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The Financial Situation

Another crisis, perhaps the most dangerous of them all, in the over-all management, or rather the mis-management, of our war effort has obliged the President to take official notice of a failure long evident to all informed persons. This time he has chosen to superimpose another agency upon the multitude of other organizations which one after the other have failed to establish order or attain effectiveness in day to day operation. This time on paper at least he has yielded to demands long made from many quarters (and long ignored) that he select an individual or create an organization, subject only to his own general direction, to perform those essential functions of policy making and coordination which he himself either would not do, or along with all the other heavy duties which rest upon a Chief Executive under present circumstances could not do—that is to say, in his own words, "lay down unified policies and develop integrated programs," "see that the policies established and programs developed are expedited," "avoid duplication and overlapping, eliminate interdepartmental friction, make decisions with dispatch, and keep both our military machine and our essential civilian economy running in team and at high speed."

Will It Succeed?

The step now taken could conceivably be precisely the one to usher the nation into a period in which for the first time it will demonstrate what it really can do in the prosecution of "total war." Whether it will actually do so remains for the future to disclose. So happy an outcome, or anything nearly approaching it, depends upon many things not now clear. The first of these is the policy of the President himself vis-a-vis the new organization he has just brought into being. The fundamental weakness of the over-all management of our war effort to date has stemmed from the White House, and it has not by any means been solely a matter of an over-burdened Chief Executive.

It Depends Upon The President

The President has appeared unwilling to set a national course which embraced all these subjects and adhere to it, and about equally unwilling to have any one else do so. He has seemed unable to summon full faith in those upon whom he has placed responsibility. He has never seemed able to delineate carefully and effectively either the responsibility (Continued on page 2082)

World Court, Police Force Essential To Maintain Peace, Says Welles

Under-Secretary of State Sumner Welles said on May 31 that a world court to settle disputes among nations and an international police force to keep the peace must be established at the end of the war if humanity is to be spared a repetition of the conflict.

Speaking at the commencement exercises at Durham, N. C., of the North Carolina College for Negroes, Mr. Welles outlined what he called a set of "cardinal principles" on which to build a world organization, advocating at the same time a gradual evolution of an international organization during the "chaotic" transition period following the end of hostilities. Advice from Durham to the New York "Herald Tribune" reporting this went on to say:

These were the "cardinal principles" laid down by Mr. Welles in an address that closely followed the pattern of the speech he delivered at the Arlington National Cemetery just a year ago:

"There must be, through international agreement, a combination of armed forces made available by the powers which are prepared to do so, which may be used regionally or on a broader scale, and which can, and will, prevent aggression, render international con-

flict impossible and, in general, see to it that the peace of the world is maintained inviolate; "An international tribunal to which international controversies can be referred and in which international confidence can be safely placed;

"An efficient international method for the outlawing of certain kinds of armaments and for the inspection of all national armaments.

"The creation of appropriate and practical technical organizations to deal with economic and financial matters and to advise the members of the United Nations thereon, so that autarchic commercial and financial policies will not be pursued by individual powers, and so that the post-war (Continued on page 2086)

The News Behind The News

By PAUL MALLON

Washington, June 1—The stern and complete secrecy with which Mr. Roosevelt has hooded the International Food Conference has inspired suspicion out in the country that he has some great international plan which he desires to try out and keep quiet for a time.

Around here, the commonly accepted inside story, however, is that the conference is relatively unimportant, but that Mr. Roosevelt chose the opportunity to set a precedent against free press coverage of later more important post-war peace conferences.

It is related FDR was greatly pleased with the secrecy of the Casablanca conference (which was strictly a military conference, incidentally) and that he would like to follow through on that line.

There is a better reason than either of the above. The conference is under the management of our Agriculture Department economists, thinkers and planners.

In charge of the technicians for us is Paul Appleby, the Under Secretary of Agriculture, an old pal of Vice-President Wallace in the little-pig-slaughtering days, and a man who started Mr. Wallace on his political career to the Vice-Presidency.

These planners of ours have worked on a most astonishing series of new ideas. Most people would call them fantastic, and even the planners themselves (Continued on page 2090)



Paul Mallon

Controlled Economy vs. Free Enterprise

Roger W. Babson Says Businessmen, Not Politicians, Should Define Postwar Problems

Military arm-chair strategists are now being superseded by college professors, pseudo economists, organizations, officials and even certain "crack-pots." All of these have their pet ideas for solving our postwar problems. Many of them have some axe to grind. Much that they offer is over my head. After all I am just a country boy living in the woods of Babson Park. Common sense, however, tells me that our most responsible employers and labor leaders should be given the power to provide full postwar employment.

Post-War Control

My readers should make no mistake about one thing. What the politicians, New Dealers and "crack-pots" have now to say about postwar planning will not bear much fruit. The boys who will conceive and put into effect our postwar economy will be our returning service men. "Alright," you say, "these may account for only 10,000,000 votes." But I predict that this group will be the most intelligent and constructive minority group that our country has ever seen.

Outside of the military, there is still little real leadership in our country. I have in mind not only the theorists, dreamers, soreheads labor leaders and politicians, but other people of our national life who depend upon pull, graft, waste or bureaucracy for a livelihood. The title of a recent picture in "Time Magazine" to the effect that "our wounded do not cry," was very significant. Our boys are developing character courage and initiative. They will



Roger W. Babson

Politics vs. Business

Recently there was held at Babson Park the graduation exercises of the first group of Naval Officers who had completed their course of training for the Navy Supply Corps. The majority of these new officers came from active business. After the War, they want to get back into business. In my humble judgment, they will not like planned economy. They are already looking ahead to the time when they and other men can, without government interference, create conditions favorable to reasonably full employment and to a high standard of living.

In a democracy such as ours, it is important that we be a well, and not a sick, nation. France, Italy and Germany—once vigorous, up-to-date and modern states—gradually became infected with totalitarian bacteria. They literally sickened and now are facing self-destruction. Russia, temporarily, has found a specific for her disease. Certainly she is recognizing and rewarding individual leadership. Politicians, not intelligent industrialists, make sick nations. The politicians of Europe were, in fact, responsible for World War II.

Free Enterprise Essential

Whatever policies are adopted in our post-war era—and it would (Continued on page 2090)

From Washington Ahead Of The News

By CARLISLE BARGERON

The boys in Tunisia, in Guadalcanal and those many other places that they are in, would certainly not be in such a mood by now that they didn't want us home folks to go ahead having a lot of clean fun. It is essential to keeping up the morale on the home front, and as your correspondent understands it from reading the experts, keeping up this morale on the home front is really more important than anything the fighting boys might do. Remember how it was the German home front that collapsed behind the soldiers in 1918?

Well, by way of having this clean fun on the home front and keeping up our morale, Jimmy Byrnes's appointment as the Overall Home Front War Director, the job being created in order that Mr. Roosevelt can give his whole time to outwitting Hitler on the battlefields, is being generally looked upon here as a reward for Jimmy's having prevented inflation. He had a singular success

as inflation preventer. There are mighty few men on whom the President could have called who could have prevented it so quickly as he did. One of the ways he prevented it was to make the War Labor Board's authority so rigid that the Board became useless, and its authority subsequently had to be made unrigid. An accomplishment of this kind should be rewarded, and in the meantime the new inflation preventer is Fred Vinson, who as a member of (Continued on page 2090)

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The Financial Situation

(Continued from first page)

or the authority of the numerous subordinates appointed to perform various tasks. What has been even worse, if that is possible, has been the practice of giving more heed to the opinions of political adherents upon whom no direct responsibility had been placed than to the determinations of those who had been asked to carry the responsibility. Old and tried "New Dealers" have infested many, if not all, of the emergency war offices, and have rather regularly been able to obtain the ear of Mr. Hopkins who lives in the White House and who is generally credited with being more influential with the President than any one else alive.

Will this situation continue under the new regime? If so, it would be foolish to expect adequate results. If so, it would have been much better to appoint Mr. Hopkins to head the Office of War Mobilization. No organization can function effectively which ostensibly reports to the President and operates under his orders, but which must always have the approval of Mr. Hopkins who is chairman of one of the many organizations directing war operations and who is most likely to be influenced by reports from a sort of official Gestapo operating throughout the offices of the Government almost everywhere. The President in the past has always shown a tendency to act precipitately upon occasion without even the knowledge of those who have been charged with the matters concerned. With a national election in the offing it is reasonable to suppose that he will be more than ever tempted to permit his decisions to be influenced by considerations other than the smooth functioning of the war machinery. Unless he refrains from all such action in the future, the Office of War Mobilization will have a needless, and quite possibly a crushing, load to carry.

Policy Changes Essential

All this is rendered the more pertinent by the urgent need for drastic alteration of policy at many points. Some of these changes would cut deep where the New Deal managers, sometimes even the President himself, have shown great sensitivity in the past. Full effectiveness in the war effort requires that every one keep an eye single to the winning of the war at an early date as possible. If the people at large are to be completely unified in the performance of the tasks necessary to this end, the Government itself must set a good example. Not only must officialdom and the politicians generally center their full attention upon this objective, but they must make it convincingly evident to a people who, not without good reason, have grown distinctly skeptical.

Not only that, but the penchant long conspicuous in Washington for regulation for its own sake, the apparent worship of complete regimentation as a means of obtaining maximum results, must be eliminated without delay. The vast structure of regulations, now so intricate, so all-embracing, so confusing, and so needlessly irritating and burdensome, urgently needs complete overhauling and drastic pruning. It is a sine qua non of full, enthusiastic public support. The whole question of civilian economy must be taken promptly out of the dog-house where it has been confined far too long, and restored to its rightful place in the war plans. Failure to do so long ago has had as much as almost anything else to do with the failure of our war effort and the danger to which it is exposed more and more with every passing day. Moreover the public must be entrusted with much more and far more dependable information about many things.

Great Ability Required

These changes the President must permit and support fully if his latest organizational step is to bear fruit. More than mere Presidential support is, however, required to give effect to such reforms, and at the same time start the war machinery to running smoothly. And that machinery must promptly start to run much more smoothly than it is now doing if the confidence of the public in the national government, now so badly shaken, is to be restored as it must be. To give effect to these changes in policy, and to make new programs effective promptly will plainly require the very acme of good management. Those to whom such tasks are entrusted must be "rich in saving common-sense as the greatest only are," as the poet aptly expresses it. They must have organizing ability and the qualities of true leadership in great abundance. Mere political shrewdness, good stage management, and clever manipulation of events with a view to appeasing public opinion will not be nearly enough.

The gentlemen to whom have been entrusted—if they actually have been entrusted—such tasks have shown some of the qualities needed. Though most of them have long been in public life, practically all of them for a good while a part of the war organization in Washington, they are almost completely unknown quantities as respects a number of other

qualities most essential to their success in these new tasks. We can only hope for the best—until time tells the story, as it will without much delay.

And much more than many of us realize depends upon that story.

First Agriculture; Now War Industry

"We are reaching a point when it will be necessary to call fathers, and that also means that executives and key men will be drafted. We are at war, and individual sacrifices and some hardships are inevitable.

"I do not mean that we are going to pull all your executives out of their jobs overnight, of course. But no matter how important an executive's job may be, it is going to be necessary to establish that there is no one at all to take his place and even if he should be irreplaceable it will not follow that he will be deferred, because it still will be necessary to prove that his work is essential to the war effort.

"Under the industrial replacement schedules that you are working out with the Selective Service the majority of the young able-bodied men without dependents now in war factories will be called up within six months and practically all of them will be taken within a year."—Colonel Arthur V. McDermott at a recent meeting of the Commerce and Industry Association in New York City.

There seems to be little question that this is the official Army view of the situation—and has been for a good while past.

Yet only a few weeks ago the War Manpower Commission was urging men to seek essential war work or expect to be called up for service in the armed forces! Here is a common type of dealing with the public which should have the prompt attention of the Office of War Mobilization.

But the situation has even more serious aspects. Precisely such selective service policies as are here described by Colonel McDermott are in substantial part responsible for the serious food supply situation. Must we later repent an unwise application of them to war industry now?

The State Of Trade

A number of the leading industries showed declines for the week, but power production and the retail trade reports were rather outstanding in their gains.

Electric power output for the week ended May 22 reached a new all-time peak, according to the Edison Electric Institute. The contra-seasonal advance reflected the current heavy wartime demand for electrical energy.

Total electric production for the week was 3,992,250,000 kilowatt-hours, and compared with 3,969,250,000 in the preceding week. The previous high was 3,976,844,000 in the week ended Jan. 30. The 1942 top was 3,975,000,000 in the week ended Dec. 19.

Increase over a year ago was 18.2% as compared with an increase of 18.1% for the preceding week.

Carloadings of revenue freight for the week ended May 22 totaled 843,334 cars, according to the Association of American Railroads. This was a decrease of 5,188 cars from the preceding week this year, 5,658 cars more than the corresponding week in 1942 and 22,693 cars below the same period two years ago.

This total was 124.31% of the average loadings for the corresponding week of the 10 preceding years.

Steelmakers "are booking an increasing number of orders for delivery during the first quarter of next year and even into the second quarter," according to the magazine "Steel."

"These cover requirements for long-range war programs and are accompanied by Controlled Materials Plan allotment numbers," the publication continued. "These orders are being accepted by producers, with sizes and quantities to be specified later. Orders are placed so far in advance to give advantageous position on mill books, though subject to change as requirements develop. Included in this forward buying are plates, wire and wire products, strip and aircraft materials.

"Backing up this remote buying is the fact that mills in general are sold practically through the third quarter and into the fourth quarter on plates, bars, wire, sheets and strips, with little open capacity for that delivery."

National ingot production remained last week at 99% of estimated national capacity.

Civil engineering construction

merchandise was stimulated this week as shoppers purchased in anticipation of the holiday weekend, with stores emphasizing articles for home recreation as well as for summer resort events, according to the weekly review of Dun & Bradstreet, Inc.

Promotional activity continued in lines in which scarcities were least prevalent in both retail and wholesale markets.

National income for the first quarter of the year rose to \$32,245,000,000 from \$26,190,000,000 in 1942, the Alexander Hamilton Institute reported. It is, the institute noted, an increase of 23.1%.

The continued increase, with advances in February and in March, confirm predictions that the 1943 national income will be by far the largest on record, the Institute explained.

Preliminary reports show that income continued to increase in April, and all indications point to month-by-month increases throughout the summer until the seasonal peak is reached about October.

"One World—One Man"

"One World" is the title of a book.

One man is Wendell Willkie. The two are one, and every American should know both. This book is Wendell Willkie.

This record of his courageous trip to the fighting countries is humane literature that will be read by generations to come. It was not written for profit. All his royalties go to the Red Cross and two great relief organizations.

Why did Mr. Willkie make such a dangerous trip? The answer is simple. The welfare of the American people is at stake both at home and abroad. We are fighting two wars. We have allies in both and the problems to solve for victory cannot be thoroughly concluded over the long distance telephone. To discuss our war problems with one ally is not enough. To do this with our other allies is the only way to get the facts. Do the American people realize that Mr. Willkie was our eyes, our ears and our investigator for our benefit?

This man is unafraid.

With his experience, probably the broadest of any man in America today, he has shown time and again that the welfare of the American people is in his heart.

There is not one word of propaganda in his book. Mr. Willkie sees the world as a unit and all mankind to be welded together in a unity for permanent peace.

This trip of Wendell Willkie is the first major step for that unity.

No one has ever been able to modify the formula for unity: "If you want unity in this world you have got to put it there yourself." What better man is there for such a job than Wendell Willkie?

This article is not a book review but to urge you to read this book so you may know something concrete of our world neighbors.

We have world neighbors and we have got to be world neighbors. The exchange of world ideas is progress and let no man in America be so stupid as to ever again use the words isolationist and interventionist to stop this progress.

The truth about all for all to be sifted for the benefit of all was the effort put forth by Mr. Willkie. The results of his trip are far-reaching because he sought for truth and found it and brought it home to us.

Let us profit by reading this book. You will find it entirely free of mental litter.

ROBERT W. MOREY,
52 Wall St., New York City.

New War Mobilization Office Headed By Byrnes; Vinson Economic Stabilization Director

President Roosevelt created on May 28 the Office of War Mobilization, with James E. Byrnes as its Director, in a move designed to provide for more effective coordination of the war agencies concerned with military and civilian supplies.

In a statement, the President explained that the country is now "entering a phase of the war effort when we must streamline our activities, avoid duplication and overlapping, eliminate interdepartmental friction, make decisions with dispatch, and keep both our military machine and our essential civilian economy running in team and at high speed."

Mr. Byrnes resigned as Economic Stabilization Director in order to assume his new duties and was succeeded by Fred M. Vinson who gave up his position as a Justice of the United States Circuit Court of Appeals for the District of Columbia. Mr. Vinson was a member of Congress from Kentucky for 14 years and spent eight years of that period as a member of the House Ways and Means Committee.

To assist Mr. Byrnes, the President established a War Mobilization Committee composed of Secretary of War Stimson, Secretary of War Knox, Donald M. Nelson, Chairman of the War Production Board; Harry L. Hopkins, Chairman of the Munitions Assignments Board, and Mr. Vinson.

As to this group, the President's statement said:

"The committee has been purposely kept small so that it can function most effectively. But the heads of the various departments and agencies will be asked to sit with the committee whenever matters of special concern to their departments or agencies are under consideration."

"The committee will lay down unified policies and develop integrated programs and will see that the policies established and programs developed are expedited. In addition to its regular meetings, the committee will meet from time to time with me in the Cabinet Room."

The Office of War Mobilization will have three main functions, viz:

"To develop unified programs and to establish policies for the maximum use of the nation's natural and industrial resources for military and civilian needs, for the effective use of the national manpower not in the armed forces, for the maintenance and stabilization of the civilian economy and for the adjustment of such economy to war needs and conditions;

"To unify the activities of Federal agencies and departments engaged in or concerned with production, procurement, distribution or transportation of military or civilian supplies, materials and products. . . .

"To issue such directives on policy or operations to the Federal agencies and departments as may be necessary to carry out the programs developed, the policies established and the decisions made under this order."

Mr. Byrnes and Mr. Vinson were sworn in on May 29 to their new posts.

The President's Executive Order setting up the OWM follows: By virtue of the authority vested in me by the Constitution and the statutes of the United States, particularly by the First War Powers Act, 1941, as President of the United States and as Commander in Chief of the Army and Navy, and in order to provide for the more effective coordination of the mobilization of the nation for war, it is hereby ordered as follows:

I

There is established in the Office for Emergency Management of the executive office of the President an Office of War Mobilization which shall be under the direction of a director of war mobilization (hereinafter referred

to as director), to be appointed by the President.

II

There is established in the Office of War Mobilization the war mobilization committee (hereinafter referred to as the committee), of which the director shall be the chairman and with which he shall advise and consult. The committee shall consist, in addition to the director, of the Secretary of War, the Secretary of the Navy, the chairman of the Munitions Assignments Board, the chairman of the War Production Board and the Director of Economic Stabilization. The chairman shall request the heads of other agencies or departments to participate in the deliberations of the committee whenever matters specially affecting such agencies or departments are under consideration. It shall be the duty of the heads of the agencies and departments to supply necessary data to the director and the committee.

III

It shall be the function of the Office of War Mobilization, acting in consultation with the committee and subject to the direction and control of the President,

(a) To develop unified programs and to establish policies for the maximum use of the nation's natural and industrial resources for military and civilian needs, for the effective use of the national manpower not in the armed forces, for the maintenance and stabilization of the civilian economy, and for the adjustment of such economy to war needs and conditions;

(b) To unify the activities of Federal agencies and departments engaged in or concerned with production, procurement, distribution or transportation of military or civilian supplies, materials, and products and to resolve and determine controversies between such agencies or departments, except those to be resolved by the director of economic stabilization under Section 3, Title IV of Executive Order 9250; and

(c) To issue such directives on policy or operations to the Federal agencies and departments as may be necessary to carry out the programs developed, the policies established, and the decisions made under this order. It shall be the duty of all such agencies and departments to execute these directives, and to make to the Office of War Mobilization such progress reports as may be required.

The Office of War Mobilization may perform the functions, exercise the powers, authority and discretion conferred on it by this order through such officials and such agencies and in such manner as the director, subject to the provisions of this order, may determine. The director shall receive such compensation as the President shall provide, and within the limits of funds which may be made available, may employ necessary personnel and make provision for supplies, facilities and services necessary to discharge his responsibilities.

All prior Executive orders in so far as they are in conflict herewith are amended accordingly.

FRANKLIN D. ROOSEVELT.

Union Defies ODT On Skip-A-Day Deliveries

The Office of Defense Transportation on May 25 issued an order, effective May 27, cutting milk deliveries to homes in the metropolitan area to every-other-day, with no wholesale deliveries on Sundays, in order to save gasoline.

The companies on Thursday, May 27, sought to deliver a two-day supply to their retail customers, but the Milk Wagon Drivers Union, an A. F. of L. affiliate, having approximately 14,000 members in Metropolitan New York, Westchester County (N. Y.) and Northern New Jersey, refused to do so. Rather than deprive their customers, the companies then delivered a one-day supply each day up to and including Tuesday, June 1, in violation of the ODT order.

No wholesale deliveries were made on Sunday, May 30, and for the first time in the six-day-old controversy, home consumers were affected on a mass scale on Wednesday, June 2 as companies made no retail delivery of 2,000,000 quarts normally set down each day on doorsteps in the metropolitan area.

This dispute was referred to the National War Labor Board on June 1 by Ralph T. Seward, impartial chairman of the milk industry in the metropolitan district, after the union failed to respond to his deadline for compliance with the ODT order.

Miners Again Strike

The extended strike truce between the coal miners and operators expired at midnight on May 31, with no settlement of the long wage controversy in sight. Miners checked in their tools as orders were flashed shortly before the deadline from district headquarters of the United Mine Workers of America that "there will be no work tomorrow (June 1)." Approximately a half million of men walked out.

The deadlock in wage negotiations tightened on Tuesday when the operators, in the absence of sanction by the National War Labor Board, rejected the Union's proposal during the day for an increase of \$1.50 a day as a temporary settlement of the portal-to-portal (underground travel) issue.

Harold L. Ickes, Secretary of the Interior, as Solid Fuel Administrator, and operator of the seized mines in the name of the Government, called upon John L. Lewis, President of the Union, to order the miners to end their work stoppage, which Mr. Ickes termed "a strike against the Government."

The joint wage negotiations were recessed until Wednesday (June 2) with an announcement by the operators that they have called upon the NWLB for further directions.

On May 25, the NWLB had handed down a compromise decision in which it denied union demands for a general wage increase of \$2 a day, for double time for Sunday work and for a guaranteed 52 weeks of work a year. The Board, however, approved an increase in vacation allowance from the present \$20 to \$50, suggested a two-year contract and made minor allowances for occupational expenses. The problems of portal-to-portal pay and the six-day week were referred back to the union and the coal operators for further direct negotiations.

Industrial Activity Increased Further In April, Federal Reserve Board Reports

Industrial activity in April and the early part of May increased somewhat further, and retail trade was maintained in large volume, the Board of Governors of the Federal Reserve System reported on May 22 in its monthly summary of general business and financial conditions in the United States.

The Board's review continues:

Industrial Production

The Board's index of total industrial output rose slightly in April, reflecting further increases in activity in war industries, while output in most other lines showed little change.

