-President, Coleman Lamp & Stove Co., Wichita, Kan.; C. Scott Fletcher, General Sales Manager of the Studebaker Corp., South Bend, Ind., who will represent the Committee for Economic Development, Washington, D. C., of which he is Director of Field Development, and George Sokolsky, author, columnist and radio commentator.

The keynote address of the War Credit Congress will be delivered by Henry H. Heimann, Executive Manager-on-Leave of the Association, at the opening session on May 25. Mr. Heimann's subject will be "Credit, Today and Tomorrow."

Besides the general sessions of the War Credit Congress, which will be devoted to consideration of present and post-war business problems, there will be 26 special Industry Credit Group conferences utilizing the entire day, Wednesday, May 26th. In these specialized meetings credit executives will take part in programs designed to develop a better understanding of the problem of credit losses, improvement of credit techniques and rationalization of credit department organization.

Money And Securities War Damage Liability

The aggregate liability of policies issued by the War Damage Corporation under its money and securities program in the continental United States as of March 31, 1943, was \$2,456,669,000, it was announced on May 2 by Secretary of Commerce Jesse Jones.

In Washington advices of May 2 to the New York "Journal of Commerce," it was reported:

The Corporation's money and securities program became effective on Dec. 21, 1942, and the form of policy (WDC Form No. 1(a)) provides for the following types of coverage for money and securities:

Coverage A, within "preferred vault" at specified locations; coverage B within any "safe" or "vault" at specified locations; coverage C within any specified "premises" or within any specified "custodians";

Coverage D, while in transit or otherwise outside of the foregoing for business purposes (excluding mail or express transit).

According to the figures released by the Secretary of Commerce, aggregate liability of the corporation for coverage of money which was stated to be \$237,658,000 is divided between the foregoing coverages as follows:

Coverage A, 40%; coverage B, 13%; coverage C, 30%; coverage D, 17%.

Similarly, aggregate liability of the corporation on securities which was stated to be \$2,219,011,000 is divided as follows:

Coverage A, 77%; coverage B, 3%; coverage C, 9%; coverage D, 11%.

Total liability was divided as follows:

Coverage A, 73%; coverage B, 4%; coverage C, 11%; coverage D, 12%.

States Are Listed

The ten States having the largest concentration of liability are the following:

New York, \$863,840,000; Massachusetts, \$215,190,000; Connecticut,

\$172,246,000; Pennsylvania, \$152,468,000; New Jersey, \$133,909,000.

Also Maryland, \$96,107,000; California, \$89,335,000; District of Columbia, \$68,996,000; Michigan, \$63,337,000; Illinois, \$47,781,000.

The ten cities having the largest concentration of liability are the following:

New York, \$837,863,000; Boston, \$136,841,000; Philadelphia, \$129,024,000; Baltimore, \$95,477,000; Newark, \$62,932,000.

Also Detroit, \$61,479,000; Los Angeles, \$53,087,000; Chicago, \$44,585,000; St. Louis, \$40,997,000; Providence, \$30,106,000.

Total net premiums collected by War Damage Corporation under money and securities policies, outstanding as of March 31, 1943, was approximately \$405,000.

A previous item on this coverage appeared in our issue of March 25, page 1114.

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