Production of armaments in the machinery and transportation equipment industries rose to new high levels. Activity at steel mills increased somewhat further. Lumber production showed the usual seasonal rise in April and was at a level about 10% less than a year ago, when problems of maintaining an adequate labor supply in the industry began to develop. In the cement industry, where production usually advances sharply during the spring months, production has shown little change this year, reflecting chiefly the restricted volume of current construction activity.

Total output of manufactured foods in April continued below the seasonally adjusted peak level reached at the end of last year. Meatpacking and flour production showed decreases in April, while output of dairy products and other manufactured food products was maintained. Volume of output in chemical plants continued to gain. Production of other non-durable manufactures showed little change.

There was a decline in bituminous coal production in the last week of April, following the breaking off of negotiations for a new wage contract, but output increased in the early part of May. Production of coal in March had been at an exceptionally high level. Stocks on May 1 were considerably higher than a year ago and for bituminous coal were estimated to be equivalent to 55 days' supply for industrial purposes. In May the Government took over the bituminous coal mines.

Value of construction contracts awarded declined in April, reflecting reductions in contracts for Federal work, according to the F. W. Dodge Corp. Total residential awards in March and April were at the lowest levels for these months in a number of years.

Distribution

Sales at department and variety stores increased in April, but the rise was less than usually occurs when Easter falls late in the month. Mail-order sales, principally to persons in small towns and rural areas, showed about the usual seasonal rise. Value of sales in April continued at a level substantially higher than a year ago but, with prices higher, the physical volume of goods sold was probably about the same as in the corresponding period last year.

Carloadings of revenue freight were maintained in large volume in April and the first week in May. Ore shipments showed a seasonable rise beginning in the last half of April, a month later than in 1942 when the movement was unusually early.

Commodity Prices

Wholesale prices of most commodities showed little change from the middle of April to the middle of May. Retail food prices continued to advance sharply in the latter part of March and the early part of April and the indexes showed increases of 6% as compared with January. Retail prices in most other items in the cost of living showed smaller increases in that period. Plans for more effective enforcement of price ceilings have been announced.

Bank Credit

During May, as the Treasury made disbursements out of war loan accounts, which had been built up during the recent drive, there was a growth of bank deposits subject to reserve requirements and a decrease in member bank excess reserves. Continued withdrawals of currency also reduced bank reserves. Nevertheless, the reserves of member banks were sufficient to enable them to make substantial repurchases of bills which had been sold to the Reserve Banks under option. In addition, the Federal Reserve System sold some bonds in response to a market demand.

Government security holdings at reporting member banks in 101 leading cities increased by \$4,300,000,000 in the four weeks ending May 12. These increases reflected purchases of new issues during the War Loan drive, as well as substantial market purchases.

In New York City, loans to brokers and dealers for purchasing or carrying securities increased by \$860,000,000 during the three weeks of the War Loan drive, and subsequently declined in the first three weeks of May; these changes reflected almost entirely activity in loans for purchasing or carrying Government securities, which on May 19 amounted to \$580,000,000 of the total \$1,020,000,000 outstanding; other loans to brokers and dealers by New York City banks rose by \$90,000,000 from the end of March to May 19.

Machinists Union Ends AFL Tie

By vote of 78,811 to 20,179, the International Association of Machinists' which has a membership of approximately 565,000, recently decided to terminate its 48-year affiliation with the American Federation of Labor, effective May 31, 1943, according to the Associated Press dispatches last week from Washington, which added that this withdrawal climaxes a jurisdictional dispute of the IAM with the United Brotherhood of Carpenters and Joiners, the International Union of Operating Engineers and the Amalgamated Association of Street, Electric and Motor Coach Operators of America. The dispatches on May 27 further went on to say in part:

Harvey W. Brown, President of the IAM, declared that his union has no intention of joining the Congress of Industrial Organizations and that the IAM would remain independent until such a time when the AFL might undertake to settle the dispute satisfactorily. He added that the IAM Executive Council had decided on the break May 27 after a long conference on the refusal of the AFL Executive Council to grant a request for a clear definition of a jurisdiction of the machinists' union.

However, in leaving the AFL, said Mr. Brown, we are firmly resolved to continue one of the traditional policies of the IAM—to respect the jurisdiction of and cooperate with the bonafide trade unions who respect our jurisdiction. He stated in a letter to William Green, President of the AFL, that the union was taking this step "with sincere regret."

Mr. Green said he hoped "the separation will be only of temporary duration and that some compromise can be worked out."

President Asks Congress For \$85,000,000 To Prepare For Post-War Works Program

President Roosevelt asked Congress on May 24 for \$85,000,000 to enable the Federal Government, in cooperation with States and local governments, to prepare plans for public works and improvement projects to be undertaken in the post-war period.

In a letter to Vice-President Wallace the President appealed for "a coordinated program of the appropriations and legislation that will be necessary to enable the Federal Government to be prepared for a rapid start on a Federal public works and improvement program."

Mr. Roosevelt said that by deferring the construction of non-war projects "we are storing up a reservoir of work that can be undertaken when the war is over and thus be useful in providing employment opportunities and demands for materials."

His letter was accompanied by proposed legislation under which the Federal Government would be authorized to allocate at least \$10,000,000 to States and local planning agencies next fiscal year. Of this sum \$5,000,000 would be equally divided among States and 50% would be divided on a population basis.

Another provision would authorize the President to spend up to \$75,000,000 for advances to States and local authorities for surveys and engineering work on projects of national significance.

The following is the President's letter to Mr. Wallace:

"It has been more than two years since I first called the attention of the Congress to the need for preparing in advance plans for public works and improvement projects to be undertaken in the post-war period. During the war we are deferring the construction of every project not vitally needed for war purposes. By so doing we are storing up a reservoir of work that can be undertaken when the war is over and thus be useful in providing employment opportunities and demands for materials. But if such projects are to be ready for rapid inauguration in the post-war period, the plans and specifications must be prepared during the war.

"I hope the Congress will approve the necessary legislation to make my recommendations in this matter effective. To aid it in its consideration of the matter, I have asked the Federal departments and agencies concerned to submit to my executive office the necessary information upon which I can base a recommendation to send to the Congress at an early date covering a co-ordinated program of the appropriations and legislation that will be necessary to enable the Federal Government to be prepared for a rapid start on a Federal public works and improvement program. A copy of my memorandum to the Federal agencies concerning this matter is attached for your information.

"In the meantime I hope the Congress can give consideration to the enactment of legislation that will authorize the appropriation of funds that can be granted to the States and local governments in order to encourage and support them in their preparation of plans for their own post-war public works and improvement projects. I believe that a grant to support the more general planning activities of these governments along with reimbursable advances to cover the detailed planning for their individual projects would be an effective means to assure that plans will be ready when they are needed.

"To this end I am attaching hereto a suggested draft of a bill providing such Federal aids for planning. This suggested draft is a modified version of Title II of H. R. 1898 now pending in the House of Representatives. Title I of H. R. 1898 pertaining to Federal agencies, will, I believe, be unnecessary in view of the action that I propose to take as outlined above."

To Pay Off Nicaragua Commercial Debt Notes

Also Cordoba 5s of '53

The Government of Nicaragua has announced that payment of the remaining Republic of Nicaragua frozen commercial indebtedness notes, Nos. 20 to 32 inclusive, American series, dated Sept. 13, 1938, will be made on June 12 at the office of the paying agent, Bank of The Manhattan Co., New York. An item regarding plans to make this payment appeared in our issue of May 13, page 1791.

In special cable advices from Managua, May 26, to the New York "Times," it was stated that President Anastasio Somoza requested that day that Colonel Irving A. Lindberg, Collector General of Customs and High Commissioner, as trustee and fiscal agent of Nicaragua's guaranteed 5% Cordoba bonds of 1918, redeem before June 30 all bonds of this issue outstanding in the hands of American holders. The advices to the "Times" added:

"These bonds were issued in 1918 to a total of 4,000,000 cordobas, with a maturity date of 1953, in settlement of all claims, including the revolutionary, against the government of that period. A total of \$1,500,000 cash was paid at that time on these claims out of funds received from the United States Government in exchange for the option to build an interoceanic canal through Nicaragua, in accordance with the Bryan-Chamorro Treaty. Revenue for the service of the bonds exceeded expectations and there is outstanding less than \$250,000.

Payment of both security issues several years before maturity will save the government considerable interest and reduces the Nicaraguan national debt about 15%. It is believed that the accelerated amortization of bonds is unusual in Latin-American finance, and it is the first time in Nicaraguan history that a bond issue has been completely paid without recourse to refunding.

Modify Restrictions On Army Overseas Parcels

Albert Goldman, Postmaster of New York, announced on May 24 that the War Department has advised that it will no longer be necessary that the requests of Army personnel overseas for articles to be sent such personnel be approved by a commanding officer, provided that not more than one parcel shall be accepted for mailing in any one week when sent by or on behalf of the same person or concern to or for the same addressee, and provided further that the parcel does not exceed the present weight limit of 5 pounds or 15 inches in length or 36 inches in length and girth combined. The announcement also says:

"Parcels presented for mailing under this modified arrangement must be accompanied with the written request for the articles contained therein, together with the envelope bearing the A. P. O. cancellation in which the request was received. When the request is contained in a processed facsimile of a V-mail letter the envelope will not be required. No perishable matter should be included in any parcel."

Jones Endorses Bill For Ass't Sec. of Commerce For Small Business

Endorsement by the Department of Commerce of a bill providing for the appointment of an "Assistant Secretary of Commerce for Small Business" was expressed on May 27 by Secretary of Commerce Jesse H. Jones. In a letter to the Senate Commerce Committee, Mr. Jones stated that passage of this legislation "would aid in the coordination and intensification of all small business activities of the individual agencies of the Government, for which 'adequate relief' has not been provided, and would 'help toward insuring the survival of small business as a cornerstone of the American way of life.'" The Secretary added:

"The Department would be able to render additional service through the designation of an official to coordinate government activities in behalf of small business and encourage greater inter-departmental cooperation. The selection of such an individual by the President, with the advice and consent of the Senate, would undoubtedly increase his effectiveness. It does not appear to me to be necessary to limit his functions in legislation to small business.

"Such an official of the Department would from the outset have the facilities of the United States Department of Commerce Field Service, the Small Business Unit of the Bureau of Foreign and Domestic Commerce, and other government agencies authorized to aid small business. He would be in a strategic position, through the heads of the appropriate bureaus and agencies of the Department, to bring about a co-ordination of activities relating to small business. Research in these special problems continues to be conducted both in Washington and wherever the Department maintains a field office. The findings are conveyed orally or in printed form through the field organization to the small business men requesting such assistance. Such an official would not only be a focal point for activities of the Federal Government in this field but for small business proprietors and their organized groups as well."

In the early portion of his letter Mr. Jones said:

"Small business numerically embraces nine out of every ten business establishments. It accounts for over one-third of the dollar volume of all goods and services. It employs approximately 45% of all wage earners.

"The Department of Commerce estimates that for 1939 there were 2,750,000 small businesses in the United States—manufacturers, wholesalers, retailers, service men, construction men, hotel operators, and owners of amusement places. About 8,350,000 people were employed by these businesses in addition to the proprietors.

"In normal times, business population of the United States increases from year to year. Our best estimates suggest, however, that for the years 1942 and 1943, total business population will be reduced by about 500,000 individual firms, 300,000 of which will be retail.

"The preservation of small business is essential to democracy in our country. If the number of small businesses continues to decline, we may find in the post-war period that our system of free and fair enterprise will have become seriously affected and our national economy may be found to be veering toward a way of life totally different from that under which we live today. Uncorrelated efforts by individual agencies of the Government have not provided adequate relief. Passage of the legislation here proposed

Summary Judgment Asked Against Associated Press In Anti-Trust Action

What is described as an anti-trust procedure without precedent was taken by the Department of Justice on May 25 when summary judgment was asked against the Associated Press in a motion filed in the United States District Court in New York. The motion, it is stated, asked that the court, in addition to opening AP membership to all papers able to pay their share of the cost:

"Nullify the AP by-law which prohibits a member newspaper from furnishing to any one not a member the news which it is required to supply to the AP."

"Enjoin the AP or its agents and employees from carrying out by-laws thus adjudged to be illegal."

"Nullify the acquisition by the AP of the stock of Wide World Photos, Inc., and require the AP to divest itself of all interest in Wide World Photos."

"Cancel the existing agreement between the AP and the Canadian Press, and enjoin the AP from entering into any agreement with the Canadian Press or any other press association under which the AP would agree 'not to deliver its news reports to any other association, newspaper or individual in any particular territory, area or region.'"

"Enjoin the AP from entering any agreement under which it would obtain the exclusive right to receive the news report of any association, newspaper or individual."

The motion was made in a civil suit pending before a special 3-Judge Court. In the "Herald Tribune" of May 26 it was stated:

"The action, never before sought in a Sherman anti-trust act case, asked that the civil suit be decided in the Government's favor without testimony by witnesses in open court. The Government argued that there was no general issue as to any material fact as a result of steps already taken in the suit and declared that the three-judge expediting court already has all the information needed to decide the case."

"The court set July 8 as the date for hearing on yesterday's motion and gave The Associated Press until June 21 to file affidavits opposing it. The court also ordered that the Government file a brief on the law involved on June 21 and directed the news service to file its brief on the legal points before July 6."

"Counsel for The Associated Press would not comment on the request for summary judgment yesterday, but indicated the motion would be opposed."

The filing of the action charging the Associated Press with acts of monopoly and restraints of trade was noted in our issue of Sept. 10, 1942, page 895.

Communist International Dissolved Ending Moscow Control Of World Organization

The dissolution of the Communist International as the directing center of the international working-class movement was announced in Moscow on May 22 in order that its supporters may concentrate their energies on active participation in the war against German Fascism.

The Presidium of the Executive Committee of the Comintern is said to have reached this decision

on May 15 at a meeting in Moscow and put forward the proposal for ratification by the sections of the organization. It was explained that due to war conditions a congress of the Communist International was unable to be convened and that some sections of the Comintern had requested dissolution in order to free them from their obligations. The resolution adopted by the committee said the Communist International, founded in 1919, had been outmoded and had proved to be a drag, in some countries, on the "further strengthening of the national working class parties."

In Associated Press Moscow advices of May 22, it was stated:

The great lesson of the war, it added, was that "the general national uprising and mobilization of people for the speediest victory over the enemy can be best of all and most fruitfully carried out by the vanguard of the working class movement of each separate country working within the framework of its own country."

The text of the announcement seemed to indicate that dissolution of the Comintern was no temporary war-time expediency but a final act of abolition.

The resolution, signed by two Germans, two Finns, two Italians, two Russians, two Frenchmen, a Czech, a Hungarian and a Spanish woman Communist, said that even before the war it became clear that because of increasing complications in internal and in-

would aid in the coordination and intensification of all these activities, and help toward insuring the survival of small business as a cornerstone of the American way of life."

Mr. Jones also stated:

"The Bureau of the Budget has advised that it would interpose no objection to the establishment of an additional position of Assistant Secretary in the Department of Commerce."

international affairs of various countries "any sort of international centre would encounter insuperable obstacles in solving the problems" of the Communist movement.

Differences in the "level and tempo" of the economic and political development in various countries were accentuated, it added, by the war which placed a dividing line between countries which fell to Hitler's domination and those united in an anti-Hitler coalition.

The working class parties have three main tasks, it declared. Those in Hitler's bloc must give all help "by sabotage of the Hitlerite military machine from within."

The "sacred duty" of those in the anti-Hitler coalition consists of aiding "by every means the military efforts of the Governments of these countries aimed at the speediest defeat of the Hitlerite bloc."

Finally, the basic task in the occupied lands is the promotion of the "armed struggle developing into a national war of liberation," the resolution declared.

"Communists have never been supporters of the conservation of organizational forms that have outlived themselves," it continued, adding that they acted in 1935 to give greater flexibility and independence to the various national sections.

As a result, the resolution of the Communist party of the United States in withdrawing from the Comintern in November, 1940, had been approved, the resolution stated.

Before closing the records of the Third International, however, the resolution lauded the "historic role" of the Communist centre in helping mobilize the vanguard of workers for the "struggle against Fascism and the war which the latter was preparing, and for the support of the Soviet Union as the chief bulwark against fascism."

Byrnes Says Offensive Will Be On Many Fronts; Cites Huge War Production Volumes

James F. Byrnes, Director of the newly created Office of War Mobilization, declared on May 31 that "we are now girding ourselves not for a single attack on a single front, but for many attacks on many fronts both in the European theater of war and in the Pacific."

In a nation-wide radio address from his hometown, Spartanburg, S. C., Mr. Byrnes warned that "we have a long, hard road ahead" and emphasized that the progress made in war production must be kept up and increased for the "all-out military operations against the enemy." He pledged himself to do all possible to bring about the same co-ordination of efforts among the civilians in governmental agencies that exists on the military fronts.

In Associated Press advices his talk was reported as follows: "The 100,000th plane manufactured since we began our war production program came off the assembly line today," Mr. Byrnes said.

"During this year we will double the size of our fleet."

"In the month of May this year we produced three times as many pieces of artillery for ground troops as we did in all 19 months of the last war."

"We are building merchant ships four times as fast as they are being sunk."

"America has turned out 2,225,000 machine guns since it began to rearm, and in 1943's first five months 100 fighting ships were finished—one every 36 hours."

"We have at length caught up with the Axis in our preparations and are forging rapidly ahead," Mr. Byrnes said. "We are now girding ourselves not for a single attack on a single front, but for many attacks on many fronts both in the European theatre of war and in the Pacific."

"Those attacks will proceed when and where the enemy least expects them. And they will not cease until the last vestige of Japanese treachery and Nazi tyranny are blasted from the earth."

Warning that "we have a long hard road ahead" and "the hardest fighting is yet to come," he declared:

"We must act with greater dispatch and greater efficiency than ever. We must learn to work, to fight, to sacrifice together as we have never done before."

"Your government has no right to call upon you to work as a team if it is not going to demand of Government officials that they work as a team. I admit that officials of the Government have made mistakes. That is to be expected of human beings."

"But the people have a right to expect Government officials to sacrifice all pride of opinion and cooperate just as officers of the Army and Navy are required to cooperate."

"We must be just. There have been controversies in Government. But that these controversies and their effect upon the war effort have been exaggerated is clearly demonstrated by the statement that I have made of our progress."

Mr. Byrnes said the creation of the Office of War Mobilization is part of the President's "new and resolute action to unify and solidify our war efforts here on the home front." He said he could make no statement of plans by the War Mobilization Committee until it meets later this week. But he said:

"I pledge you that I shall do all in my power to bring about the same coordination of efforts among civilians in government agencies that exists on the military fronts."

Mr. Byrnes declared that "the striker in war industry is almost as rare as the slacker in the Army."

Speaking on a program built around the theme "Textiles Go to War," the OWM chief said textile workers "with few exceptions have patriotically refused to coun-

tenance the right to strike in time of war," and added:

"We have had some stoppages of work in industries producing weapons of war. They have justly aroused criticism. But when you condemn the few who strike, do not forget that the great mass of our workers and, with rare exceptions, the leaders of organized labor, are doing as much as any of us, and more than many of us, to see that there is no interruption in war production. Do not forget that during 1942 only one-twentieth of 1% of the time of workers engaged in war work was lost on strikes."

Irving Olds Elected Cooper Union Trustee

Irving S. Olds, Chairman of the Board of Directors of the United States Steel Corp., was elected a Trustee of Cooper Union for the Advancement of Science and Art at a meeting of the Cooper Union trustees held on May 26 in New York City.

Mr. Olds succeeds the late J. P. Morgan, who served for more than 30 years, and was senior trustee at his death on March 13.

Dr. Gano Dunn, President of Cooper Union, characterized Mr. Olds as "an outstanding leader of American industry whose cultural interests and spirit of services continue a tradition associated with the direction of Cooper Union since its founding in 1859 by Peter Cooper for the free education of the masses."

Other members of the Cooper Union Board are Walter S. Gifford, Elihu Root, Jr., Barklie Henry, and Dr. Dunn. The Treasurer is Sheridan A. Logan, and the Secretary is Edward L. Rehm.

Changes In Labor Dept. Living Costs Index

The Bureau of Labor Statistics' estimate of the change in living costs from February to March, made available May 19 incorporates revisions in the food cost index which were designed to take into account the effects on consumer buying of rationing and other war-time changes in the supply of foods as well as the effects of recent shifts in population to war production centers, according to a Labor Department announcement.

In its advices the Department says:

"The revisions do not affect the level of the indexes for previous months and did not appreciably affect the movement of the food cost index from February to March. In order to test its effect the index for several important cities was computed for this period on the basis of the list of commodities and weights previously used. The difference in movement of the two indexes was in every instance negligible. 'Modernization' of the index will affect measurements of living costs significantly only over a longer period of time and will serve to

insure its future accuracy in reflecting the consumer market conditions characteristic of the war period."

"The changes made were:

"1. Seven foods were added to the index. They are: rolled oats, beef liver, hamburger, sliced ham and corn sirup—which are now being bought in larger quantities than before rationing and food shortages—and grapefruit juice and canned green beans, which are being included to provide more complete representation of canned fruits and vegetables."

"2. The quantity 'weights' of 27 foods have been reduced in line with anticipated 1943 supplies which will be available to civilian consumers under rationing restrictions, including most cuts of beef—round steak, beef rib roast and chuck roast; veal; lamb; frozen and fresh fish, and pink salmon; butter; fresh apples and bananas; several fresh vegetables—cabbage, carrots, lettuce and spinach; canned peaches, pineapple, corn, peas, tomatoes; dried prunes and navy beans; coffee and tea; shortening other than lard, corn meal and sugar."

"3. The relative importance of 25 foods was increased, including the cereals—white, whole wheat and rye bread; macaroni, corn flakes, vanilla cookies and soda crackers; most pork products—pork chops, sliced bacon, whole ham and salt pork; roasting chickens; cheese, fresh and evaporated milk; eggs, and, among the fresh fruits and vegetables—oranges, onions, potatoes, sweet potatoes; lard, salad dressing, oleomargarine and peanut butter. The increase in importance of these foods in the index does not necessarily mean that a larger quantity will be available for civilian use—the contrary is true of bacon, for example—but that they are relatively less scarce than the 27 foods listed above."

"4. Adjustments were made for changes in the volume of food sold through chain and independent stores and supermarkets."

"5. Five cities in which food prices have been available for sometime have been incorporated in the all-cities index."

"6. The relative importance of the cities included in the food cost index and in the over-all cost of living index has been changed to take account of the changes in population because of war activities."

New Freight Cars On Order Increased During April '43

Class I railroads on May 1, 1943, as reported to the Car Service Division had 34,262 new freight cars on order, the Association of American Railroads announced on May 24. This compares with 20,712 on April 1, 1943, and 59,328 on order on May 1, 1942. Of the total number on order May 1 this year, there were 3,500 plain box; 2,525 automobile box; 7,739 gondolas; 18,481 hoppers; 200 stock and 1,817 flat cars.

New locomotives on order on May 1, this year, totaled 893, which included 394 steam, nine electric and 490 Diesel locomotives. On May 1, 1942, they had 985 locomotives of all types on order.

Class I railroads put 6,260 new freight cars in service in the first four months of 1943, compared with 37,741 in the same period last year. Those installed in the four months of 1943 included 1,901 hopper, 2,948 gondola, 979 flat, 135 automobile box, 269 plain box, one stock and 27 miscellaneous freight cars.

The railroads also put 213 new locomotives in service in the first four months this year, of which 160 were steam, nine electric, and 44 Diesel. New locomotives installed in the same period last year totaled 237, of which 96 were steam and 141 were electric and Diesel.

Future Stability Of World Depends On Four Great Powers, Declares Professor Moley

Raymond Moley, Professor at Columbia University, in a commencement address on May 31 at Baldwin-Wallace College at Berea, Ohio, said that the future stability of the world will depend upon the capacity of four great powers—the United States, the British Commonwealth, Russia and China—to work with each other, according to the New York "Herald-Tribune" of June 1, which in advances from Berea went on to say:

Calling for "recognition of the vast regional differences which exist in the world and a determination, in advance, of our proper American interest in each region," Mr. Moley said:

"The vital interests of the world center in three great regions and, possibly, a number of smaller ones. From our standpoint, the first is Pan-America, the second is Eastern Asia and the Western Pacific, and the third comprises Europe, Western Asia and Africa."

"Our concern with the first is immediate, vital and predominant. In the Western Pacific and East Asia, we have, in common with two or three other major powers, an active interest. In Europe, Asia Minor and Africa our concern is sympathetic, but secondary."

"Some of us assume that a sin-

gle over-all league can solve the problems of the world, providing only that we enter such a league. In sharp contrast is the realism of the present British government, so clearly expressed by Mr. Churchill in March. In that memorable speech he spoke of a council for Europe and a council for Asia. We may infer from what he said, as well as from what he did not say, that whatever happens, Great Britain and Russia feel that the critical responsibility for keeping order in Europe is theirs."

"They are perfectly right in taking that position, first, because they can have no assurance of ultimate American collaboration in settling the problems of Europe, and, second, because that job can best be done, in any event, by Great Britain and Russia."

Extend For Two Years US Obligations' Use As Collateral For Reserve Notes

President Roosevelt signed on May 25 the bill extending for two years from June 30 the statute which allows the use of direct obligations of the United States as collateral security for Federal Reserve notes. The Senate passed the measure on May 12 and the House on May 17.

Renewal of the authority was urged by Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, in order, it is noted, that the Federal Reserve may fulfill its responsibilities in connection with prosecution of the war.

In a statement to the Senate on May 12, Senator Wagner (Dem., N. Y.), Chairman of the Banking and Currency Committee, said:

"The bill extends for another period of two years the provision of the law, enacted first in 1932, the purpose of which was to authorize the Federal Reserve Banks to issue Federal Reserve notes backed at least by 40% gold and 60% of either Government obligations or commercial paper. Since at that particular time gold was not plentiful, and since commercial paper was also not plentiful, it was necessary, in order to secure the issuance of Federal Reserve notes, to use some Government obligations as collateral. A little while thereafter gold became quite plentiful, and although each two years the right to issue such Federal Reserve notes was extended, it was not utilized until the past year. Now that the circulation of currency has increased and the deposits of banks with the Federal Reserve Bank have increased there is not sufficient gold as 100% collateral for the Federal Reserve notes. Therefore the amendment to the act proposed by the bill is needed. There being practically no commercial paper, the Federal Reserve Banks will need a portion of Government obligations as collateral for the Federal Reserve notes. That is the sole purpose of the bill."

Regarding Mr. Eccles's views, the Associated Press in Washington advices of May 12 stated:

Mr. Eccles wrote to the Senate Banking Committee that until recently the amount of gold certificates held by Federal Reserve Banks was so greatly in excess of the amount of Federal Reserve notes in circulation that the banks were able to pledge gold certificates for all Federal Reserve notes issued to them without impairing reserves against deposits.

During the last two years, however, as a result of the increased money in circulation, authority under the provision has been used

and, as of April 14, six of the Federal Reserve Banks had pledged Government securities as collateral for notes totaling \$505,000,000.

If the authority to pledge Government securities should be allowed to expire, Mr. Eccles said, Reserve Banks could not continue to meet combined requirements of reserves against deposits and collateral for Federal Reserve notes due to heavy credit requirements of war financing.

Pay On Porto Alegre 8s

Ladenburg, Thalmann & Co., as special agent, is notifying holders of City of Porto Alegre (United States of Brazil) 40-year 8% sinking fund gold bonds external loan of 1921, that funds have been deposited with them, sufficient to make a payment in lawful currency of the United States of America, of 16.25% of the face amount of the coupons due Dec. 1, 1940, amounting to \$6.50 for each \$40 coupon and \$3.25 for each \$20 coupon. It is indicated that pursuant to the provisions of the Presidential Decree of the United States of Brazil, such payment, if accepted by the holders of the bonds and coupons, must be accepted in full payment of such coupons and of the claims for interest represented thereby.

No present provision, the notice states, has been made for the coupons due Dec. 1, 1931, to Dec. 1, 1933, inclusive, but they should be retained for future adjustment.

V-Mail Service Extended

Albert Goldman, Postmaster of New York, announced on May 31 that arrangements have been made to extend the V-Mail service to correspondence between persons in the United States and members of the British Forces in Iran (Persia) and Iraq. Such V-Mail letters should be addressed "PAIFORCE," which term is used to identify this area.

V-Mail letters addressed "PAIFORCE" are subject to postage at the domestic rates, that is, 3 cents for ordinary mail and 6 cents if air mail is desired.



Irving S. Olds

Bill Requiring Competitive Bidding On All Rail Issues Objected To By ICC

The sale of railroad securities by privately negotiated contract should always be left open to the carriers, according to the Interstate Commerce Commission. The Commission is opposed to legislation which would require the sale of rail securities only through competitive bidding. In a confidential report to Congress on the Shipstead Bill to require competitive bidding in the sale of carrier offerings of all types, the Commission said:

"We think that whether competitive bidding should be required should depend upon the facts and circumstances in each case. It is our view that the proposed bill as drawn should not be passed by Congress and further that there is no need at this time for any legislation requiring the sale of railroad securities at competitive bidding."

The Commission pointed out that it has interpreted Section 20 A of the Interstate Commerce Act to give it authority to require competitive bidding in the sale of rail securities when it thought such a course advisable. The Commission can approve or reject applications for sale of securities by a railroad and can fix conditions and price of any sales.

The Commission outlines advantages in the sale of securities through privately negotiated contracts.

"One advantage," it said, "is that the work which financial houses and their experienced lawyers are able to perform in connection with security issues results in getting the instruments into approved and merchantable form, and in many instances, is necessary to insure their acceptance by investors."

The Commission went on to say that it is in a position to determine whether or not a carrier is getting a fair and adequate price for its securities. In all cases it insists that the carrier show that it is receiving a fair and adequate price for securities sold, whether by competitive bidding or through privately negotiated contract. The method of doing this in cases where the application is not opposed is usually by correspondence or by informal discussion.

"Sales of securities at competitive bidding will not always result in a carrier receiving a fair and adequate price for its securities," the Commission asserted. "If competitive bidding were the only method by which a carrier could market its securities it might in some instances be unable to market them at all."

The Commission declared that it has been "our observation that when the market for securities is rising a carrier can expect bids for its securities on a competitive basis, but when the market is declining competition also declines and any bids received are likely to be on a basis intended to assure complete safety for the bidder. In such a case, if the bill were law, and no bids were received or only disadvantageous ones, a carrier would be unable to sell its securities by privately negotiated contract."

The Commission said that if the Senate committee should conclude to approve the Shipstead Bill in spite of the Commission objections the measure should be revised.

There are many situations in which it would be undesirable and even impracticable to sell securities at competitive bidding, according to the Commission. This is particularly true in case of capital stock, bonds convertible into capital stock, securities exchanged for outstanding securities without the intervention of underwriters, short-term notes, securities issued directly to ultimate purchasers without the assistance of underwriters, securities of subsidiary carrier companies issued to controlling carrier companies, issues of insignificant amounts, and issues by small companies. The Commission suggested that all these types of securities be ex-

empted from any law requiring competitive bidding. More important still there should be provisions authorizing sales by privately negotiated contracts in case of lack of any bid at competitive bidding.

Another example of the difficulties of requiring competitive bidding by law is in the case of the sale of bonds convertible into stock. Such bonds, as a rule, must, under existing charter provisions, be offered to stockholders, and in such cases the success of the proposed financing must be insured by underwriters. Underwriters do not purchase the bonds. The general public is the purchaser and the underwriters are merely the insurers. In such situations it is impracticable, the Commission said, to offer the bonds at competitive bidding and any competitive bidding that might be required would not be for the securities but for the underwriting contract. Yet the bill requires competitive bidding for the securities themselves.

Still another reason for opposing compulsory competitive bidding in sale of rail securities is in a case where a carrier gives a short-term note to evidence a loan. If such a transaction is construed as a sale of the note, as it could be, a carrier in immediate need of funds might be seriously embarrassed if it had to offer its notes at competitive bidding.

Summing up its argument, the Commission declared it "would be a waste of time and money to require competitive bidding in all cases. This is especially true in case of small issues and in case of smaller companies where most of the financing is done locally, or by individuals having a particular interest in the carrier."

Newspaper Publishers' Committee Named

Linwood I. Noyes President of the American Newspaper Publishers Association, announces the appointment of a committee of five members to serve as the organization's official representative in any procedure before Congressional committees. On the committee, authorized by a resolution adopted at the Association's recent convention in New York, it was stated in the New York "Times" are: Howard Davis, New York "Herald Tribune," Roy Roberts, Kansas City (Mo.) "Star," President of the American Society of Newspaper Editors; Charles P. Manship, Baton Rouge (La.) "State-Times and Advocate;" William Dwight, Holyoke (Mass.) "Transcript-Telegram," and J. S. Gray, Monroe (Mich.) "Evening News."

The resolution also permits the committee "to take such action as in their judgment seems necessary for the protection of the rights of newspapers to gather and disseminate important public information."

It further permits the committee "to take any action necessary to protect newspapers' sources of supply in both raw materials and man-power in order that the essential service of the press in support of the war effort shall be maintained."

Adoption of the resolution at the convention was referred to in our issue of May 6, page 1688.

Steel Union To Have Voice In Hiring, Firing—On 6-Day Week Basis

On June 1, Paul V. McNutt, Chairman of the War Manpower Commission, issued an order placing the steel industry on a 48-hour work week, effective Aug. 1 instead of July 1.

An unusual feature of this order according to the "New York Times," is that wherever a plant is not fully on a 48-hour week, the employer seeking new workers must first seek the approval of the WMP regional director, who is required to consult in advance with representatives of the trade union which is bargaining agent for the plant. Where workers can be released as a result of the 48-hour week order, a schedule of their release must be filed with the WMC regional director by Aug. 1.

Mr. McNutt estimates that the longer work week will free enough workers and stretch working time of those remaining sufficiently to "add the equivalent of 50,000 workers to the labor force by Aug. 1."

Before granting approval for the employment of new workers, the "Times" added, Mr. McNutt directed that the regional director "shall require full information as to the specific jobs and departments for which the hirings are to be made and shall satisfy himself that the employment needs for such jobs and departments could not be satisfied by the utilization of other workers in the establishment who are not working on the basis of the minimum war-time work week."

Davies Returning With Stalin's Reply To FDR

Joseph E. Davies, President Roosevelt's special envoy to Soviet Premier Josef Stalin, arrived at Seattle on June 1 en route to report to the President in Washington, it was announced at Seattle by Major Frank E. Williamson, commanding the Air Transport and Control Detachment. In Moscow on May 27 Mr. Davies indicated that he had received from Premier Stalin a sealed letter replying to the President's secret letter which Mr. Davies delivered. No intimation as to the contents of the letter was given by Mr. Davies, who was at that time preparing to leave for the United States. After his third and final meeting with the Soviet leader Mr. Davies was reported to have said that Mr. Stalin "gave every indication that he was entirely in accord with the contents of the President's letter. Mr. Stalin spoke with great satisfaction about the way Churchill and Roosevelt are working in such close contact. In my opinion there is every evidence that these three men know all about each other's plans."

"In my opinion there is every evidence that these three men know all about each other's plans," Mr. Davies, former Ambassador to Moscow, presented the President's letter to the Soviet Premier on May 20. He was honored at a State dinner on May 24 in the Kremlin and met Mr. Stalin again on May 27.

Pay On Rio Grande 6s

Holders of State of Rio Grande do Sul (United States of Brazil) 6% external sinking fund gold bonds due June 1, 1968, are being notified that funds have been remitted to its special agent, White, Weld & Co., for the payment of coupons due Dec. 1, 1940, at the rate of 17.5% of the dollar face value, or \$5.25 per \$30 coupon. These funds, says the announcement, have been remitted in accordance with the provisions of Presidential Decree No. 23829 of

Mullenix Criticizes OPA For Not Correcting Grave Rent Control Injustices

Declaring that the administration of rent control has not only been unreasonable, inequitable and, at times, even vicious, Charles A. Mullenix, President of the Mortgage Bankers Association of America, said on May 27 that an outstanding example of patriotism of those on the home front has been the fortitude and compliance on the part of real estate owners. He criticized the refusal of Price Administrator Prentiss M. Brown

to do anything to correct what he termed great injustices in the administration of the rent control section of the price control act.

In an address before members of the Mortgage Bankers Association of St. Louis, Mr. Mullenix stated:

"The seriousness of rent control, particularly if extended beyond the emergency period and as it has been administered and is being administered now, requires the thoughtful consideration of all Americans. The administration of rent control has been not only unreasonable and inequitable, but at times vicious. Statements have been attributed to certain rent control officials to the effect that all rental housing should be Government-owned. The outstanding example of patriotism during the war (aside from

the sacrifice of those in the service) has been the fortitude and compliance on the part of real estate owners."

"The price control act specifically states that nothing in it shall require a landlord to rent his facilities—and yet, in spite of all the unfair things that have been done to him, he has continued to rent those facilities because of the serious requirement of housing in the prosecution of the war. I understand that Senators and Congressmen have been flooded with telegrams from certain classes of labor, urging that the present inequitable and unfair administration of rent control be not disturbed. That same class of labor has benefited more as a result of increased wages than any other portion of our population."

World Court And Police Force Essential For Peace Organization: Sumner Welles

(Continued from first page)

period may be an epoch of economic co-operation and of rising living standards, rather than a time of cut-throat competition and of falling living standards for us all.

"The recognition—not merely in words, but in practice, as in the Western Hemisphere—of the principle of the equal sovereignty of all states, whether great or small. And together with this the establishment of the principle that the path must be prepared for the freedom and self-government of all peoples who desire their liberty, as soon as they are able to assume that right."

The Under Secretary of State warned:

"No one of us can afford to be so blind to his own self-interest as to pay any heed to those cynics whose voices we occasionally hear trying to tell the men and women of this country that just because there have always been wars in the past, there will always be wars in the future; that the surest way for us to save our own skins is for the United States to 'mind its own business,' and after this war is over once more to pretend that what goes on in the rest of the world does not affect every one of us here within the borders of our own country."

"The people of this country have seen that policy tried out and fail—utterly and miserably."

The Under Secretary cited the Pan-American solidarity of the American republics which he said was not brought into existence in a day nor achieved by "means of an initial blueprint," but was attained only over a period of many years.

"It may well be," declared Mr. Welles, "that the surest course for the United Nations to pursue would be the construction of an international organization by the same method of gradual evolution. By permitting sufficient elasticity of operation at the outset of the transition period, the practical ex-

perience undergone by the United Nations during the war as well as after the victory is won will presumably demonstrate clearly the type of organization which will most efficiently guarantee the securing of the basic objectives which they seek."

Cotton Week Of Value To Merchandising

The nationwide observance of Cotton Week (May 16-22) yielded results that will have an important bearing on the merchandising of cotton goods in the post-war era, according to a survey by the Cotton-Textile Institute Inc., and National Cotton Council, made available May 24.

A joint announcement by the two organizations said:

"In all sections of the country, response of consumers to retail presentations of spring-summer cotton products was encouraging. In no single instance did stores resort to scare promotions. In practically all cases, merchandising emphasis was on the wearability, washability and style appeal of cotton apparel and home furnishings."

"In most cities sales were led by dresses, victory garden garments, work clothing and home furnishings. War uses of cotton were emphasized in those centers where shortages persist. Stores in these cities called attention to the ways in which billions of yards of cottons have been transformed from civilian articles into military material."

Charles K. Everett, Director of Merchandising, commented as follows:

"It is clearly evident from the measure of support given this year's event—even in the face of wartime merchandising difficulties—that Cotton Week has a secure place on the retail merchandising calendar."

"Just a preliminary check of Cotton Week advertising in the major cities across the country discloses the extraordinary measure of backing given Cotton Week. These advertisements clearly prove that cotton is experiencing the biggest season in all history. Our records also show that more window space was devoted to cotton last week than in any similar period in recent years."

FDR Reports Lend-Lease Passes \$11 Billion Mark—Says Allies Now Have 'Striking Power'

President Roosevelt, in his quarterly report to Congress on May 25, said that lend-lease aid through April 30 totaled \$11,024,472,000. In a letter transmitting the report, the President stated that now "we are outbuilding the aggressors in every category of modern arms" and "we are delivering them in the amounts necessary to build up the striking power for offensives that will end only in Berlin and Tokyo."

Mr. Roosevelt added that "as lend-lease moves ahead in its third year, our armed forces, our supplies, and the combined efforts of the United Nations are driving ahead to complete victory over the enemy."

Of the \$11,000,000,000 total aids, \$9,214,238,000 represented goods transferred and \$1,888,234,000 was in services rendered.

The President's report revealed that shipments to the United Kingdom from March, 1941, to April, 1943, totaled \$3,116,000,000 while total lend-lease shipments to Soviet Russia from October, 1941, to last April 1 amounted to \$1,822,000,000, not including "many hundreds of planes ferried by air." However, the President emphasized that more munitions have now been sent to Russia than to the United Kingdom, even though shipments to Russia did not start until six months after they began going to Britain. In munitions, Russia has now received \$1,041,000,000 worth as compared with \$881,000,000 for the United Kingdom.

The report did not indicate specific figures on China lend-lease since aid to this country was lumped with other Pacific and Asiatic destinations, such as India, Australia and New Zealand. However, the total amount for the entire area was given as \$875,000,000.

The President reported that more than 1,000,000 tons of food were sent to Russia up to April 30, more than half of it in the last six months. In addition, 40% of all Soviet shipments in March were foodstuffs, the President said. The United States also has sent the Russians 10,000 tons of seed to replant the ravished farm areas of the Ukraine and to aid food production in newly developed regions behind the Urals and far in the Siberian interior. The President said:

"Shipments to Russia of military equipment have included thousands of planes, many tens of thousands of trucks, jeeps and other military motor vehicles, hundreds of thousands of miles of field telephone wire, several million pairs of army boots and large amounts of other military supplies. Lend-lease shipments have also included hundreds of thousands of tons of armor plate, steel, aluminum, copper, zinc, TNT and chemicals for the production in Russia of planes, tanks and bombs; electric furnaces, presses, forging hammers and various types of machine tools for Soviet arms factories; electric-power generating equipment for Soviet war industries and quantities of rails and other supplies for railroads and communications.

"American forces are not fighting or training on Russian soil, but the Soviet Union is providing American ships in Russian ports with emergency fuel, food, medical aid, repairs and other supplies as lend-lease in reverse."

In his letter submitting the report, Mr. Roosevelt commented at length on the Allied victory in North Africa. His letter follows in part:

"An entire continent—the continent of Africa—has now been cleared of the enemy. Its people have been freed from Nazi and Fascist rule. In Africa we have dealt a blow which is sorely felt in Berlin and Rome and Tokyo; and we have brought hope to millions still to be liberated. Liberation of Africa is a forerunner of the future.

"In the coming battles for Germany and Japan we shall need the full support and the full re-

sources of the peoples of the newly liberated areas. This is a military and political necessity of the first order. Their fields can produce food not only for their own people but for the United Nations' forces. Their factories and mines can supply not only themselves but our armies as well.

"The peoples in liberated areas are enlisting in support of the United Nations' cause. Their support will reflect itself in active cooperation at the proper time by millions still to be liberated. They appreciate, as only those who lost freedom can appreciate, the compelling necessity for overthrowing tyranny.

"Our lend-lease operations in North and West Africa—the first of the liberated areas—have demonstrated how a freed people can aid in the defeat of the Axis. In this victory our military operations have been backed up by the friendly support of the peoples behind the lines. We also were aided by the new French armies. They were equipped with lend-lease weapons. They were and are an important part of the United Nations fighting forces. Aid has also been given us and the other United Nations by the liberated peoples of French Africa in the production and shipment of strategic and critical materials for our war production program.

"As we progress to victory the United Nations have brought and are bringing food for the starving and medicine for the sick in the area which we set free. Our promises are being fulfilled in deeds. Our integrity is enlisting the peoples and resources of these areas as effective fighting partners in the common fight against Axis aggression and tyranny.

"While Axis prisoners have streamed into captivity at the end of our campaign of liberation in North Africa, lend-lease has shipped greater and greater quantities of war material into the battle areas—and into the other countries allied with us."

Liberian President Sees President Roosevelt

President Edwin Barclay of the West African Negro republic of Liberia was welcomed at the White House on May 26 by President Roosevelt. Mr. Barclay was repaying a visit which Mr. Roosevelt made to him in January on his trip back to the United States from Casablanca. The Liberian President, who was accompanied by W. V. S. Tubman, the President-elect, was tendered a State dinner at the White House in the evening of May 26 with high officials of the Government present. Mr. Barclay spent the night at the White House, first member of his race to be a guest in the Executive Mansion.

On May 27 he made brief addresses to the Senate and the House, expressing pleasure at being permitted to view the processes of lawmaking in the United States. In his brief remarks to the Senate he said:

"I thank you very much for according the high honor of permitting me to watch for a few minutes the process of lawmaking of the United States Senate."

In the House, according to the Associated Press, he said that his country had derived its constitution from this nation and that its people were carrying out the democratic principles of government.

Finds Purchasing Rule Complicated By War

President Roosevelt had the following to say on May 25 in a message of greeting to the convention of the National Association of Purchasing Agents in New York:

"The job of purchasing for American industry and American institutions, both educational and governmental, has been made infinitely more complicated by an ever-growing number of wartime controls. I am confident that your meetings will produce an abundant understanding not only of the necessity for these controls, but of the means for improving and perfecting them."

In another message, James F. Byrnes, Economic Stabilization Director, according to the New York "Journal of Commerce" stated:

"No organization can have a deeper understanding of and respect for the objectives of the stabilization program than the National Association of Purchasing Agents. In their daily work, your members see dramatically enacted the basic fact that prices are costs. They know—many of them from experience in two wars—how increasing costs can retard war production by generating uncertainties, by stimulating speculative withholding from the market, and by inhibiting the forward planning of business executives. Professionally, at least, I am sure the purchasing agents are in favor of the stabilization program.

"In sending my greeting to your convention, may I express the hope that out of your meetings will come constructive suggestions for strengthening and improving the program. I assure you all interested officials will be delighted to receive them."

April Living Cost Up 1%

Living costs of wage earners and lower-salaried clerical workers in the United States continued their upward movement with a rise of 1% in April, according to advices to the National Industrial Conference Board made available May 27. The Board's cost of living index has been revised to take into account the realignment of purchasing habits resulting from rationing and war shortages. The Board states:

"Food prices again rose, this time 2.3% over March, and fuel and light was 1.4% higher. All other items remained unchanged.

"The Board's index of the cost of living (1923=100) stood at 104.0 in April, as compared with 103.0 in March, and 97.1 in April, 1942.

"The level of living costs was 7.1% higher than that of a year ago. Food showed the greatest advance over April, 1942, with an increase of 17%. Other advances during the 12 months were: Clothing, 0.2%; sundries 2.5% and fuel and light, 4.5%. Housing declined 0.2%.

"The purchasing value of the dollar, on the basis of 100 cents to the dollar in 1923, which amounted to 97.1 cents in March, declined to 96.2 cents in April. It stood at 103.0 in April, 1942."

Concerning the revision of its index the Board says:

"The advent of food rationing and its effects on family purchasing habits have made it desirable to alter the family budgets which have been used in compiling the Conference Board's indexes of changes in living costs. This alteration which has been made to provide for the realignment of purchasing habits embraces all components of the indexes affected by rationing and shortages for which effects could be measured and for which reasonable allowances could be made."

Norman Davis Declares Red Cross Should Not Be Subject To Unionization

The assertion that it is felt that the American Red Cross "should not be subject to unionization, and consequent negotiations with labor unions on the subject of wages, hours and working conditions" is made in a directive to its employees, signed by Norman H. Davis, Chairman, and made public May 28. Posting of the directive some months ago followed efforts to unionize the organization's paid employees by the C. I. O. Social Service Employees Union of the United Office and Professional Workers of America, said the New York "Sun" of May 28.

Publicity of the text of the directive, sent to area managers of the Red Cross, followed allegations, it is said, by Bernard Segal, President of the Union, that its posting was an attempt to intimidate Red Cross employees. According to the "Sun" Stuart Brown, Public Relations Officer of the Red Cross in Washington, explained that the text of the directive was made public in order to clarify the organization's position.

As given in the paper referred to, the text of the directive follows:

"As you know the question of unionization of Red Cross employees has been under consideration at national headquarters with a view to developing a policy which might guide you in dealing with any situations that might arise in the area office or the chapters in your area.

"The chairman feels that the Red Cross should not be subject to unionization and consequent negotiations with labor unions on the subject of wages, hours and working conditions. The reasoning which supports this opinion is based on the following facts:

"1. Services to the armed forces in the United States and abroad: In these services Red Cross employees work with the armed forces, and hours and working conditions are subordinated to the exigencies of such services.

"2. Disaster work: In disaster work there can be no set limitation of hours nor can rules governing working conditions be followed. These must be governed by the nature of the emergency.

"3. The Congressional charters: This charter imposes specific obligations upon the Red Cross concerning aid to the Army and Navy and mitigation of suffering caused by pestilence, famine, fire, floods and other national calamities. These duties are peculiar to the Red Cross and must be discharged faithfully without regard to set rules or policies relating to hours, wages and working conditions.

"4. Volunteers: The majority of the Red Cross personnel contributes its services to the organization on a volunteer basis.

"5. Non-profit: The Red Cross is a non-profit organization, working solely in the interest of humanity.

"6. Source of funds: The funds of the organization are obtained by voluntary subscriptions, made by individuals from every walk of life.

"7. Loyalty: To perform its functions effectively the Red Cross must be assured of the complete loyalty, devotion to duty, and allegiance of all of its employees under all conditions.

"This subject is one of nationwide scope. Therefore it is requested that in any conversations or correspondence you or the members of your staff may have with local unions or others on the matter of unionization or wages, hours and working conditions you refer them to national headquarters for appropriate action. This course will insure consistency and tend to avoid misunderstanding.

"It is believed that responsible labor leaders will recognize the reasonableness of our policy and co-operate in its application."

Mr. Segal is reported as stating that his union will continue its efforts to organize the paid employees of the Red Cross.

Czech President Dr. Benes Concludes Speeches In U. S.

Dr. Eduard Benes, President of the Czechoslovakian government in exile, who has been in this country as President Roosevelt's official guest, ended on May 27 his series of addresses to the American people with a speech at Carnegie Hall in New York City.

In this talk as in his other public addresses, Dr. Benes emphasized his plea for post-war collaboration with Soviet Russia in order to form a European association.

Dr. Benes who was also a speaker at a luncheon of the Overseas Press Club in New York on May 26, was received by President Roosevelt on May 12, having been honored at a State dinner in the White House in the evening and staying as an overnight guest.

On May 13 he addressed both branches of Congress, held a reception for chiefs of diplomatic missions in Washington and was the guest of Secretary of State Hull at a dinner. His official visit in Washington closed on May 14 and he remained there informally until May 19.

In his address to Congress, President Benes declared:

"I feel authorized to declare on behalf of my nation here in the Washington Capitol, that after the final victory in this great war is achieved the Czechoslovak nation will reconstruct its old home rapidly and successfully by its untiring efforts, remaining faithful—as it always was during the difficult periods of its long history—to the democratic way of life, to the principles of spiritual and religious freedom, and to the ideals of peace and peaceful international collaboration, considering itself again the godchild of the great and glorious Republic of the United States."

Simultaneously with the arrival of President Benes in Washington, the Czechoslovak legation was raised to the rank of Embassy, with Valdimir Hurban, the Minister, becoming Ambassador. The promotion of Anthony J. Drexel Biddle from Minister to Ambassador to the Czechoslovak Government was sent to the Senate for confirmation.

After leaving Washington, Dr. Benes came to New York City where on May 19 he told the Council on Foreign Relations that he expects the war in Europe to end suddenly, probably next year, and urged the United Nations to be prepared to reconstruct Europe properly. He said that the status of central Europe depends on solving the German problem—by removing the threat of a new war—and reaffirmed the intention of his government to reach an agreement with the Soviet Union for a confederation of States.

On May 22 Dr. Benes told the Chicago Council on Foreign Relations that the independence of the small European nations and states "is now and will be in the future vital to the peace of Europe and the world". He reiterated his approval of a plan for a post-war confederation. After several other public appearances in Illinois, he returned to New York and was given an official reception at City Hall on May 28 by Mayor F. H. LaGuardia and a committee of 1,500 citizens.

Churchill Pledges All-Out War On Japan; Says Allies 'Will Take Weight Off Russia' Calls For Destruction Of 'Monstrous Tyrannies' Of Germany And Italy

Speaking at a joint session of the Senate and House of Representatives on May 19, the British Prime Minister, Winston Churchill, reverted especially to the warfare against Japan, as to which he said, "let no one suggest that we British have not at least as great an interest as the United States in the unstinting and relentless waging of war against Japan." He went on to say: "And I am here to tell you that we will wage that war side by side with you in accordance with the best strategic employment of our forces, while there is breath in our bodies and while blood flows through our veins." Continuing his remarks regarding Japan, the Prime Minister stated that "it is the duty of those who are charged with the direction of the war to overcome at the earliest moment the military, geographical and political difficulties and begin the process so necessary and desirable of laying the cities and other munitions centers of Japan in ashes, for in ashes they must surely lie before peace comes back to the world."

Mr. Churchill, who arrived in Washington on May 11, had once before during the present war, addressed Congress, viz. on Dec. 26, 1941, his remarks at that time having been referred to in our issue of Jan. 8, 1942, page 106. In speaking before Congress on May 19 the Prime Minister said that President Roosevelt and he hoped that soon they would be able to meet personally with Soviet Premier Josef Stalin and, if possible, Chinese Generalissimo Chiang Kai-shek. He added, however, that he was unable to say when or where such a conference might occur.

He made it plain that "we must do everything in our power that is sensible and practicable to take more of the weight off Russia in 1943," at the same time he emphasized that immediate aid to China is one of the most urgent tasks and expressed confidence that the submarine menace, while still the greatest danger to be faced, will be overcome.

Asserting that "undue prolongation of the war" is a grave danger on which the Axis hopes to split the Democracies, Mr. Churchill called for vigilance against any tendency which diverts "from the supreme objective of the general victory of the United Nations." He added:

"By singleness of purpose, by steadfastness of conduct, by tenacity and endurance, such as we have so far displayed, by these, and only by these, can we discharge our duty to the future of the world and to the destiny of man."

Mr. Churchill also said it was his conviction that "there is nothing more important for the future of the world than the fraternal association of our two peoples both in war and peace."

Observing that "the Japanese have seized the lands and islands they so greedily coveted," the Prime Minister asserted that all this has to be retrieved "and all this and much else has to be repaid." He further said:

"A notable part in the war against Japan must, of course, be played by the large armies and by the air and naval forces now marshaled by Great Britain on the eastern frontiers of India. In this quarter there lies one of the means of bringing aid to hard-pressed and long-tormented China. I regard the bringing of effective and immediate aid to China as one of the most urgent of our common tasks. . . . I repudiate, and I am sure with your sympathy, the slightest suspicion that we should hold anything back that can be usefully employed, or that I and the Government I represent are not as resolute to employ every man, gun and airplane than can be used in this business as we have proved ourselves ready to do in other theaters of the war."

Other significant passages of Mr. Churchill's address follow:

In our conferences in January 1942, between the President and myself, and between our high expert advisers, it was evident that while the defeat of Japan would not mean the defeat of Germany, the defeat of Germany would infallibly mean the ruin of Japan.

The realization of this simple truth does not mean that both sides should not proceed together and indeed the major part of the United States forces is now employed on the Pacific front. In the broad division which we then made of our labors in January, 1942, the United States undertook the main responsibility for prosecuting the war against Japan, and for aiding Australia and New Zealand to defend themselves against a Japanese invasion which then seemed far more threatening than it does now.

On the other hand, we took the main burden as the Atlantic, which was only natural, and unless the ocean lifeline which joins our two peoples can be kept unbroken, the British Isles and all the very considerable forces which radiate therefrom, would be paralyzed and doomed.

We have willingly done our full share of the sea work in the dangerous waters of the Mediterranean and in the Arctic convoys to Russia, and we have sustained since our alliance began more than double the losses in merchant tonnage that has fallen upon the United States.

On the other hand again the prodigious output of new ships from the United States building yards has now for six months past overtaken and now far surpasses the losses of both Allies. And if no effort is relaxed there is every reason to count upon a ceaseless progressive expansion of Allied shipping available for the prosecution of the war. . . .

It is our settled policy, the settled policy of our two staffs and war-making authorities, to make it impossible for Germany to carry on any form of war industry on a large or concentrated scale, either in Germany, in Italy or in the enemy-occupied countries. Wherever these centers exist or are developed they will be destroyed and the munitions population will be dispersed.

If they don't like what's coming to them, let them disperse beforehand on their own.

This progress will continue ceaselessly with ever-increasing weight and intensity until the German and Italian peoples abandon or destroy the monstrous tyrannies which they have incubated and reared in their midst.

Meanwhile our air offensive is forcing Germany to withdraw an ever larger proportion of its war-making capacity from the fighting fronts in order to provide protection against the air attacks. Hundreds of fighter aircraft, thousands of anti-aircraft cannon, and many hundreds of thousands of men, together with a vast share in the output of the war factories, have already been assigned to this purely defensive function. All this is at the expense of the enemy's power and new aggression or of the enemy's power to resume the initiative.

Surveying the whole aspect of the air war, we cannot doubt that it is a major factor in the process of victory. That, I think, is established as a solid fact. It is all

agreed between us that we should at the earliest moment similarly bring our joint air power to bear on the military targets in the homeland of Japan. . . .

At the present time, speaking more generally, the prime problem which is before the United States and to a lesser extent before Great Britain, is not so much the creation of armies or the vast output of munitions and aircraft. These are already in full swing and immense progress, prodigious results, have been achieved.

The problem is rather the application of those forces to the enemy in the peak of U-boat resistance across the great ocean spaces, across the narrow seas, or on land, through the swamps, mountains and jungles in various quarters of the globe. That is our problem.

All our war plans must, therefore, be inspired, pervaded, and even dominated by the supreme object of coming to grips with the enemy under favorable conditions or, at any rate, tolerable conditions. We cannot pick and choose too much. On the largest possible scale at the earliest possible moment, and in engaging that enemy wherever it is profitable and, indeed, I might say, wherever it is possible to do so.

Thus, in this way, shall we make our enemies in Europe and Asia burn and consume their strength on land, on sea and in the air with the maximum rapidity. . . .

Not for one moment must we forget that the main burden of the war on land is still being borne by the Russian Army.

They are holding at the present time no fewer than 190 German divisions and 28 satellite divisions on their front. It is always wise while doing justice to one's own achievements to preserve a proper sense of proportion and I therefore mention that these figures of the German forces opposite to Russia compared with the equivalent of about 15 divisions which we have destroyed in Tunisia after a campaign which has cost us about 50,000 casualties. That gives some measure of the Russian effort and of the debt which we owe to her.

It may well be that a further trial of strength between the German and Russian armies is impending. Russia has already inflicted injuries upon the German military organism which will, I believe, prove ultimately mortal. But there is little doubt that Hitler is reserving his supreme gambler's throw for a third attempt to break the heart and spirit and destroy the armed forces of the mighty nation which he has already twice assaulted in vain. He will not succeed.

But we must do everything in our power that is sensible and practicable to take more of the weight off Russia in 1943.

I do not intend to be responsible for any suggestion that the war is won or that it will soon be over. That it will be won by us I am sure, but how and when cannot be foreseen, still less foretold.

Arthur Made Director

The Board of Governors of the Federal Reserve System announced on May 24 the appointment of W. C. Arthur, President of Talon, Inc., Meadville, Pa., as a director of the Pittsburgh branch of the Federal Reserve Bank of Cleveland, for the unexpired portion of a term ending Dec. 31, 1944. It was stated by M. J. Fleming, President of the Cleveland Reserve Bank, that the appointment was in keeping with the policy of appointing as directors of both main office and branch boards, men of outstanding ability whose records are such as to inspire public confidence. It also follows the previously announced policy of creating and maintaining close contacts with the business interests of the district.

Over 137 Government And Private Agencies Engaged In Research On Post-War Problems

More than 137 important government and private agencies in the United States, outside of state and local groups, are engaged in research or public education on a national scale on the problems that will face the United States when the war ends, according to the findings of a recent investigation by The Twentieth Century Fund which was made public May 17. The survey, completed early in 1943, covers 32 more agencies than

were reported in a previous investigation of the fund covering the same field made a year ago. The findings from the Twentieth Century Fund state:

"The survey reveals the fact that more than a third of these agencies were devoting major attention to problems involving international relations. Business and financial questions come next in popularity. Other major fields of interest are: agriculture, consumer and security problems, education, engineering, general economic and social problems, housing and urban redevelopment, Jewish problems, labor, legal problems, public discussion and opinion, public works, and transportation."

In stating that "the Fund's survey demonstrates that the efforts now being made to work out constructive policies to meet postwar problems far exceed anything that was done in World War I," Evans Clark, Executive Director of The Twentieth Century Fund, in releasing the results of the investigation, added:

"And this time, in sharp contrast to last, all the interests of the nation—capital, labor, agriculture and the consumer—seem to agree on a constructive peacetime goal: what is generally called 'full employment.' This term has yet to be clearly defined in the public mind, but it well describes an almost universal agreement that we must make the maximum use of our productive capacity in peace times and keep at a minimum the unemployment of those who are willing and able to work."

George B. Galloway, of the Fund Staff, in cooperation with J. Frederic Dewhurst, the Fund Economist, has been in charge of the investigation, and has compiled a report of the findings entitled "Postwar Planning in the United States: An Organization Directory, 2." It is further announced:

"Included in the report are 109 private and 28 public groups, most of the latter being agencies of the Federal Government. All of the organizations included are located in the United States and carry on a continuing program on a national or international basis. Among the 109 private agencies, 52 are of a research and educational character; 30 are commercial, industrial and financial organizations; 10 are religious and welfare groups; 8 are professional societies; 7 are women's organizations, and 2 represent labor unions."

"How to lessen the shock of converting our economy to peacetime production, questions of re-employment of men and women now in war industries and the armed services, and methods by which the American economy can be maintained at 'full employment' and production levels are basic subjects for study by more than one-fourth of the agencies, including both government and private groups."

"A large number of business and trade organizations, including the Chamber of Commerce of the United States, the National Foreign Trade Council, the Association of American Railroads, the Committee for Economic Development and others, are doing extensive work looking toward the postwar maintenance and expansion of business activities. Some of the chief government agencies, including the Department of Commerce and the Department of Agriculture, are making extensive investigations now to assemble facts that will help our national economy to function efficiently

after the war is over.

"The need for speedy reconversion from war to peacetime production with the maintenance of consumer purchasing power during this transition is recognized by many agencies. The National Economics Unit of the Bureau of Foreign and Domestic Commerce is studying the questions in this field, as well as analyzing the postwar markets for goods and services to determine to what extent these markets will be expanded above the prewar level if we are successful in achieving maximum postwar employment. Other agencies, including the Bureau of Labor Statistics of the U. S. Department of Labor, the National Association of Manufacturers, the National Resources Planning Board, and the National Planning Association, are devoting part of their current studies to this field."

U. S. And Mexico Agree On Importing Workers

The State Department announced on May 1 that an agreement has been concluded between the United States and Mexico for importation of non-agricultural workers from below the border to help meet "serious shortages of man power."

Associated Press Washington advices of May 1 reported the following:

The Department said 15,000 agricultural workers from Mexico are already in this country aiding in the production of essential war crops, that 7,000 more are expected to be contracted for during May, and that the total for the year may reach 50,000.

The first non-agricultural workers to be imported are 6,000 maintenance-of-way employees for southwestern railroads, the need for whom has been certified by the War Man Power Commission.

The agreement was concluded yesterday. Technical amendments also were incorporated in the agreement for importation of agricultural workers.

The agreement, the department said, guarantees wage rates, living conditions and repatriation for the Mexicans and specifies they shall not replace American labor for the purpose of reducing rates of pay. The workers are to be exempted from compulsory military service in the United States.

Urges Full-Time Schedules On May and July Holidays

Donald M. Nelson, Chairman of the War Production Board, on May 11 called for regular, full-time working schedules in essential war plants over the Memorial Day and Independence Day week-ends. Wherever feasible, Mr. Nelson said, traditional civic observances of the holidays should be held on Sunday. The WPB Chairman added:

"The capture of Bizerte and Tunis shows that the weight of United Nations' total war effort is bringing magnificent results on the field of battle. We must work all the harder to take full advantage of the victories that the fighting men of our country and our Allies are winning."

"By having the usual civic celebrations on May 30 and July 4 on Sunday we can keep production at higher levels than if the observances of these historic holidays are held on Mondays."

March Lend-Lease Exports Reach New High—Increased Aid To Soviet Union Disclosed

Lend-lease exports in March were the highest on record, totaling \$708,000,000, or 20% more than in the previous high month and more than twice the value of exports in the corresponding month a year ago, it was disclosed on May 6 by Edward R. Stettinius, Jr., Lend-Lease Administrator.

In a special report on lend-lease shipments to the fighting fronts, Mr. Stettinius said that the cumulative value of lend-lease exports from March 11, 1941, to April 1, 1943, was \$7,104,731,000. The estimated value of lend-lease planes ferried by air and lend-lease ships sailed away under their own power was \$675,000,000 additional. Mr. Stettinius explained that the difference between the value of lend-lease supplies sent overseas and the \$10,319,518,000 value of total lend-lease aid is made up principally by services rendered totaling \$1,825,383,000 and by goods transferred for use in this country or not yet exported.

Mr. Stettinius further reported: "Many thousands of lend-lease planes and tanks and \$600,000,000 worth of lend-lease trucks and other military motor vehicles have been sent into action against the enemy by our Allies principally on the Russian and Tunisian fronts. Lend-lease planes are also playing an important part in the air offensive being waged on

Axis Europe from the British Isles. In the Far East, lend-lease tanks and planes with Australian crews are fighting side by side with American forces in New Guinea and United Nations forces in India, Burma and China are also armed in part through lend-lease.

"These shipments have made up a comparatively small part of the total weight of United Nations arms in action up to now against the Axis, but they are making themselves increasingly felt. Shipments of munitions have been supplemented by raw materials and equipment used by our allies to produce more munitions in their own factories, together with food for their soldiers and production workers.

"Lend-lease exports by military theatre for the period ending April 1, 1942, compared with the period ending April 1, 1943, were as follows:

	March 11, 1941 to April 1, 1942	April 1, 1942 to April 1, 1943
United Kingdom	\$886,233,000	\$2,230,602,000
Soviet Union	162,221,000	1,663,256,000
Africa and Middle East	169,746,000	870,017,000
China, India, Australia and New Zealand	138,532,000	753,193,000
All Other	55,373,000	175,558,000
Total	\$1,412,105,000	\$5,692,626,000

Russia

"From the beginning of the lend-lease program for Russia on Oct. 1, 1941, to April 1, 1943, more than 3,500,000 gross long tons of supplies were shipped to the Soviet Union from the United States.

"In the first three months of 1943 these shipments were 35% more than in the preceding quarter and more than twice the total shipped in the first three months of last year.

"In spite of losses, suffered principally on the North Russian route, the overwhelming majority of lend-lease supplies to Russia is arriving. A large proportion of them has been shipped by the Persian Gulf route via Iran. This route has been greatly expanded with the aid of lend-lease funds. The capacity of the Trans-Iranian railroad, now operated by the United States Army, has been multiplied, new highways have been built on old caravan trails, thousands of American trucks furnished to carry the supplies into Russia, and great airplane assembly plants laid out in desert regions.

"In addition to several thousand planes sent to the Soviet, many by air ferry routes, we have shipped many tens of thousands of trucks, jeeps and other military motor vehicles and hundreds of thousands of tons of steel and armor plate, copper, brass, aluminum, zinc, TNT, toluol and other chemicals for Soviet production of planes, tanks, trucks and bombs. We have sent large quantities of rails for Soviet railroads, signal and other communications equipment and lesser quantities of electric furnaces, presses, forging hammers, and many types of machine tools for Soviet arms factories.

"Food shipments to the Soviet this year have top shipping priority along with aircraft and motor vehicles. This is necessary in order to maintain the rations of the Soviet army. For two successive years the Nazis have held the Soviet's principal wheat and beet-sugar producing areas in the Ukraine. The shortage of proteins and fats—vital energy-producing foods—has also become increasingly serious.

"Almost 1,000,000 tons of food have been shipped to the Soviet

Union up to April 1 and a considerable part of last month's shipments were foodstuffs.

"Principal tonnages of food sent have been wheat and wheat flour, sugar, canned meats, dried peas and beans, lard, and vegetable oils including margarine. Most lend-lease shipments of dehydrated vegetables are now also going to Russia. We have sent 8,000 tons of seeds to grow food in newly developed agricultural areas behind the Urals and far in the interior of Siberia.

North Africa and Middle East

"Lend-lease General Sherman tanks and tank destroyers have fought beside British Valentines and Churchills with the British 8th Army all the way from El Alamein to the gates of Tunis. Lend-lease medium bombers and fighters have made up an important part of the 8th Army's air arm. Tens of thousands of lend-lease trucks have rolled in endless lines on the long desert roads behind Montgomery's striking forces, bringing up supplies from bases far in the rear.

"These are the result of lend-lease shipments for British forces in Egypt that began many months ago. Lend-lease exports to the Middle East and Africa, most of which went to Egypt, have totaled more than \$1,000,000,000 since the beginning of the lend-lease program. In addition many planes were ferried across Africa by air along routes which lend-lease helped develop.

"In the past six months alone lend-lease exports to Africa and the Middle East have totaled \$600,000,000, most of them munitions. This figure does not include planes ferried by air nor the value of American equipment provided to the French forces under General Giraud which has enabled them to take an important place in the Tunisian offensive. Nor does it include lend-lease equipment used by General Anderson's British First Army which was provided under lend-lease but shipped on from the United Kingdom instead of direct from the United States. Most of the arms used by British forces in the Tunisian campaign were produced in British factories with the help of raw materials and machinery sent from the United States, but American arms

placed in British hands through lend-lease are playing an important part on land and in the air. Similarly the British have provided large quantities of supplies for American forces as reciprocal aid, in addition to a majority of the cargo ships, transports and warships in the supply convoys sent from the United States and the British Isles.

"Besides military equipment, lend-lease shipments of food, clothing, medicines and other necessities of life totaling almost 160,000 tons have been sent to the people of North Africa. The first of these shipments for newly-liberated areas of Tunisia is now on the way. These shipments are essential to the success of military operations, and have been made to carry out the President's promise that: 'No one will go hungry or without the means of livelihood in any territory occupied by the United Nations, if it is humanly within our power to make the necessary supplies available to them.' Lend-lease has also sent agricultural, mining and transportation equip-

ment to aid in the production of food in North Africa for United Nations forces and of strategic raw materials needed for war production in this country and Great Britain.

Other Areas

"The following table shows the dollar value of lend-lease exports by category to the Far East, India and the United Kingdom, as well as to Russia and Africa. In addition large amounts of munitions and other necessary war supplies paid for in cash by our allies have been sent to these areas. Cash purchase shipments to the United Kingdom have totaled \$1,414,000,000 since March 11, 1941, compared to \$3,117,000,000 off lend-lease shipments to the British Isles. Many lend-lease supplies exported to the United Kingdom have been shipped on for the use of British forces on other fighting fronts."

Following is a table showing lend-lease exports by category and military theatre:

LEND-LEASE EXPORTS Cumulative from March 1941 through March 31, 1943—Thousands of Dollars							
Types of Goods	U.S.S.R.	United Kingdom	Africa & Middle East	China, India, Australia & New Zealand	Other	Total	
Ordnance	280,891	412,588	288,077	227,653	64,576	1,273,785	
Aircraft	328,975	198,613	136,614	148,272	75,077	886,951	
Tanks	179,820	103,944	130,324	116,461	17,277	347,826	
Motor vehicles	229,822	89,747	153,125	114,302	17,354	604,350	
Watercraft	27,888	81,452	15,138	6,939	14,197	145,614	
Industrial products	461,348	965,780	260,330	240,268	34,266	1,961,992	
Agricultural products	316,733	1,264,711	56,755	37,830	8,184	1,684,213	
All commodities	1,825,477	3,116,835	1,039,763	891,725	230,931	7,104,731	

Factory Workers' Hours And Earnings In March Showed Increases, Labor Department Reports

The average hours worked per week in all manufacturing industries were 44.8 in March, 1943, about 5% above March, 1942, Secretary of Labor Perkins reported on May 17. "There was an increase of 0.7% in average hours worked between February and March which when combined with the increase in employment resulted in an increase in total hours worked per week of more than 8,000,000,"

he stated:

"The work-week in both 'the durable and the non-durable goods groups showed increases over the month and the year, the non-durable increasing 2.4 hours since March a year ago and a half hour since February, 1943. Corresponding increases for the durable goods industries were 1.4 hours and 0.2 of an hour, where schedules of 48 hours or more have characteristically been worked since Pearl Harbor.

"Of the 11 durable-goods industries which showed decreases in the average hours worked per week since February, 1943, all but two, firearms and locomotives, increased employment sufficiently to more than offset the decreases in hours. Reports from both the firearms industry and the locomotives industry (largely engaged in the production of tanks) indicated that decline in total hours were due to completion of some government contracts. The average hours worked in both of these industries were still in excess of 48 per week.

"Four of the seven non-durable industries which showed declines in the work-week over the month also showed declines in the total hours worked per week. These were leather, canning and preserving, book and job printing, and cottonseed oil. The declines in all of these industries were of a seasonal nature.

"Of the seven durable-goods industries which reported a shorter work-week in March, 1943, as compared with March, 1942, six industries—firearms, machine tools, locomotives, aircraft and parts, aircraft engines, and shipbuilding—each had a scheduled work-week in excess of 48 hours. The average hours per week in the cement industry was 40.7, 0.8% less than in March, 1942. Only two of the non-durable industries, butter and beet sugar, showed declines in average hours over the year. In spite of this decline the butter industry

had a scheduled work-week of more than 48 hours. The work-week in the beet sugar industry averaged 39.4 indicating a scheduled work-week of more than 41 hours.

"Of the 14 non-manufacturing industries for which man-hour data are available, four averaged lower hours per week in March, 1943, than in March, 1942—metal-liferous mining, dyeing and cleaning, hotels, and retail trade. The largest increases over the year occurred in bituminous coal mining, 21.7%, and in anthracite mining, 18.9%. The average hours worked per week in these industries were 38.3 and 41.2 respectively. The two coal mining industries measure time spent at the face of the coal rather than time after reporting for work at the mine, and therefore the hours worked in coal mining should not be compared with time worked in manufacturing industries.

"Hourly earnings in March, including overtime premiums and shift differentials, averaged 103.0 cents in the durable-goods industries, an increase of 14.3%, since March, 1942. An increase of 12.3% over the same period in the non-durable goods industries raised hourly earnings in that group to 78.2 cents. All the major durable and non-durable industry groups contributed to the increase in hourly earnings over the year.

"Declines in hourly earnings since February, 1943, were reported in five of the major non-manufacturing industry groups—anthracite mining, telephone and telegraph, electric light and power, wholesale, and retail trade. However, all the non-manufacturing industries reported increases in hourly and weekly earnings over the year interval.

"Weekly earnings in all manufacturing industries averaged \$41.84 in March, 1943, as compared with \$41.12 in February, 1943, and \$34.63 in March, 1942. Average weekly earnings in the durable-goods group was \$47.79

Second War Loan Drive At \$18,533,000,000

The record-breaking Second War Loan drive for \$13,000,000,000, which ran from April 12 to May 1, was over-subscribed by \$5,330,000,000, it was announced on May 10 by Under Secretary of the Treasury Daniel W. Bell.

As a result of the success of this drive, Mr. Bell said that plans for another campaign in August have been postponed until September.

Mr. Bell made public a breakdown of the subscriptions showing that \$12,550,000,000 came from non-banking sources, \$5,048,000,000 from banks and \$935,000,000 from other sources. The banks were held to this amount, although they subscribed their allotments many times over.

The Atlanta Federal Reserve District led all others in the drive, subscribing 179% of its non-banking goal. The Cleveland district ranked second with 177 per cent, Minneapolis third with 169%, Richmond fourth with 168%, Dallas fifth with 167%, New York, Chicago and St. Louis tied for sixth place with 162% each, Kansas City seventh with 150%, Boston eighth with 137%, Philadelphia ninth with 136%, and San Francisco tenth with 124%.

The Treasury gave the following totals of subscriptions to securities offered during the Second War Loan drive:

Non-banking investors: (A) individuals, partnerships, and personal trust accounts, \$3,290,000,000; (B), insurance companies, \$2,408,000,000; (C) savings banks, \$1,195,000,000; (D) eleemosynary institutions, \$117,000,000; (E) State and local governments, \$503,000,000; (F) other corporations and associations, \$5,038,000,000; (G) subtotal—all non-banking investors—\$12,550,000,000.

Banking sources (allotments only)—\$5,048,000,000.

Other sources: (A) dealers and brokers, \$544,000,000; (B) U. S. Government agencies and trust funds, \$391,000,000.

Total—all investors—\$18,533,000,000.

In paying tribute to the response of the public, Secretary Morgenthau on May 1 warned, however, that "even this performance must be bettered in the future." His statement follows:

"I am greatly pleased by this entirely voluntary investment by the people in victory. The unprecedented sum borrowed in this campaign reflects the earnestness and vigor of our national war effort.

"In this, as in other ways, a crushing superiority of United Nations armaments is assured and the defeat of our enemies made inevitable.

"I am especially pleased that the increase in total subscriptions over the initial goal has come entirely from non-banking sources. This is the high road of non-inflationary borrowing.

"But even this performance must be bettered in the future. Both during the drives and in the intervals between them it is important that all who have regular incomes or accumulated funds make steady purchases of the several issues of savings bonds and tax-saving notes which are available at all times."

Mr. Morgenthau also expressed his thanks to the thousands of volunteer workers and others who had helped in the greatest financing drive in world history.

The opening of the Second War Loan drive on April 12 was referred to in our issue of April 15, page 1377.

and in the non-durable \$33.24. Each of these figures are about 20% higher than the earnings in March, 1942."

Steel Operations Off About 1%—48-Hour Week Extended To All Branches Of Steel Industry

"Holding the industry's spot attention on Tuesday of this week was the stoppage of coal mining, second interruption of the season, catching the industry at a time when its stocks are poor," the "Iron Age" states in its issue of today (June 3), further adding: "One of the largest by-product coke plants which serves some of the mightiest of the nation's steel plants is said to have only a 10 days' supply, an exceedingly slim lifeline. Therefore, if the coal strike lasts for a week, a severe drop in steel output will occur, and even if it ends within a few hours the position of the steel industry from the standpoint of its coke stocks will be further impaired."

"Sporadic, outlaw strikes at Western Pennsylvania mines have been a constant source of concern to the steel industry in recent weeks, while the beehive coke supply situation has been growing tighter and tighter."

"The coal strike wasn't the only surprise born in Washington this week for the steel industry. The 48-hour week came back into the spotlight with the announcement of instructions providing for the extension of the longer working week to all branches of the steel industry. Significantly, the instructions provide that regional directors of the War Manpower Commission shall consult with representatives of organized labor before granting temporary exemptions for the 48-hour order of May 1. This power given labor is considered by some authorities as another blow against management."

"In still another direction the steel industry is watching developments closely. The reported recent attempt of the OPA to roll back tubular steel prices is interpreted in some quarters as the opening wedge to roll back the prices of all profitable items. OPA has assured some people that by the same virtue non-profitable items will be studied with a view toward raising them, if necessary. This, of course, is not shared by some steel people—nor is it taken seriously. The OPA for some time has been attempting to obtain cost figures on the steel industry but has not been successful to any great degree. By threatening cost reductions they may obtain the figures which some divisions of the OPA have been after for some time."

"Steel sellers, unaccustomed to small order backlogs, may have given the impression they needed business when they sought recently to drive in CMP allocations, which have been slow coming to mills, particularly in alloy steel where inventories perhaps were higher than in some other lines of steel. Another factor believed to have bearing on the question is the desire of some steel makers to improve their 'product mix' that all principal departments may be operating at peak efficiency and as profitably as possible."

"As to whether order volume is up or down for the steel industry, all the significance that this index formerly held vanished almost entirely when CMP and its controls were instituted."

The American Iron and Steel Institute on June 1 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 98.4% of capacity for the week beginning May 31, compared with 99.3% one week ago, 98.2% one month ago and 99.3% one year ago. This represents a decrease of 0.9 point or 0.9% from the preceding week. The operating rate for the week beginning June 1 is equivalent to 1,704,000 tons of steel ingots and castings, compared to 1,719,500 tons one week ago, 1,700,500 tons one month ago, and 1,686,700 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on May 31 stated in part as follows:

"Steelmakers are booking an increasing number of orders for

delivery during first quarter next year and even into second quarter. These cover requirements for long-range war programs and are accompanied by CMP allotment numbers."

"These orders are being accepted by producers with sizes and quantities to be specified later. Orders are placed so far in advance to give advantageous position on mill books, though subject to change as requirements develop. Included in this forward buying are plates, wire and wire products, strip and aircraft materials."

"Backing up this remote buying is the fact that mills in general are sold practically through third quarter and into fourth quarter on plates, bars, wire, sheets and strip, with little open capacity for that delivery. Some tonnage can be accepted for July and August but this is becoming more difficult to place week by week."

"Wire and specialties are in strong demand, largely for aircraft work and other war requirements and deliveries are lengthening steadily. To obtain third quarter shipment often requires much shopping. Producers able until recently to give better than average promise now are filling up so that they cannot offer any advantage. Some PRP tonnage will not be shipped before the June 30 deadline and disposition of such orders has not been decided."

"Sheet capacity for third quarter is filling rapidly, especially in hot-rolled, some mills being completely filled and others able to accept small lots. Need for strip for the aircraft industry is increasing. Some producers are sold up to their directive quotas into October. Many changes in specifications are being made in alloy strip to improve deliveries to meet schedules of users."

"Radical changes have been wrought by war conditions on the structural shape market. Restrictions on building have eliminated nearly all demand for beams and heavy sections and fabricators now are engaged on miscellaneous work, largely for shipbuilding. For this only lighter sections are required. Fabricators now use a larger proportion of plates, heavy sheets and bars, with greatly reduced need for shapes. On these lighter materials many mills are sold up to their quotas for third quarter and in some cases beyond. Shape mills in general are at 60 to 65% of capacity, with some slightly higher on account of shipyard affiliations."

"Machine tool buying continues to slacken and deliveries exceed new purchases, but few orders are held back or cancelled."

"Scrap is in good supply and quality is better, industrial, railroad and agricultural grades predominating over the lighter material that made up most of offerings a few months ago. Flood conditions have delayed delivery in some areas, notably St. Louis and Buffalo. Reserves are sufficient to carry melters until normal conditions return."

Admiral Glassford In French West African Post

President Roosevelt appointed on May 26 Rear Admiral William A. Glassford as his personal representative in French West Africa with the rank of minister. The State Department said that Admiral Glassford will head an American mission at Dakar to coordinate and supervise American activities in that area.

Controlled Economy vs Free Enterprise

(Continued from first page)
be well to sow and cultivate the seeds now—it is essential that they make possible a continuance of private enterprise. The competitive spirit must be upheld. Personal incentive and initiative must be recognized. Private capital must be allowed to accumulate in order to finance the re-conversion of plants from war to peacetime operations. This is also necessary for new enterprises and research work as well as for rehabilitation of worn-out properties. The investor must be given an opportunity to participate in post-war business."

Taxation now and in future will be heavy, but it should not approach the confiscation point. Furthermore, provided that businessmen and investors are allowed to make reasonable profits, there will be little objection to paying necessary taxes. Government borrowing of huge sums to be spent "for spending's sake" must stop. Our past 10 years of colossal spending without regard for services received proved to be a disastrous experiment. Further borrowing or spending after the war for purely public benefit can only hasten the worst effects of inflation; but these mistakes may not be repeated."

From War to Peace

Before we enter the post-war period, we must go through the transition stage. Some concerns may be able to re-convert from war to peacetime operations within a few months. For the most part, however, there will be no sudden return to pre-war living. It seems certain that we shall continue an armed nation for many years after hostilities cease. Hence, I do not expect our armament industry to collapse overnight. Relations with our Allies, the affairs of labor and management, the relationship of government and business will be an important part of this transition picture."

I see that Mayor La Guardia of New York, for whom I have great respect as a public administrator, wants Washington to spend \$300,000,000 now on post-war plans. He further wants Congress to authorize the spending of \$9,000,000,000 as a nine-year grant to cities and towns to relieve unemployment. Whether such a program would be a continuance of waste, a furtherance of inflation and make for an even greater bureaucracy, I leave for my readers to decide. Certainly, I do not believe that such a program would appeal very much to our returning service men. They will want real work—not an excuse to draw a pay check."

Extend Newspaper Panel

The National War Labor Board announced on May 23 that it has extended indefinitely the operations of the Daily Newspaper Printing and Publishing Panel, pending review of the panel's work to determine whether it would be established permanently."

The panel was created on Feb. 24 for a 90-day experimental period; referred to in our issue of March 18, page 1022.

Robert K. Burns, Chairman of the Advisory Panel, and also Chairman of the Sixth Regional War Labor Board, with headquarters in Chicago, reported on May 25 that the panel has completed action on 489 cases of the 798 cases filed involving labor questions within the daily newspaper industry."

Frederick S. Deibler, Professor of Economics and History at Northwestern University, is Vice Chairman of the Panel. Mr. Burns and Mr. Deibler represent the public while industry and labor also have two members each on the panel."

From Washington

(Continued from first page)
Congress from Kentucky, put over the soldiers' bonus, that is, the bonus of the soldiers of the First World War, in 1935. No, I believe it was in 1936. There were forces who wanted to put it over in 1935, but such sound-money men as Fred and the late Pat Harrison decided that it would be far more helpful to the economy to put it over in 1936, on the eve of the Presidential election. It was right funny. Mr. Roosevelt got quite indignant in 1937 when the "recession" had set in and said the automobile people were largely responsible because what they had done was to gobble up this \$2,000,000,000 which had been given the soldiers. And as one of those benefiting soldiers, and as a financial note, we have never accepted it as final payment because the bonus was in 57-cent dollars, Mr. Roosevelt having reduced the value of gold. And we still have our lobby to insist that before the boys of the Second World War get theirs, that we of the First World War get our remaining 43 cents, on every dollar that is."

But that is a pretty picture which has now been set up. It should appeal to all art lovers. No more will we have our squalls, our bickerings among big shots hereabouts. When there is a disagreement, Jimmy will settle it. It so happens that a few weeks before this new arrangement, Chester Davis was called back to handle the food situation. He was to report directly to the President. In the new set-up a fellow like Chester has to report to about three others, and before he can get to the President, he must go through Jimmy. But won't Jimmy be the tops on domestic affairs? Won't it be just as if he were reporting to the President? Oh no, indeed. The Palace Guard is still in the saddle. There are still such Presidential counsellors as Happy Hopkins. David Niles and Sam Rosenman. And Harry will be right there on the job with Jimmy, as one of his advisory committee. Harry will be there to run to the President, and to get David and Sam and the others to run with him, to say that Jimmy is about to put over something which will not be in the interest of things."

But in the meantime Jimmy and Fred Vinson, being old Democratic wheelhorses, both from the South and not advanced thinkers, just practical boys of the party—they will be supposed to do a job on the Democrats in Congress, to sell these fellows on the idea that the New Deal is over, that the pinks are gone forever, that from now on, the "real" Democrats are to run the show, and, of course, they won't continue to run it unless they get together and return Mr. Roosevelt for a fourth term."

Furthermore, and just as important, the polls, which have come to be an inexact science in this country—you wonder how there can be a manpower shortage with all of these people making polls—these polls go around asking people: "Are you for Roosevelt?" and the answer is, "Yes, indeed; he's an able commander-in-chief."

Then they say, "Do you like the people who are running the Washington government?" and the response is, "Hell, no!"

Mr. Roosevelt seems to have worked definitely upon, and successfully so, the public impression that he and the rest of the Washington government are two and entirely separate things. He seems to have worked out some confidence with the people, a little secret between him and the people against the rest of the Government including Congress. He has the knack of taking a trip and coming back and saying on the radio that he and the people

The News Behind The News

(Continued from first page)
would concede they are fascinating and interesting."

For instance, they have an idea for an international two-price system. Each nation would have a domestic price, but sell in the international market at a reduced subsidy price."

This country, for instance, would have a certain price for wheat within its borders. The Government would buy this wheat at that price and sell it to China for whatever it could get—to improve the diet of rice-eating Chinese."

The cost would be footed by the people of this country through the Treasury. But the agriculture planners do not think it would cost much money, as they did some experimentation along this line before the war."

A wholly new idea of theirs is to get France, for instance, to stop wheat production, or curtail it, and turn to vegetables, buying her wheat from us. They would like to do this with all of Europe."

Presumably, we would have to give them the wheat as they have nothing with which to pay, but the idea of the planners is that the price which our people pay would make the other nations dependent on us and Britain for wheat and other products, and thus lessen their likelihood of going to war."

These are obviously variations of the old Wallace theme of furnishing a quart of milk a day. They apply not only to wheat, of course, but to all staple commodities."

Their ideas lead them into fantastic social ramifications. If Britain undertakes to supply wheat to India and raise the standard of living and improve the diet there, it will have to get some kind of agreement from India for birth control, as obviously it cannot continue indefinitely to feed an ever-increasing population on credit."

If these matters were the subject of daily discussion in the press, you can readily see what might happen to the Hot Springs Food Conference. As matters stand now under the secrecy ban, the planners are able to discuss to their hearts' content."

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are getting mighty fed up with affairs."

"You and I know," he has the knack of saying to the people."

Now, he has given the picture of turning over domestic affairs to a good, sound Democrat, while he is so wrapped up in the conduct of the war. If the people aren't satisfied, they can't blame it on him. Because he and the people understand so well. They have a deep secret between them."

The dear old people won't notice, perhaps, that a few days ago he reorganized the Fair Policy Committee which had been under the direction of Paul McNutt. It is a committee to see that there is no "discrimination" against colored workers on the part of war industry. It has given industry many headaches since this war started, not because industry has any desire to discriminate but because it is up against practical problems such as time-old prejudices. The reorganized committee is to report to Mr. Roosevelt directly. But this won't burden him or detract from his military strategy planning. Mrs. Roosevelt will take care of this. The purpose is a concentrated drive for the colored vote."

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES† (Based on Average Yields)											
1943— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*				
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.		
Jun 1	119.82	110.34	118.40	115.82	110.88	97.78	102.30	113.31	115.82		
May 31	119.82	110.34	118.40	115.82	110.88	97.78	102.30	113.31	115.82		
29	119.82	110.34	118.20	115.82	110.88	97.78	102.30	113.31	115.82		
28	119.82	110.34	118.20	115.82	110.88	97.78	102.30	113.31	115.82		
27	119.82	110.34	118.20	115.82	110.88	97.78	102.30	113.31	115.82		
26	119.66	110.34	118.20	115.82	110.88	97.62	102.13	113.31	115.82		
25	119.53	110.15	118.20	115.82	110.88	97.62	102.13	113.31	115.82		
24	119.50	110.15	118.20	115.82	110.88	97.62	102.13	113.31	115.82		
22	119.48	110.15	118.20	115.82	110.88	97.62	102.13	113.31	115.82		
21	119.44	110.15	118.20	115.82	110.88	97.47	101.97	113.12	115.82		
20	119.41	110.15	118.20	115.82	110.88	97.47	101.97	113.12	115.82		
19	119.42	110.15	118.20	115.82	110.88	97.47	101.97	113.12	115.82		
18	119.34	110.15	118.40	115.63	110.70	97.47	101.97	113.12	115.82		
17	119.28	110.15	118.20	115.63	110.70	97.47	101.97	113.12	115.82		
15	119.27	109.97	118.00	115.63	110.70	97.47	101.80	113.12	115.82		
14	119.27	109.97	118.00	115.63	110.70	97.47	101.80	113.12	115.82		
13	119.33	109.97	118.00	115.63	110.70	97.47	101.80	113.12	115.82		
12	119.26	109.97	118.00	115.63	110.70	97.47	101.80	113.12	115.82		
11	119.13	109.97	118.20	115.43	110.52	97.47	101.64	112.93	115.82		
10	119.06	109.97	118.00	115.43	110.52	97.47	101.64	112.93	115.82		
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	109.79	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	118.20	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	112.93	115.82		
1	118.34	109.79	118.00	115.43	110.52	97.00	101.31	113.12	115.82		
Apr. 30	118.36	109.79	118.00	115.43	110.34	97.00	101.31	113.12	115.82		
22	118.22	109.60	118.00	115.43	110.34	96.69	100.98	113.12	115.82		
16	118.06	109.60	117.80	115.43	110.34	96.38	100.81	112.93	115.82		
9	117.48	109.60	117.80	115.43	110.34	96.69	100.98	113.12	115.82		
Mar. 26	116.93	109.60	117.80	115.43	110.34	96.23	100.65	113.12	115.82		
19	116.86	109.42	117.60	115.43	110.34	95.92	100.32	113.12	115.82		
12	116.87	109.24	117.60	115.43	110.34	95.77	100.16	112.93	115.82		
5	116.97	109.42	117.80	115.43	110.34	95.77	100.16	112.93	115.82		
Feb. 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.82		
19	117.11	109.06	117.60	115.24	110.15	95.01	99.68	112.93	115.82		
11	117.13	108.88	117.60	115.24	109.97	94.86	99.36	112.93	115.82		
5	117.09	108.88	117.60	115.04	109.97	94.71	99.04	112.75	115.82		
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.82		
High 1943	119.82	110.34	118.40	115.82	110.88	97.78	102.30	113.31	115.82		
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46		
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66		
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75		
1 Year ago											
June 1, 1942	118.30	106.39	116.02	112.93	107.44	91.62	95.92	110.70	113.70		
2 Years ago											
May 31, 1941	118.71	106.39	116.61	113.31	107.09	91.19	96.69	110.70	112.75		

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.		
Jun 1	1.88	3.15	2.73	2.86	3.12	3.89	3.61	2.99	2.86		
May 31	1.88	3.15	2.73	2.86	3.12	3.89	3.61	2.99	2.86		
29	1.88	3.15	2.74	2.86	3.12	3.89	3.61	2.99	2.86		
28	1.88	3.15	2.74	2.86	3.12	3.89	3.61	2.99	2.86		
27	1.88	3.15	2.74	2.86	3.12	3.90	3.62	2.99	2.86		
26	1.89	3.15	2.74	2.86	3.12	3.89	3.62	2.99	2.85		
25	1.90	3.16	2.74	2.86	3.12	3.90	3.62	2.99	2.86		
24	1.90	3.16	2.74	2.86	3.13	3.90	3.62	2.99	2.86		
22	1.90	3.16	2.74	2.86	3.12	3.91	3.62	3.00	2.86		
21	1.90	3.16	2.74	2.86	3.13	3.91	3.63	3.00	2.86		
20	1.90	3.16	2.74	2.86	3.13	3.91	3.63	3.00	2.86		
19	1.90	3.16	2.74	2.87	3.12	3.91	3.63	3.00	2.86		
18	1.91	3.16	2.73	2.87	3.13	3.91	3.63	3.00	2.85		
17	1.92	3.16	2.74	2.87	3.13	3.91	3.64	3.00	2.85		
15	1.92	3.17	2.75	2.87	3.13	3.91	3.64	3.00	2.85		
14	1.92	3.17	2.75	2.87	3.13	3.91	3.64	3.00	2.86		
13	1.91	3.17	2.75	2.87	3.13	3.91	3.64	3.00	2.86		
12	1.92	3.17	2.75	2.87	3.13	3.91	3.64	3.00	2.86		
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	3.66	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	3.66	3.01	2.86		
3	1.98	3.18	2.75	2.88	3.14	3.93	3.66	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		
22	1.99	3.19	2.75	2.88	3.15	3.96	3.69	3.00	2.86		
16	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	1.88	3.15	2.73	2.86	3.11	3.89	3.61	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											
June 1, 1942	1.95	3.37	2.85	3.01	3.31	4.30	4.01	3.13	2.97		
2 Years ago											
May 31, 1941	1.91	3.37	2.82	2.99	3.33	4.33	3.96	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.

Moody's Daily
Commodity Index

Tuesday, May 25	245.7
Wednesday, May 26	245.8
Thursday, May 27	245.6
Friday, May 28	245.7
Saturday, May 29	245.8
Monday, May 31	245.8
Tuesday, June 1	246.0
Two weeks ago, May 18	245.6
Month ago, May 1	245.6
Year ago, June 1	229.6
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, April 1	249.8
Low, Jan. 2	240.2
*Holiday.	

US-China Treaty Ratified

United States relinquishment of extraterritorial rights in China went into effect on May 20 with an exchange of ratifications of the treaty signed Jan. 11 last.

Secretary of State Cordell Hull and Dr. Wei Tao-Ming, Chinese ambassador, signed the ratification documents in a brief ceremony at the State Department.

Simultaneously, ratifications of a similar Chinese-British treaty were exchanged at Chungking.

Signing of the treaty was noted in our issue of Jan. 28, page 422.

Trading On New York Exchanges

The Securities and Exchange Commission made public on May 29 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 weeks ended May 15, 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 May 15 (in round-lot transactions) totaled 3,275,740 shares, which amount was 15.76% of the total transactions on the Exchange of 10,394,270 shares. This compares with member trading during the week ended May 8 of 4,747,222 shares or 16.36% of total trading of 14,510,130 shares. On the New York

Changes In Holdings Of Reacquired Stock Of New York Stock And Curb Listed Firms

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on May 19. Following is the tabulation issued by the Stock Exchange:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Allied Stores Corp., 5% pfd.	9,817	11,917
American Hide & Leather Co., 6% pfd.	1,760	1,860
American Machine & Metals, Inc., capital	20,100	28,300
Armour & Co. (Del.), 7% pfd.	549	2,633 (1)
Associates Investment Co., common	30,449	31,969
5% cumulative preferred	1,834	2,393
Atlantic, Gulf & West Indies Steamship Lines, 5% pfd.	24,200	— (2)
Atlas Corp., common	61,482	49 (3)
Barker Bros. Corp., 5½% cum. pfd.	10,752	11,227
Borden Co., The, capital	48,654	49,754
Bucyrus-Erie Co., 7% pfd.	11,476	12,826
Burlington Mills Corp., common	3,665	5,665
Case (J. I.), Co., common	1,403	1,348
Cleveland Graphite Bronze Co., 5% cum. pfd.	—	— (4)
Commercial Investment Trust Corp., common	46,133	— (5)
Commonwealth & Southern Corp. (The), \$6 ser. cum. pfd.	—	— (6)
Consolidated Vultee Aircraft Corp., \$1.25 cum. pfd.	7	700
Crucible Steel Co. of America, 5% conv. pfd.	2,765	1,760
Detroit Edison Co., The, common	—	— (8)
Distillers Corp.-Seagrams, Ltd., cum. pfd., 5% ser.	15,780	14,480 (9)
Federated Dept. Stores, Inc., 4¼% conv. pfd.	319,204	318,204
Firestone Tire & Rubber Co., The, common	1,633	— (5)
Flintkote Co., The, \$4.50 cum. pfd.	—	30
Fruehauf Trailer Co., 5% conv. pfd.	—	— (10)
General American Investors, Co., Inc., \$6 cum. pfd.	127,171	163,971
General Motors Corp., common	1,201	3,350
General Railway Signal Co., 6% pfd.	14,549	17,649
Gillette Safety Razor Co., \$5 conv. pfd.	12,012	13,012
Goodyear Tire & Rubber Co., The, \$5 cum. conv. pfd.	3,211	5,111
Gimbel Brothers, Inc., \$6 cum. pfd.	330	1,030
Hat Corp. of America, 6½% pfd.	—	— (11)
Insuranshares Certificates, Inc., common	—	— (12)
Jones & Laughlin Steel Corp., common	—	— (13)
5% preferred A	—	— (13)
5% preferred B	—	— (5)
Mead Corp., The, \$6 cum. pfd.	682	1,000
Motor Products Corp., common	4,630	4,605
National Steel Corp., common	5,428	5,568
Norfolk & Western Railway Co., adj. 4% pfd.	2,884	4,184
Plymouth Oil Co., common	3,557	3,698
Safeway Stores, Inc., 5% cum. pfd.	5,620	5,720
Schenley Distillers Corp., 5½% cum. pfd.	3,926	3,826
Sheaffer (W. A.) Pen Co., common	40,343	35,543
Squibb (E. R.) & Sons, common	1,114,092	1,115,260
Transamerica Corp., capital	37,963	38,563
Twentieth Century-Fox Film Corp., \$1.50 pfd.	24,904	25,004
United Merchants & Manufacturers, Inc., v. t. c. for com.	5,395	5,808
United States Leather Co., The, prior pfd.	226	68
United States Rubber Co., common	4,848	5,438
Universal Pictures Co., Inc., 8% pfd.	86,695	58,095 (14)
Willis-Overland Motors, Inc., 6% cum. conv. pfd.	7,831	7,836
Wilson & Co., common	—	—

NOTES

- (1) 1,778 shares released from Escrow Agreement; 306 shares purchased.
- (2) 100 shares acquired; 24,300 shares retired.
- (3) 16 shares acquired; 61,449 shares retired.
- (4) 140 shares acquired and retired.
- (5) Retirement.
- (6) 13,000 shares acquired and retired.
- (7) 1,000 shares acquired and retired.
- (8) 3,470 shares acquired and retired.
- (9) 400 shares acquired; 1,700 shares retired.
- (10) 2,000 shares acquired and retired.
- (11) 3,000 shares acquired and retired.
- (12) 430 shares acquired and disposed of.
- (13) 107 shares acquired and disposed of.
- (14) 9,900 shares acquired; 38,500 shares retired in December, 1942.

The New York Curb Exchange issued on May 20 the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Name and class of stock	Shares Previously Reported	Shares Per Latest Report
Air Investors, Inc., conv. pfd.	1,638	1,738
American Cities Power & Light Corp., A opt. div. ser. 1936	7,192	7,442
Conv. A opt. div. ser.	11,236	11,586
American General Corp., common	358,777	358,804
Automatic Products Corp., capital	20,200	25,700
Barlow & Seelig Manufacturing Co., A common	4,880	4,930
Bourjois, Inc., common	—	100
Catalin Corp. of America, common	2	—
Central New York Power Corp., 5% ser. pfd.	7,415	—
Cohn & Rosenberger, Inc., common	17,333	18,033
Crown Central Petroleum Corp., common	585	586
Dejay Stores, Inc., common	13,306	15,656
Dennison Manufacturing Co., A common	8,305	9,005
Derby Oil & Refining Corp., common	70,870	70,871
Detroit Gasket & Manufacturing Co., 6% pfd.	12,866	10,866
Fedders Manufacturing Co., Inc., common	7,459	8,309
Gellman Manufacturing Co., common	7,740	9,005
Kingston Products Corp., common	8,169	29,465
Klein (D. Emil) Co., Inc., common	17,269	17,369
Lane Bryant, Inc., 7% pfd.	218	—
Merritt-Chapman & Scott Corp., 6½% A pfd.	1,305	1,530
Midland Oil Corp., \$2 conv. pfd.	8,615	8,865
Mock, Judson, Voehringer Co., Inc., common	13,767	14,387
New York Merchandise Co., Inc., common	123,837	125,537
Niagara Share Corp. of Maryland, A pfd.	5,306	5,516
Novadel-Agene Corp., common	1,500	6,000
Ogden Corp., common	—	414
Oilstocks, Limited, capital	3,348	1,284
Pacific Can Co., common	—	600
Pacific Public Service Co., 1st pfd.	80,467	80,470
Common	24,759	24,761
Seton Leather Co., common	7,700	8,500
Tung-Sol Lamp Works, Inc., common	39,733	34,733
United Cigar-Whelan Stores Corp., common	12,153	12,167

Wholesale Commodity Index Unchanged During Week Ended May 22, Says Labor Dept.

The U. S. Department of Labor announced on May 27 that during the week ended May 22, the Bureau of Labor Statistics' comprehensive index of prices in primary markets remained unchanged at 103.8% of the 1926 average.

The Department further explained:

"Farm products and foods. The slight increase in prices for farm products of 0.1% was due to an advance of about 4% in the price of oats, together with further increases for fresh fruits and vegetables. The general level for livestock and poultry prices remained unchanged, although the price of cows and hogs advanced slightly and ewes declined sharply.

"Higher prices for fresh fruits and vegetables, particularly sweet potatoes, lemons, onions and apples at Chicago, resulted in an in-

crease of 0.1% for foods. Market quotations were lower for white potatoes, oranges and apples at New York.

"Industrial commodities. Industrial commodity markets remained steady as indicated by no change in the index for 'All commodities, other than farm products and foods.' Prices were higher for bituminous coal, maple flooring, rosin, turpentine, and wrapping paper, and lower for anthracite, cement and white oak boards."

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 three weeks for April 24, 1943, and May 23, 1942, and the percentage changes from a week ago, a month ago and a year ago:

Commodity groups— All commodities	(1926=100)				Percentage changes to May 22, 1943 from—			
	5-22 1943	5-15 1943	5-8 1943	4-24 1943	5-23 1942	5-15 1942	4-24 1942	5-23 1942
Farm products	125.8	125.7	124.8	123.9	104.8	+0.1	+1.5	+20.0
Foodstuffs	110.3	110.2	109.4	108.5	99.1	+0.1	+1.7	+11.3
Hides and leather products	118.4	118.4	118.4	118.4	119.2	0	0	-0.7
Textile products	96.9	96.9	96.9	96.9	97.2	0	0	0.3
Fuel and lighting materials	81.3	81.5	81.6	81.1	78.9	-0.2	+0.2	+3.0
Metals and metal products	103.9	103.9	103.9	103.9	104.0	0	0	-0.1
Building materials	110.3	110.4	110.4	110.2	110.0	-0.1	+0.1	+0.3
Chemicals and allied products	100.2	100.2	100.2	100.1	97.3	0	+0.1	+3.0
Housefurnishing goods	104.2	104.2	104.2	104.2	104.6	0	0	-0.4
Miscellaneous commodities	91.7	91.4	91.4	91.4	90.2	+0.3	+0.3	+1.7
Raw materials	113.8	113.7	113.2	112.5	99.8	+0.1	+1.2	+14.0
Semimanufactured articles	92.9	92.9	92.9	92.9	92.8	0	0	+0.1
Manufactured products	100.9	101.0	101.0	100.8	99.2	-0.1	+0.1	+1.7
All commodities other than farm products	99.1	99.1	99.1	99.0	97.4	0	+0.1	+1.7
All commodities other than farm products and foods	96.9	96.9	96.9	96.8	95.9	0	+0.1	+1.0

*Preliminary.

April Department Store Sales In New York Federal Reserve District 8% Above Year Ago

The Federal Reserve Bank of New York announced on May 20 that April sales of department stores in the Second (New York) Federal Reserve District increased 8% above a year ago. The combined sales for January through April are 4% higher than in the same period last year. Stocks of merchandise on hand in department stores at the end of April are 32% below April, 1942.

The apparel stores in the New York District reported a gain of 20% in net sales in April and their stocks on hand at the close of the month were 18% below last year.

The following is the bank's tabulation:

DEPARTMENT STORE TRADE BY MAJOR LOCALITIES: APRIL, 1943

Department Stores—	Percentage changes from a year earlier			
	Net Sales	Jan. thru Apr.	Stock on hand, Apr. 30, 1943	Apr. 30, 1942
New York City	+10	+5	—36	—
*Northern New Jersey	+3	—5	—37	—
*Newark	+5	—3	—38	—
Westchester and Fairfield Counties	+3	—4	—24	—
Bridgeport	+2	—5	—25	—
Lower Hudson River Valley	+2	—2	—15	—
Poughkeepsie	+1	0	—	—
Upper Hudson River Valley	+1	—7	—7	—
Albany	—10	—16	—	—
Schenectady	+18	+5	—13	—
Central New York State	+12	+8	—27	—
Mohawk River Valley	+15	+11	—17	—
Syracuse	+10	+7	—31	—
Utica	+17	—	—	—
*Northern New York State	+1	—3	—	—
Southern New York State	+6	+7	—12	—
Binghamton	+10	+9	—	—
Elmira	—10	—4	—	—
*Western New York State	+10	+9	—18	—
Buffalo	+11	+10	—12	—
*Niagara Falls	+37	+33	—6	—
Rochester	+7	+6	—27	—
*All department stores	+8	+4	—32	—
Apparel stores	+20	+17	—18	—

*Subject to possible revision.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

Second Federal Reserve District

[1923-25 average = 100]

	1942	1943
Sales (average daily), unadjusted	106	112
Sales (average daily), seasonally adjusted	110	138
Stocks, unadjusted	152	105
Stocks, seasonally adjusted	1150	1111

*Subject to possible revision. †Revised.

Record Employment In March; Manpower Status Faces Most Critical Stage: Conference Board

Although employment in March reached a record high of 59,700,000, nearly 1,000,000 above the preceding month, and about 150,000 above the previous October peak, the number of hired laborers on the farms was smaller than a year ago in every region of the country, according to The National Industrial Conference Board. Eight million more in all were at work or in uniform than a year ago. Somewhat more than half of this increase is attributable to the armed forces, while the remainder were added to non-agricultural payrolls, according to the advices from the Conference Board which, under date of May 25, added:

"Labor requirements for agriculture will mount rapidly within the second quarter, probably by fully 3,500,000 on the basis of the past seasonal trends, the Board finds. In addition, about 350,000 men will be taken into the armed

services monthly, if present induction schedules are maintained, and further expansion is anticipated in the number of payrolls of essential war industries. These three forces combined should bring the labor situation at mid-year to its most critical state, the Board says. By March the number employed was already 4,000,000 above the nation's normal labor force. The number of additional recruits to be attracted within the second quarter, if farm,

factory and military goals are to be met, may be almost as great, even after allowance for the flow of labor from contracting civilian industries.

"Agriculture, the armed services, and manufacturing in descending order, accounted for fully 90% of the total gain in employment in March. Nearly 500,000 workers were added on the farm front in the month, but the total remained nearly 100,000 below the level of a year ago. The seasonal increase in the number of hired workers, however, compared favorably with the change in 1942, the rate of increase being lower only in the Middle Atlantic and East North Central regions.

"Increases in factory employment are most marked in the heavy war industries, particularly in transportation equipment. The gain of 110,000 during March brought the total number on factory payrolls to above 16,000,000 for the first time. Manufacturing has been so expanded that it now employs more workers than the aggregate personnel in all of manufacturing, construction, mining, transportation and public utilities in 1939.

"Government civilian employment was further increased by 50,000 during the month, bringing the total additions in the first quarter to nearly 200,000."

Rayon's Contribution To War Increasing

The rayon industry's participation in, and contribution to, the war effort is increasing month by month, states the current issue of the "Organon," published by the Textile Economics Bureau, Inc. It is pointed out that rayon is now going into a wide variety of war products such as tires of all kinds, fragmentation and cargo chutes, uniform linings, etc. The "Organon" also notes that in addition to these uses, the industry has been called upon to take over all of the civilian markets formerly supplied by silk and nylon. Staple fiber also is allocated for use in the worsted industry, and more recently has been rated for use by blanket manufacturers. Rayon also is in large demand as a desired product for the Southern Republics under the Good Neighbor Program and its exports to these countries is under rating allocation. The publication adds:

"All of these contributions of rayon to the war effort are handled either by rated orders or by allocation. And, in general terms, all of this rayon must be taken from former civilian goods weavers and knitters inasmuch as it has been impossible to expand spinning capacity of the industry because of a shortage of new equipment facilities."

"During the first quarter of 1943, it is estimated that these allocated and war uses of viscose and cuprammonium rayon yarn took 45% of the total poundage produced. The further conversion of viscose rayon to the high tenacity type of tire cord, as well as increasing uses of viscose and cuprammonium yarns for other uses, will raise the future war and allocated uses of these yarns to substantially higher levels this year."

According to the "Organon" it is also estimated that about 15% of the acetate rayon yarn output and 15% of the staple fiber output is currently being used for war purposes or allocations and further increases in these percentages are expected as the year progresses.

"Rayon has contributed a great deal to the war economy already," the "Organon" observes, "but its future contribution to the war effort promises to be not only larger in poundage, but also to encompass an even wider range of vital uses and products."

Federal Reserve April Business Indexes

The Board of Governors of the Federal Reserve System issued on May 22 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time the Board made available its customary summary of business conditions. The indexes for April, together with comparisons for a month and a year ago, are as follows:

BUSINESS INDEXES						
1935-39 average = 100 for industrial production and freight-car loadings; 1939=100 for factory employment and payrolls; 1923-25 average = 100 for all other series						
	Adjusted for Seasonal Variation—			Without Seasonal Adjustment—		
	Apr. 1943	Mar. 1943	Apr. 1942	Apr. 1943	Mar. 1943	Apr. 1942
Industrial production—						
Total	1203	202	173	1201	199	172
Manufactures—						
Total	1216	215	182	1215	212	181
Durable	1300	298	234	1300	296	234
Nondurable	1148	147	139	1146	144	138
Minerals	1131	133	125	1124	124	126
Construction contracts, value—						
Total		85	128		84	145
Residential		42	82		44	96
All other		119	165		117	185
Factory employment—						
Total	1168.2	168.4	147.1	1167.4	167.3	146.3
Durable goods	1225.8	224.8	180.2	1225.5	224.1	180.0
Nondurable goods	1122.8	123.9	121.0	1121.6	122.6	119.8
Factory payrolls—						
Total					304.4	221.4
Durable goods					420.4	287.2
Nondurable goods					191.0	157.0
Freight-car loadings	141	136	143	132	130	136
Department store sales, value	1130	136	117	1135	121	115
Department store stocks, value		90	118		92	122

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

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

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

INDUSTRIAL PRODUCTION (1935-39 average = 100)						
	Adjusted for Seasonal Variation—			Without Seasonal Adjustment—		
	Apr. 1943	Mar. 1943	Apr. 1942	Apr. 1943	Mar. 1943	Apr. 1942
Manufactures—						
Iron and steel	209	210	199	209	210	199
Pig iron	197	202	192	197	202	192
Steel	235	233	219	235	233	219
Open hearth and Bessemer	186	188	181	186	188	181
Electric	580	559	487	580	559	487
Machinery	1362	359	273	1362	359	273
Transportation equipment	1592	583	350	1592	583	350
Non-ferrous metals & products	1194	192	177	1194	192	177
Lumber and products	1125	124	132	1125	119	132
Lumber	1115	114	127	1116	108	127
Furniture	1143	144	142	1143	144	142
Stone, clay, & glass products	1145	149	154	1142	133	151
Cement		146	167		126	161
Polished plate glass	42	39	43	42	39	43
Textiles and products	1158	157	157	1158	157	157
Cotton consumption	166	166	177	166	166	177
Rayon deliveries	1182	181	170	1182	181	170
Wool textiles		164	153		164	153
Leather products		111	130		114	131
Tanning		113	131		113	131
Cattle hide leathers		126	147		127	147
Calf and kip leathers		92	93		90	90
Goat and kid leathers		93	116		93	119
Shoes		110	130		114	131
Manufactured food products	1150	152	136	1135	134	123
Wheat flour	121	126	98	114	123	92
Meat packing	1143	154	142	1135	140	134
Other manufactured foods	1156	156	137	1137	138	121
Tobacco products		131	127		123	119
Cigars		101	120		93	114
Cigarettes		159	140		148	130
Manufactured tobacco & snuff		87	97		89	96
Paper and products		135	148		137	151
Paperboard	150	150	157	150	150	157
Newsprint production		90	109		90	109
Printing and publishing	1111	110	117	1117	114	123
Newsprint consumption	100	97	98	107	101	105
Coke	1169	169	162	1169	169	162
Byproduct	1158	158	152	1158	158	152
Beehive	1540	546	514	1540	546	514
Chemicals	1217	211	165	1220	216	168
Minerals—						
Fuels	1131	1133	121	1131	1133	121
Bituminous coal	1151	161	150	1151	161	150
Anthracite	1129	128	122	1129	128	122
Crude petroleum	1123	1123	109	1123	1123	109
Metals	1132	133	152	1132	133	152
Iron ore	235	235	217	60	60	237

†Preliminary or estimated. *Data not yet available.

FREIGHT-CAR LOADINGS (1935-39 average = 100)						
	Apr. 1943	Mar. 1943	Apr. 1942	Apr. 1943	Mar. 1943	Apr. 1942
Coal	158	140	160	133	144	135
Coke	208	182	200	183	189	176
Grain	145	152	117	124	131	100
Livestock	118	117	101	105	92	90
Forest products	138	133	1160	138	133	1160
Ore	1205	216	289	106	56	218
Miscellaneous	142	141	141	143	138	142
Merchandise, l.c.l.	62	61	80	63	62	81

†Preliminary or estimated. †Revised.

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

National Fertilizer Association Commodity Price Average Lower

The general level of wholesale commodity prices was slightly lower last week according to the wholesale price index compiled by The National Fertilizer Association and made public on May 31. This index in the week ended May 29 declined to 135.7 from 135.8 in the preceding week. A month ago the index was 135.7, and a year ago was 127.7 based on 1935-1939 average as 100. The Association's report also gave the following:

The drop in the all-commodity index was due primarily to lower prices for farm products. The index of industrial commodities remained unchanged from the preceding week. Although cotton and grains were higher last week, declines in livestock were sufficient to cause a decrease in the farm product average. Advancing prices for eggs, fluid milk, and oranges were responsible for a rise in the food price index, taking it to a new high point. The textile index

continued upward due to advances in wool and cotton. A decrease in linseed oil was responsible for a fractional decline in the building material price index.

Although the index fell off last week 9 price series included in the index advanced and 5 declined; in the preceding week, 12 advanced and 2 declined; and in the second preceding week, 2 advanced and 11 declined.

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

Each Group Bears to the Total Index	Group	Latest Preceding Month Year			
		Week May 29 1943	Week May 22 1943	Month Apr 24 1943	Year Ago May 30 1942
25.3	Foods	140.8	140.7	139.5	125.6
	Fats and Oils	147.9	147.9	147.7	138.7
	Cottonseed Oil	159.0	159.0	159.0	163.0
23.0	Farm Products	152.8	152.9	154.2	136.5
	Cotton	202.0	200.7	201.5	187.5
	Grains	142.6	142.0	142.5	114.1
	Livestock	146.8	147.7	149.2	132.2
17.3	Fuels	122.8	122.8	122.2	119.5
10.8	Miscellaneous commodities	130.1	130.1	130.4	127.9
8.2	Textiles	151.4	150.9	151.4	148.9
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.6	152.7	152.2	151.7
1.3	Chemicals and drugs	126.6	126.6	126.6	120.7
.3	Fertilizer materials	117.7	117.7	117.9	118.7
.3	Fertilizers	119.8	119.8	119.8	115.3
.3	Farm machinery	104.1	104.1	104.1	104.1
100.0	All groups combined	135.7	135.8	135.7	127.7

*Indexes on 1926-1928 base were May 29, 1943, 105.7; May 22, 105.8, and May 30, 1942, 99.5.

Non-Ferrous Metals—Mexican Exports Of Minerals Licensed—Zinc Certificates Issued

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 27, stated: "With the United States the largest buyer of metals in Mexico, the licensing of all exports of minerals, excepting gold and silver by that country attracted interest here. The move, according to advices from Mexico, will not restrict shipments earmarked for the United States, but will regulate trade in other directions, chiefly to South America. A sort of 'black market' has sprung up in some metals which the Mexican authorities desire to control. The question of how much zinc domestic consumers will obtain for use next month was determined last week, and allocation certificates were distributed on May 26. The quicksilver buying program of Metals Reserve was extended to the end of next year." The publication further went on to say:

Copper

All of the copper available for June delivery has not yet been allocated, and, unless more metal is released to consumers by WPB, it now appears that the stockpile will grow a little during the next month. Increased tonnages of scrap are being used in war production, which may ease the strain on new copper, some observers hold.

The price situation has not changed. Domestic consumers are obtaining copper on the basis of 12c., Connecticut Valley. Foreign metal is being purchased by Metals Reserve Co. on the basis of 11.75c., f.a.s. United States ports.

Lead

The lead group met with WPB officials in New York on May 25 to determine the tonnage of foreign lead that will be needed to supplement domestic shipments for June. Consumers obtained allocations for all of the lead asked for. According to trade authorities, domestic consumption of lead has been holding up well, averaging around 65,000 tons monthly in the last few months.

The news that Mexico has tightened control over exports of lead and other minerals through licensing was viewed as a precautionary move that will have no bearing on the movement of metal from that country into the United States. Exports were under license some months back, it was pointed out here.

Zinc

With a good reserve of slab zinc on hand in this country, the sharp curtailment in operations in the Tri-State area that normally contributes a substantial tonnage of zinc concentrate to domestic smelters should prove to be no more than a temporary setback for the industry. Flood conditions that crippled the district

Aluminum

Use of aluminum by a producer constitutes a delivery of a controlled material if the aluminum is converted or processed beyond the specified forms or shapes provided for under CMP regulations. A producer of aluminum, as a result of Direction 8, issued last week, may not convert the metal for his own use into sheet, plate, bar, rod, extrusions, castings, or powders except on an authorized controlled materials order or by specific direction of WPB.

Quicksilver

In extending its quicksilver buying program to Dec. 31, 1944, with certain reservations, the Metals Reserve Co., in effect, undertakes to support the market and encourage production at high-cost mines. Some producers lately have been concerned about the long-term outlook, particularly in reference to extending operations to maintain output.

The price situation in New York last week was unchanged, quotations holding at \$196@198 per flask.

Silver

The London silver market was quiet last week, with the price unchanged at 23½d. The New York Official and the Treasury prices continued at 44¾c. and 35c., 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.

Lumber Movement—Week Ended May 22, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 458 mills reporting to the National Lumber Trade Barometer were 0.3% below production for the week ended May 22, 1943. In the same week new orders of these mills were 8.3% greater than production. Unfilled order files in the reporting mills amounted to 107% of stocks. For reporting softwood mills, unfilled orders are equivalent to 41 days' production at the current rate, and gross stocks are equivalent to 35 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 14.2%; orders by 17.4%.

Compared to the average corresponding week of 1935-39 production of reporting mills was 30.6% greater; shipments were 30.3% greater, and orders were 46.7% greater.

French Africa Pays US For Civilian Food

An initial payment on account of \$15,000,000 has been made by General Henri Giraud as French Commander in Chief in North Africa to the Lend-Lease Administration in Washington for civilian supplies delivered to Morocco and Algeria during the period Nov. 8 last to March 31 of this year.

This was reported in a special cable from Allied Force Headquarters in North Africa, April 29 to the New York "Times," which added:

"The value of goods shipped during that period from the United States under lend-lease agreements was \$26,000,000.

"Among consumer goods delivered were: 'Flour, 75,000 tons; sugar, 48,000 tons; powdered and tinned milk, 5,000 tons; soap, 5,000 tons; cotton cloth, 3,000 tons; clothing, 2,000 tons.

"Payment was made by check on dollar funds deposited in New York in the account of the French commander."

Daily Average Crude Oil Production For Week Ended May 22, 1943 Increased 21,450 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended May 22, 1943 was 4,005,750 barrels, an increase of 21,450 barrels over the preceding week, and 406,750 barrels per day more than in the corresponding period last year. The current figure, however, is 291,650 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of May, 1943. Daily output for the four weeks ended May 22, 1943 averaged 3,982,450 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 3,698,000 barrels of crude oil daily and produced 10,300,000 barrels of gasoline; 3,682,000 barrels of distillate fuel oil, and 7,442,000 barrels of residual fuel oil during the week ended May 22, 1943; and had in storage at the end of that week 85,166,000 barrels of gasoline; 32,193,000 barrels of distillate fuels, and 67,717,000 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)

	*P. A. W. Recommendations May	*State Allowables Begin May 1	Actual Production Week Ended May 22, 1943	Change from Previous Week	4 Weeks Ended May 22, 1943	Week Ended May 23, 1942
Oklahoma	379,000	379,000	319,800	- 1,350	332,550	386,250
Kansas	309,700	309,700	311,650	+ 6,100	306,650	256,250
Nebraska	2,400		12,100	+ 50	2,200	4,050
Panhandle Texas			91,100		91,050	88,000
North Texas			131,750	- 150	132,650	145,600
West Texas			226,750		223,700	156,700
East Central Texas			124,300		118,150	87,100
East Texas			339,300		334,350	370,600
Southwest Texas			214,000		207,650	113,200
Coastal Texas			375,200		366,600	242,100
Total Texas	1,622,000	1,584,637	1,502,400	- 150	1,474,150	1,203,300
North Louisiana			87,250	+ 250	87,550	85,900
Coastal Louisiana			261,050		259,900	219,300
Total Louisiana	359,300	377,000	348,300	+ 250	347,450	305,200
Arkansas	73,000	75,043	72,600	+ 500	72,250	70,850
Mississippi	50,000		56,350	+ 3,900	54,800	85,550
Illinois	250,800		219,700	+ 9,150	224,300	296,300
Indiana	16,000		14,250	+ 1,050	14,200	21,850
Eastern (not incl. Ill. Ind., Ky.)	92,200		80,000	+ 250	79,400	87,050
Kentucky	23,500		22,600	+ 400	22,400	11,200
Michigan	62,100		57,900	- 800	58,900	62,100
Wyoming	97,000		92,700	- 200	93,250	95,150
Montana	24,600		20,550	- 20,450	21,750	
Colorado	7,400		6,600	- 100	6,700	6,700
New Mexico	105,700	105,700	96,950		97,050	54,450
Total East of Calif.	3,474,700	3,224,450	+ 18,950	3,206,700	2,968,000	
California	822,700	822,700	781,300	+ 2,500	775,750	631,000
Total United States	4,297,400	4,005,750	+ 21,450	3,982,450	3,599,000	

*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 February, 1943, as follows: Oklahoma, 29,200; Kansas, 6,300; Texas, 103,100; Louisiana, 20,400; Arkansas, 2,800; Illinois, 10,800; Eastern (not including Illinois, Indiana or Kentucky), 10,000; Kentucky, 3,300; Michigan, 100; Wyoming, 2,300; Montana, 300; New Mexico, 5,500; California, 43,000.

†Oklahoma, Kansas, Nebraska figures are for week ended 7 a.m. May 20.

‡This is the net basic allowable as of May 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 16 days, the entire state was ordered shut down for 10 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 10 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED MAY 22, 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	Crude Runs to Still	Production of Gasoline	Stocks of Gasoline	Stocks of Gas Oil	Stocks of Distillate Fuel	Stocks of Residual Fuel Oil
*Combined: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas.	2,444	88.7	1,682	68.8	4,550	34,260	13,545
Appalachian	177	84.8	152	85.9	378	2,363	790
Ind., Ill., Ky.	824	85.2	710	86.2	2,244	18,893	4,058
Okl., Kans., Mo.	416	80.1	341	82.0	1,061	6,512	1,748
Rocky Mountain	147	49.0	87	59.2	288	1,955	316
California	817	89.9	726	88.9	1,779	21,183	11,736
Tot. U. S. B. of M. basis May 22, 1943	4,825	86.2	3,698	76.6	10,300	85,166	32,193
Tot. U. S. B. of M. basis May 15, 1943	4,825	86.2	3,768	78.1	10,506	86,950	31,891
U. S. Bur. of Mines basis May 23, 1942		3,392		10,192	97,021	29,658	79,296

*At the request of the Petroleum Administration for War. †Finished, 74,229,000 barrels; unfinished, 10,937,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 3,682,000 barrels of gas oil and distillate fuel and 7,442,000 barrels of residual fuel oil produced in the week ended May 22, 1943, which compares with 3,797,000 barrels, and 7,760,000 barrels, respectively, in the preceding week, and 3,034,000 barrels and 6,993,000 barrels, respectively, in the week ended May 23, 1942.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended May 22, 1943 is estimated at 11,570,000 net tons, a decrease of 730,000 tons, or 5.9%, from the preceding week. Transportation interruption due to the floods in the Midwest partly accounted for the loss in output. Production in the corresponding week of 1942 amounted to 11,266,000 tons. For the present year to May 22, production of soft coal was 5.0% in excess of that for the same period last year.

The U. S. Bureau of Mines estimated that the production of

Pennsylvania anthracite for the week ended May 22, 1943 was 1,261,000 tons, a decrease of 159,000 tons (11.2%) from the preceding week. When compared with the output in the corresponding week of 1942, however, there was an increase of 60,000 tons or 5.0%.

The Bureau of Mines also announced that the estimated production of by-product coke in the United States for the week ended May 22 showed a decrease of 100 tons when compared with the output for the week ended May 15. The quantity of coke from beehive ovens decreased 3,400 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL, (In Net Tons—000 Omitted.)

	May 22 1943	May 15 1943	May 23 1942	May 22 1943	May 23 1942	May 22 1937
Bituminous coal and lignite	11,570	12,300	11,266	237,676	226,336	184,455
Total, incl. mine fuel	1,928	2,050	1,878	1,972	1,867	1,536

*Revised.

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

	May 22 1943	May 15 1943	May 23 1942	May 22 1943	May 23 1942	May 25 1929
Penn. anthracite	1,261,000	1,420,000	1,201,000	24,677,000	23,572,000	29,572,000
Total, incl. colliery fuel	1,211,000	1,363,000	1,153,000	23,690,000	22,629,000	27,443,000
Beehive coke						
United States total	159,000	162,400	186,400	3,217,800	3,234,700	2,581,000
By-product coke						
United States total	1,229,000	1,229,100	1,182,900	24,763,200	23,999,700	

*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 (In Thousands of Net Tons)

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

State—	May 15 1943	May 8 1943	May 16 1942	May 17 1941	May 15 1937	Avge. 1923
Alabama	396	321	377	297	129	398
Alaska	6	6	5	4	2	—
Arkansas and Oklahoma	52	68	67	11	8	66
Colorado	153	146	129	83	97	168
Georgia and North Carolina	1	1	1	1	1	—
Illinois	1,454	1,240	1,144	961	523	1,292
Indiana	488	461	471	401	245	394
Iowa	47	45	44	37	24	89
Kansas and Missouri	149	118	141	78	68	131
Kentucky—Eastern	1,016	768	1,002	868	792	679
Kentucky—Western	301	301	238	205	127	183
Maryland	37	29	43	37	20	47
Michigan	8	11	5	1	1	12
Montana (bituminous and lignite)	77	80	51	43	34	42
New Mexico	32	33	28	13	28	57
North and South Dakota (lignite)	34	27	20	19	15	—
Ohio	740	645	673	552	465	860
Pennsylvania (bituminous)	2,995	2,417	2,891	2,738	1,995	3,578
Tennessee	138	109	155	148	84	121
Texas (bituminous and lignite)	5	6	6	6	17	22
Utah	132	127	105	50	28	74
Virginia	435	346	418	368	243	250
Washington	33	30	41	31	32	44
*West Virginia—Southern	2,406	1,860	2,257	2,232	1,675	1,380
*West Virginia—Northern	995	723	887	790	555	862
Wyoming	169	161	129	90	61	110
Other Western States	1	1	1	1	1	—
Total bituminous and lignite	12,300	10,170	11,329	10,089	7,269	10,878
Pennsylvania anthracite	1,420	1,056	1,262	904	1,068	1,932
Total all coal	13,720	11,226	12,591	10,993	8,337	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.

Civil Engineering Construction \$46,465,000 For The Week

Civil engineering construction volume for the week in continental United States totals \$46,465,000. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 27% lower than a week ago, and 72% below the total reported for the corresponding week last year by "Engineering News-Record" on May 27, which also said:

Private construction is 64% lower than in the preceding week, and 33% below a year ago. Public work declines 20% from a week ago, and is down 73% compared with the 1942 week.

The current week's construction brings 1943 volume to \$1,491,759,000, an average of \$71,036,000 for each of the 21 weeks of the year. On the weekly average basis, 1943 volume is 60% lower than the \$3,936,356,000 reported for the 22-week period last year. Private construction, \$149,766,000, is down 48% compared with last year, and public construction, \$1,341,993,000, is 61% lower when adjusted for the difference in the number of weeks.

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

	May 28, 1942	May 20, 1943	May 27, 1943
Total U. S. Construction	\$163,227,000	\$63,929,000	\$46,465,000
Private Construction	5,458,000	10,209,000	3,654,000
Public Construction	157,769,000	53,720,000	42,811,000
State and Municipal	12,336,000	4,162,000	6,440,000
Federal	145,433,000	49,558,000	36,371,000

In the classified construction groups, gains over the preceding week are in bridges and streets and roads. Streets and roads volume is the only current week's total to gain over a year ago. Subtotals for the week in each class of construction are: Waterworks, \$615,000; sewerage, \$607,000; bridges, \$710,000; industrial buildings, \$378,000; commercial building and large-scale private housing, \$1,979,000; public buildings, \$23,621,000; earthwork and drainage, \$261,000; streets and roads, \$10,866,000; and unclassified construction, \$7,428,000.

New capital for construction purposes for the week totals \$2,673,000. It is made up of \$1,423,000 in State and municipal bond sales, \$750,000 in corporate security issues, and \$500,000 in RFC loans for public improvements.

New construction financing for the 21 weeks of 1943 totals \$492,422,000, and compares with the \$6,818,823,000 reported for the 22-week period in 1942.

Morgenthau Says \$45 Billion More Needed This Year

Secretary of the Treasury Morgenthau announced on May 23 that \$45,000,000,000 still has to be raised this year to finance the war—over and above current borrowings and anticipated tax collections.

In a report May 23 telling "the story of America's greatest war loan," Secretary Morgenthau thanked the nation for its record-breaking participation in the recent bond-selling campaign and warned that "the real battle is still ahead of us."

The Treasury head declared the American people invested \$18,500,000,000 "in the future of their free country" during the Second War Loan drive which had as its goal only \$13,000,000,000. He said:

"We exceeded by more than 5 billion the goal we set for ourselves. This is a measure of our enthusiasm and patriotism. The result proves many things. It proves that the American people stand solidly behind their Commander-in-Chief, that they recognize this as their war, and they are willing and eager to finance it."

"It proves, also, that the American people are not going to sit back and wait for any forced savings plan in order to finance this most expensive war in all history."

The report highlighted the results of the Second War Loan drive, and, through the profuse employment of charts, depicted what has happened thus far, and what is yet to be done. For instance, the report pointed out, seven-eighths of current income after taxes is in the hands of the average worker—the shipyard worker, the machinist, the woman war worker, the white collar employee—earning less than \$5,000 net. To this group, the report said, a special appeal must be made for the purchase of war bonds with idle funds remaining after payment for the necessities of life, insurance premiums, old debts, and other obligations.

That such appeals thus far have been successful is attested by the following extract: "We aimed to get 55% of this money (earnings not needed for necessities or obligations) accumulating in the first four months of this year in place of the 47% which was so invested in the last half of 1942, but because of the success of the Second War Loan, we actually secured 60%."

The Treasury's tentative program calls for aiming at 65% of this idle money in the present four months, and at 75% in the last four months of the year.

Mr. Morgenthau reported that under present tax laws, the Treasury will get at least \$30,000,000,000 from tax collections this year to apply to its contemplated expenditures of \$100,000,000,000. Of the remainder, already \$25,000,000,000 has been raised through the sale of War Bonds, leaving \$45,000,000,000 to be raised through new taxes and through the sale of War Bonds.

"Part of this \$45,000,000,000 will come as a result of the regular purchases of War Bonds, month by month, through payroll savings. Part of it will come from people who realize that we must not wait for drives to buy extra bonds. The rest of it we will need to secure through special drives."

"I am confident," the report concluded, "that the American people will continue to oversubscribe our war loans and make the voluntary way work. That will be one of the best ways we have of showing the Axis how wrong they were when they said that the American people could not stand up in a crisis, that our democratic ways would collapse when the going got tough."

Revenue Freight Car Loadings During Week Ended May 22, 1943 Decreased 5,188 Cars

Loading of revenue freight for the week ended May 22, 1943 totaled 843,334 cars, the Association of American Railroads announced on May 27. This was an increase above the corresponding week of 1942 of 5,658 cars, or 0.7%, but a decrease below the same week in 1941, of 22,693 cars or 2.6%.

Loading of revenue freight for the week of May 22 decreased 5,188 cars, or 0.6% below the preceding week.

Miscellaneous freight loading totaled 380,778 cars, a decrease of 2,609 cars below the preceding week, but an increase of 2,439 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 96,811 cars, an increase of 181 cars above the preceding week, and an increase of 518 cars above the corresponding week in 1942.

Coal loading amounted to 166,647 cars, a decrease of 9,532 cars below the preceding week, but an increase of 649 cars above the corresponding week in 1942.

Grain and grain products loading totaled 42,941 cars, a decrease of 301 cars below the preceding week, but an increase of 8,529 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of May 22 totaled 27,858 cars, a decrease of 369 cars below the preceding week but an increase of 5,944 cars above the corresponding week in 1942.

Live stock loading amounted to 13,313 cars, a decrease of 824 cars below the preceding week, but an increase of 460 cars above the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of May 22, totaled 9,665 cars, a decrease of 557 cars below the preceding week, but an increase of 58 cars above the corresponding week in 1942.

Forest products loading totaled 44,587 cars, an increase of 827 cars above the preceding week but a decrease of 3,823 cars below the corresponding week in 1942.

Ore loading amounted to 83,989 cars, an increase of 7,222 cars above the preceding week but a decrease of 3,216 cars below the corresponding week in 1942.

Coke loading amounted to 14,268 cars, a decrease of 152 cars below the preceding week, but an increase of 102 cars above the corresponding week in 1942.

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

	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
Week of May 8	816,551	839,286	837,149
Week of May 15	848,522	839,054	860,802
Week of May 22	843,334	837,676	866,027
Total	16,093,358	16,882,125	15,538,892

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended May 22, 1943. During this period 66 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS)—WEEK ENDED MAY 22

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Eastern District—	1943 1942 1941	1943 1942
Ann Arbor	276 469 578	1,384 1,335
Bangor & Aroostook	750 1,672 1,822	232 341
Boston & Maine	6,479 6,034 8,615	14,364 14,906
Chicago, Indianapolis & Louisville	1,470 1,360 1,473	1,948 2,028
Central Indiana	36 28 19	51 65
Central Vermont	1,120 952 1,504	2,519 2,051
Delaware & Hudson	6,337 6,846 6,355	12,343 11,357
Delaware, Lackawanna & Western	7,820 7,553 10,065	12,426 9,590
Detroit & Mackinac	316 278 310	95 125
Detroit, Toledo & Ironton	1,829 1,767 3,259	1,371 1,186
Detroit & Toledo Shore Line	282 278 360	2,855 2,333
Erie	13,267 13,914 15,847	19,158 16,520
Grand Trunk Western	3,677 3,487 6,140	8,241 7,403
Lehigh & Hudson River	237 195 253	2,610 3,484
Lehigh & New England	2,076 2,188 1,967	1,671 1,699
Lehigh Valley	8,039 8,879 9,616	14,099 11,129
Maine Central	2,162 2,199 3,145	1,963 3,420
Monongahela	6,470 6,289 6,438	390 349
Montour	2,489 2,314 2,284	111 41
New York Central Lines	51,917 45,398 53,356	53,438 54,473
N. Y., N. H. & Hartford	9,683 9,900 12,160	18,935 19,260
New York, Ontario & Western	1,080 963 1,138	2,481 2,815
New York, Chicago & St. Louis	7,239 7,859 6,765	15,793 15,216
N. Y., Susquehanna & Western	561 412 507	2,448 1,665
Pittsburgh & Lake Erie	7,728 8,214 8,524	9,949 9,409
Pere Marquette	5,221 5,355 7,402	7,544 5,905
Pittsburgh & Shawmut	324 709 752	10 48
Pittsburgh, Shawmut & North	1,214 1,011 1,311	3,934 2,787
Pittsburgh & West Virginia	413 378 357	270 251
Rutland	1,242 387 629	1,017 1,134
Wabash	4,957 5,105 6,039	11,621 12,862
Wheeling & Lake Erie	6,702 5,608 6,331	4,964 4,387
Total	163,113 158,001 185,321	230,235 219,574
Allegheny District—		
Akron, Canton & Youngstown	756 680 725	1,287 1,020
Baltimore & Ohio	41,738 40,530 41,576	28,887 27,047
Bessemer & Lake Erie	6,631 7,737 7,386	2,169 2,269
Buffalo Creek & Gauley	264 325 268	4 2
Cambria & Indiana	1,303 1,978 2,023	6 15
Central R. R. of New Jersey	6,998 6,767 8,235	22,387 18,559
Cornwall	669 621 695	41 63
Cumberland & Pennsylvania	276 303 315	19 7
Ligonier Valley	145 136 135	35 48
Long Island	1,121 884 748	3,986 3,442
Penn.-Reading Seashore Lines	1,765 1,730 1,710	3,215 2,576
Pennsylvania System	83,883 83,307 88,079	69,384 63,621
Reading Co.	15,167 14,517 16,791	29,227 27,338
Union (Pittsburgh)	22,011 21,455 19,254	7,708 8,489
Western Maryland	4,011 3,906 4,459	10,828 12,221
Total	186,738 184,876 192,399	179,183 166,717
Pocahontas District—		
Chesapeake & Ohio	29,435 28,838 29,487	14,435 13,220
Norfolk & Western	22,773 22,522 23,942	7,498 6,918
Virginian	4,784 4,245 4,832	2,057 2,114
Total	56,992 55,605 58,261	23,990 22,252

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Southern District—	1943 1942 1941	1943 1942
Alabama, Tennessee & Northern	311 386 344	261 358
Atl. & W. P.—W. R. R. of Ala.	673 673 806	2,985 2,395
Atlanta, Birmingham & Coast	770 876 840	1,311 1,158
Atlantic Coast Line	12,587 12,862 11,775	10,996 8,800
Central of Georgia	4,281 3,551 4,479	4,401 3,767
Charleston & Western Carolina	469 411 518	2,112 1,604
Cincinnati	1,548 1,608 1,838	2,935 2,839
Columbus & Greenville	331 322 327	147 179
Durham & Southern	109 209 206	604 1,267
Florida East Coast	2,074 1,721 1,027	1,761 810
Gainesville Midland	37 31 44	94 93
Georgia	1,110 1,226 1,172	3,199 2,688
Georgia & Florida	373 363 368	583 531
Gulf, Mobile & Ohio	3,840 4,301 3,835	4,349 4,337
Illinois Central System	25,526 27,773 23,988	22,039 17,340
Louisville & Nashville	27,547 27,386 27,321	11,632 9,846
Macon, Dublin & Savannah	209 154 179	836 743
Mississippi Central	224 182 137	342 538
Nashville, Chattanooga & St. L.	*3,252 3,699 3,528	*4,913 3,965
Norfolk Southern	1,227 1,269 1,227	1,605 1,928
Piedmont Northern	365 325 430	1,181 1,266
Richmond, Fred. & Potomac	393 529 433	11,599 10,945
Seaboard Air Line	11,242 11,289 10,891	8,281 8,765
Southern System	22,142 23,075 26,327	23,960 24,233
Tennessee Central	623 674 526	954 1,210
Winston-Salem Southbound	130 123 146	868 916
Total	121,393 125,018 122,711	123,948 112,521
Northwestern District—		
Chicago & North Western	19,393 21,526 23,634	12,777 12,849
Chicago Great Western	2,450 2,294 2,877	3,004 2,898
Chicago, Milw., St. P. & Pac.	19,034 19,015 21,951	9,918 9,414
Chicago, St. Paul, Minn. & Omaha	3,260 3,326 4,021	3,773 3,518
Duluth, Missabe & Iron Range	26,294 28,610 21,438	169 360
Duluth, South Shore & Atlantic	1,186 1,290 1,107	447 527
Elgin, Joliet & Eastern	8,337 10,371 10,706	10,725 10,185
Ft. Dodge, Des Moines & South	407 592 682	99 131
Great Northern	24,149 24,209 22,921	5,906 4,992
Green Bay & Western	424 557 629	834 783
Lake Superior & Ishpeming	2,984 3,272 2,544	33 49
Minneapolis & St. Louis	1,957 1,898 2,194	1,923 2,295
Minn., St. Paul & S. S. M.	6,665 7,416 8,225	3,039 3,209
Spokane International	10,497 10,371 9,092	5,657 4,739
Northern Pacific	171 172 232	631 389
Spokane, Portland & Seattle	2,535 2,510 2,442	3,687 3,269
Total	129,743 137,429 134,695	62,622 59,607
Central Western District—		
Atch., Top. & Santa Fe System	21,901 22,204 21,851	13,020 10,557
Alton	2,553 2,853 3,440	4,826 4,238
Bingham & Garfield	650 671 700	123 142
Chicago, Burlington & Quincy	16,364 15,826 17,091	10,486 10,950
Chicago & Illinois Midland	2,800 2,560 3,085	824 860
Chicago, Rock Island & Pacific	12,726 11,341 13,804	12,980 10,703
Chicago & Eastern Illinois	2,379 2,559 2,836	5,665 3,229
Colorado & Southern	715 783 674	2,287 1,986
Denver & Rio Grande Western	3,386 2,747 2,096	6,026 4,861
Denver & Salt Lake	642 626 275	29 15
Fort Worth & Denver City	780 888 1,302	2,404 1,076
Illinois Terminal	1,546 1,914 2,051	1,469 2,362
Missouri-Illinois	1,009 1,383 1,192	439 509
Nevada Northern	2,079 2,018 2,029	126 111
North Western Pacific	1,102 1,012 961	692 490
Peoria & Pekin Union	4 10 17	0 0
Southern Pacific (Pacific)	31,229 28,815 28,654	13,265 9,462
Toledo, Peoria & Western	239 288 358	1,743 1,637
Union Pacific System	12,295 11,576 14,384	16,389 12,974
Utah	679 591 316	2 3
Western Pacific	2,227 1,987 1,667	3,524 3,628
Total	117,205 112,652 118,784	96,319 79,792
Southwestern District—		
Burlington-Rock Island	1,032 133 196	169 144
Gulf Coast Lines	6,476 5,068 3,223	2,367 2,460
International-Great Northern	2,528 3,049 1,929	3,654 2,581
Kansas, Oklahoma & Gulf	232 250 212	276 1,218
Kansas City Southern	4,746 5,185 2,371	1,714 2,613
Louisiana & Arkansas	3,581 3,464 2,285	3,192 2,177
Litchfield & Madison	329 360 325	1,060 1,118
Midland Valley	353 716 478	286 259
Missouri & Arkansas	97 129 204	121 321
Missouri-Kansas-Texas Lines	5,015 4,757 4,310	3,381 4,144
Quahatchee & Pacific	14,077 15,494 14,831	20,898 17,405
St. Louis-San Francisco	51 85 85	212 177
St. Louis Southwestern	6,867 8,196 8,371	9,305 7,459
Texas & New Orleans	2,860 2,756 2,660	6,799 5,803
Texas & Pacific	14,838 10,266 7,850	5,390 4,176
Wichita Falls & Southern	4,941 3,964 4,351	9,062 6,454
Weatherford M. W. & N. W.	99 163 160	45 47
Total	68,150 64,095 53,856	67,948 58,572

*Previous week's figure.

Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity
1943—Week Ended				Current Cumulative
Feb. 6	169,417	140,836	439,304	89 87
Feb. 13	148,687	137,784	446,561	87 87
Feb. 20	141,435	142,932	445,982	91 88
Feb. 27	156,628	147,085	454,308	94 88
Mar. 6	175,178	147,830	480,802	93 89
Mar. 13	166,885	146,062	498,927	93 89
Mar. 20	155,116	149,096	504,414	92 90
Mar. 27	139,911	150,754	488,197	95 90
Apr. 3	172,412	153,030	511,220	95 90
Apr. 10	153,260	153,006	510,784	95 91
Apr. 17	164,805	152,494	515,700	96 92
Apr. 24	159,231	155,163	517,473	97 92
May 1	147,212	135,924	525,287	89 92
May 8	165,871	153,934	522,336	96 92
May 15	177,968	151,653	561,571	96 93
May 22	142,673	152,960	548,911	96 93

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

Home Mtg. Recordings Lowest In Four Years

Continuing a war-time decline, recordings of non-farm mortgages of \$20,000 or less amounted to \$220,000,000 during February, 26% less than in the same month last year, the Federal Home Loan Bank Administration announced on April 10. It is the lowest monthly total for the nation's mortgage recordings since February, 1939, says the Administration, and less than half of the record figure reached in October, 1941, before restrictions on construction of non-war housing took full effect. The advices also stated:

"From January to February recordings dropped 4% in volume, largely due to seasonal factors. With a rise of 3%, savings and loan associations were the only type of lending institutions reporting a gain for the month. Decreases for other lenders ranged from 1% for individuals and 2% for mutual savings banks to about 9% for insurance companies, banks and trust companies and miscellaneous institutions.

"Between February, 1942, and February, 1943, the greatest decline—37%—was reported by commercial banks and insurance companies. Individual lenders were only 7% off. Savings and loan associations accounted for slightly more than 30% of the dollar volume of mortgages recorded last February, as compared with 29% in the same month of 1942.

The number and amount of new mortgages recorded in February, by type of lender, follow:

	Number	Amount	%
Sav. & loan assoc.	24,288	\$66,938,000	30
Insurance cos.	3,781	18,064,000	8
Banks & trust cos.	13,462	44,273,000	20
Mut'l sav. banks	2,021	7,895,000	4
Individuals	23,075	49,854,000	23
Other mortgagees	9,446	32,858,000	15
Totals	76,073	\$219,882,000	100

Non-Farm Foreclosures Down In First Quarter

Foreclosure activity in non-farm areas of the United States was substantially less in the January-March period of 1943 than in the last three months of 1942. It is announced by the Federal Home Loan Bank Administration. The estimated number of 7,163 cases completed during the first quarter of this year represents a decline of 22% from the previous quarter and is 38% lower than the total of 11,553 foreclosures in the comparable period of last year.

As a result of the continued reduction in the number of non-farm real estate foreclosures, the seasonally adjusted foreclosure index declined during the quarter to a new low in the series. In March, 1943 the index stood at 17.6, a point more than 82% below the average level of the 1935-1939 base period.

"The lowering of foreclosure levels was general throughout the country during the past twelve months. Totals for the year ending March 1943 were less than in the previous twelve-month period in every state, with the single exception of Maine. The other indicated reductions as large as 58%. Foreclosures in three of the twelve Federal Home Loan Bank Districts dropped approximately 40% while the remaining

Items About Banks, Trust Companies

Joseph A. Broderick, President of the East River Savings Bank, was host at a dinner at the Union League Club, Thursday, May 27, in celebration of the ninety-fifth anniversary of the East River Savings Bank. The dinner was tendered the trustees and officers of the bank and included as a guest of honor, Percy C. Magnus, in recognition of 25 years of membership on the Board of Trustees.

Eugene W. Stetson, President of the Guaranty Trust Company of New York, announced on June 1 the appointment of Joseph F. Ringland as a Vice-President of the company. Mr. Ringland comes to New York from the Presidency of the Empire National Bank and Trust Co., of St. Paul, Minn. He will be identified with the Guaranty's Banking Department district that embraces the company's relationships in the States of North and South Dakota, Nebraska, Colorado, Kansas, Missouri, Oklahoma, New Mexico, Arkansas and Texas.

Mr. Ringland was born in Wayne, Neb., in 1901, the son of Harvey S. Ringland, who was associated with the First National Bank of that city. He received his early education in Wayne, was graduated from Iowa State College at Ames, Iowa, in 1924, and in that year entered the employ of the United States National Bank of Omaha, Neb., of which he later became Assistant Cashier. From 1934 to 1936, he was Vice-President of Great Falls National Bank, Great Falls, Mont., and for the next six years served as President of the Stock Yards National Bank of South St. Paul, Minn. He became President of the Empire National Bank and Trust Co. of St. Paul in January, 1943. He is a director of both last named institutions and of the Northwestern Mortgage Company of Minneapolis.

It was announced on May 27 that William M. Robbins has been elected a director of the Grace National Bank of New York. Mr. Robbins is President of General Foods Sales Co., Inc., and Vice President of General Foods Corp. As Chairman of the War Finance Committee of the United States Treasury Department, he was national director of sales for the \$13,000,000,000 Second War Loan Drive which exceeded its quota by selling \$18,000,000,000 worth of bonds.

Joseph H. Praetz, a Vice President of the Emigrant Industrial Savings Bank, New York City, died on May 30 at his home in Brooklyn. He was 63 years old. Mr. Praetz had been associated with the Emigrant bank since 1900, having been made an Assistant Vice-President in 1931 and a Vice-President in 1937.

E. H. Mitchell, Assistant Superintendent of the Canadian Bank of Commerce at its head office in Toronto, has been appointed second agent of the bank's agency in New York City. Mr. Mitchell some years ago was assistant agent in New York and has held important posts in the West Indies and in Canada.

The Fleetwood Bank, Mount Vernon, N. Y., has received authorization from the State Banking Department to open a branch office in the Mount Vernon station of the New York Central Railroad.

The Home Bank and Trust Co. of Darien, Conn., has become a member of the Federal Reserve Bank of New York. The new member, chartered in 1912, has a capital of \$100,000, surplus of \$300,000, and total resources in excess of \$4,500,000. Mark W. Norman is President of the institution.

The Farmers Bank Co., Stony Ridge, Ohio, has been admitted

to membership in the Federal Reserve System, it is announced by M. J. Fleming, President of the Cleveland Reserve Bank. The new member bank was organized in 1920 with a capital of \$25,000 and has current deposits of about \$680,000. William H. Price is President of the institution.

John Churchill Ainsworth, Chairman of the Board of Directors of the United States National Bank of Portland, Ore., died on May 27 in Portland after an extended illness. His age was 73.

An announcement regarding his career states:

"Mr. Ainsworth was one of the outstanding bankers of the Pacific Coast. At the age of 24 he became President of the Ainsworth National Bank in Portland which had been founded by his father, pioneer steamship operator on the Columbia River. In 1902 he merged this bank with the United States National Bank, which had been organized in 1891. Mr. Ainsworth served as President until 1931 when he became Chairman of the Board of Directors. In addition to banking Mr. Ainsworth had many community and territorial interests. In the commercial world he had held directorships on the boards of the Pacific Telephone & Telegraph Co., Portland General Electric Co., Pacific Power and Light Co., the Portland branch of the Federal Reserve Bank of San Francisco and the Hawley Pulp and Paper Co. He was one of the organizers and had been President of the States Steamship Company. He had been regent of the University of Oregon at Eugene, Ore., and of Whitman College, at Walla Walla, Wash. He was frequently called the father of 'good roads' in Oregon, being one of the active leaders in the early development of paved highways which form a network in the State. Under the administration of himself and the able associates, which he chose with care, he saw the United States National Bank expand its capital structure from \$250,000 to well over \$12,000,000 and deposits grow from less than \$1,000,000 to more than \$300,000,000, to where his bank ranked thirty-seventh among the nation's largest banks. A number of Mr. Ainsworth's associates, including Paul S. Dick, President of the United States National Bank since 1931, served with him for almost a half century."

D. C. Coleman, president and chairman of Canadian Pacific Railway Company, has been elected a director of the Bank of Montreal, it was announced at a meeting today (Friday) in Montreal.

Morgenthau Thanks Eccles

Appreciation of the aid and cooperation which the Federal Reserve System rendered in the recently concluded Second War Loan drive was expressed by Secretary of the Treasury Morgenthau in a letter to Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, made public May 13 by the Treasury. Mr. Morgenthau said that much of the success of the drive was due to Mr. Eccles' counsel and guidance and thanked him personally, the Board and the entire Federal Reserve System for their cooperation.

Secretary Morgenthau also expressed the opinion that "there is much yet to be done in broadening distribution among individuals who are benefiting from the increase in war activities," and Chairman Eccles, in his reply, concurred heartily in this thought. Mr. Morgenthau further said that "future campaigns will require all the energy and ingenuity that we can muster," and Mr. Eccles assured him of the continued support of the Reserve System.

Uniform Method For Computing Savings Account Interest Recommended By State Bankers Ass'n

Recommendations for a uniform method, fair both to the bank and the depositor, for computing interest on thrift accounts, are contained in the booklet, "A Fair Method of Computing Savings Account Interest," published by the New York State Bankers Association.

The report, based on a study made by a subcommittee of the Association's Committee on Bank Management and Research, is an attempt to answer some of the

problems that confront banks in the handling of their so-called thrift or time deposits. It was compiled and arranged by Norman D. Ellison, Vice-President and Cashier of the First National Bank, Mount Vernon, who was assisted by John R. Fox, Assistant Cashier, Canajoharie National Bank, Canajoharie, now on leave and serving in the armed forces, and J. Lawrence Kolb, Vice-President, Elmira Bank and Trust Co., Elmira. The report states:

"To adopt the policy of discouraging the acceptance of thrift accounts by commercial banks, is to turn away into competitive institutions a very large and important supply of money that traditionally is 'bank money' and that should be capable of paying its own way in addition to providing the bank with an additional source of working funds for investments and other purposes.

"The handling of thrift accounts, however, raises some very real problems. There are to name a few: the problems of interest, minimum balances, free balances, maximum balances, days of grace and activity involving withdrawals and deposits."

Recommendations covering all of these points, made in the report, are based upon a survey very made last year of interest computation methods employed in the State's 718 commercial banks.

The survey revealed that no less than 80 different ways of computing interest were in use by the banks, a fact which, the committee concluded, pointed out clearly the need for greater efficiency in managing thrift accounts, plus a need for simplification and standardization of methods employed in handling them.

With these aims in view, the committee prepared a brief questionnaire, which dealt only with the most important differences in practice and which requested the banks to indicate preferences as to procedure rather than practices now being followed. The questionnaire was sent to all member banks in the Association and replies were received from 370 banks, which constituted a large and important geographic and economic cross-section of the state's banking opinion.

In formulating its recommendations, the committee was guided, to a large extent, by the preferences indicated by the reporting banks. Briefly the committee's findings on the more important problems are as follows:

"1. Days of grace.—One hundred and forty-two or 40% of the replying banks preferred the elimination of days of grace, while 218 or 60% did not. Of those favoring the allowance of days of grace, 55% favored them in those months in which interest was paid and a majority of these preferred five or more days. The recommendation of the committee, therefore, was that the period of days of grace be limited to the first five days at the beginning of months in which interest is paid.

"2. Minimum balances.—The replies indicated that 294 or 80% preferred to eliminate all interest on accounts where the balance is less than \$25. One hundred and sixteen or 32% set the minimum balance at \$25, while the next largest group—110 banks or 30%—set the minimum balance at \$100; and 66 banks or 18% preferred a \$50 minimum. How-

ever, since the question of minimum balance does not lend itself to a single uniform figure, and since small capitalization and proportionately small bank deposits are limiting features, the committee recommended two alternative minimum balance limitations. The first, for banks having less than \$1,500,000 in total deposits, establishes a minimum balance of \$50, and the second, for banks having deposits in excess of that amount, establishes a minimum balance of \$100.

"3. Deducting minimum balance when figuring interest.—In regard to the practice of deducting the minimum balance from the balance of any account when figuring interest, a very definite preference was registered by 278 negative replies. The committee on this point made no further recommendations, other than to suggest that this figure is very strong evidence against the wisdom of requiring so-called 'free balances.'

"4. Methods of computation.—Two hundred and ninety-six or 81% of the banks favored computing interest on a semi-annual basis, but an analysis of the replies showed no significant plurality in favor of either starting the interest at the beginning of the following month, the beginning of the following quarter, or the beginning of the following semi-annual period. Hence, the committee applied the three methods to four sample accounts presented in the 1941 report of the Savings Division of the American Bankers Association. The figures thus attained made it clear that the most reasonable combination of crediting interest on deposits and charging withdrawals is what really matters, and that the two must be considered together if a fair method is to be adopted. It was the committee's conclusion, therefore, that either the combination of crediting interest from the following month and charging withdrawals against the balance at the beginning of the interest period or crediting interest from the beginning of the next semi-annual period and charging withdrawals against the most recent deposit must be the most reasonable selection. Further study of the two combinations indicated that the latter methods appeared to be the most equitable and advantageous both to bank and depositor.

The booklet which is 8½ by 11 inches in size, contains 10 pages, and sells for 30 cents. Copies may be secured from the New York State Bankers Association, 33 Liberty Street, New York City.

AIB War Conference In Chicago June 9-10

Completion of a program for the day and a half Wartime Conference of the American Institute of Banking, the educational section of the American Bankers Association, in Chicago, June 9-10, directed at finding solutions for the manpower problems of banks and the development of wartime chapter leadership, is announced by David E. Simms, national President of the Institute, who is Assistant Manager of the Salt Lake City branch of the Federal Reserve Bank of San Francisco.

The conference will be held at the Drake Hotel from noon on June 9, through the afternoon of June 10. It will consist of four sessions, these being a conference

on manpower problems and solutions, another on chapter leadership, and two general business sessions, plus the annual national public speaking contest. Decision to hold a briefed and streamlined meeting devoted to the most essential things was announced last December by the Institute's Executive Council in deference to wartime travel restrictions and bank manpower shortage.

Previous reference to plans for the meeting was made in these columns March 11, page 926.

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