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The Financial Situation

One of the strangest international "conferences" in history came to the end of its deliberations last week at Hot Springs, Virginia. It began its work with shades drawn and gateways guarded by armed American soldiers, and ended its tasks with an official summary of its activities which must leave many wondering why it ever gathered. There have been reports that it was called upon a sudden impulse of the President, and that the most surprised group in the country consisted of the real authorities on nutrition and agricultural production. Whether these allegations are really true we have no way of knowing, but the proceedings, so far as the public has been permitted to hear of them, furnish what might be termed presumptive evidence of their validity.

"All men on earth are consumers of food," the Secretary General of the parley sagely observes, adding that "more than two-thirds of them are also producers of it. These two aspects of gaining subsistence from the soil cannot be separated. Men cannot eat more and healthier (sic) foods unless these foods can be obtained from the land or the sea in sufficient quantities." But his magnificent grasp of the obvious does not end there—nor apparently does that of the conference itself. "The work of the conference emphasized," we are told from Olympus, "the fundamental inter-dependence of the consumer and the producer." Most of us had taken it for granted!

An "Important" Recommendation

A half dozen paragraphs farther on we learn that "one of the most important recommendations of the conference is that the governments represented should declare to their own people and to one another their intention to secure more and better food for the people." This learned group "recognized that a great increase would be needed in the production of food if progress was to be made toward freedom from want," but it likewise was able to summon the insight to understand that "it is useless to produce food unless men and nations have means to acquire it for consumption."

A "Significant" Conclusion

But these commonplaces led the conference to conclusions which the thoughtful student of public affairs will not (Continued on page 2182)

President to Sign Pay-Go Tax Bill; Sees Need of Forced Savings

In indicating that he would shortly sign the pay-as-you-go tax bill, President Roosevelt on June 8 told his press conference that he will probably submit new tax recommendations to Congress before its Summer recess. He stated that in accordance with his intention to affix his signature to the new bill, the Treasury has already begun preparations to put the 20% withholding tax into effect July 1. United Press accounts from Washington June 8 also said:

"Asked whether he planned to recommend additional taxation, the President said it was generally realized that there is too much money in the people's hands and that this inflationary gap can be closed only through compulsory savings and taxes.

"A combination of these two methods, he added, probably is as necessary now as it was last January when he proposed them in his budget message."

Final Congressional action on pay-as-you-go tax bill, abating 75% to 100% of a year's payment's, came on June 2 when the Senate adopted the conference report by a vote of 62 to 19.

The Senate action on the compromise bill came after the House had approved it by a vote of 256 to 114 on June 1. This brought to a close more than four months

of debate on one of the most controversial subjects ever before Congress.

The final Senate approval was equally divided between the Democrats and Republicans—31 of each—while those opposed to the bill included 17 Democrats, 1 Republican, Senator Langer, of North Dakota, and 1 Progressive, Senator La Follette, of Wisconsin.

The measure makes radical changes in the revenue system which has been in operation since 1913.

The major provisions of the pay-as-you-go tax bill were briefly outlined by the Associated Press as follows:

Current collection—All taxpayers put on a pay-as-you-go basis, meeting their income tax bill as they earn their money, with (Continued on page 2186)

Alliot Elected President Of NY Cotton Exchange

The Board of Managers of the New York Cotton Exchange announced the election of Eric Alliot as President of the Exchange at the annual election of officers.

John H. Scatterly was elected Vice - President and William J. Jung was returned as Treasurer for a fourth term.

Mr. Alliot was Vice - President of the Exchange during the past year and succeeded Robert J. Murray, who has put in a very strenuous precedent - shattering three - term period. Mr. Alliot has been a member of the Exchange over 20 years and a member of the Board of Managers for 14 years. In addition, he served as chairman of the Supervisory Committee for several years and chairman of the Executive Committee during the past year. Mr. Alliot began his business career by entering Worth Street in 1915 and was associated (Continued on page 2186)



Eric Alliot

Lammot du Pont Recommends Individual Post-War Planning

Lammot du Pont, Chairman of the Board of E. I. du Pont de Nemours & Co., speaking before the Manufacturing Chemists' Association at the Waldorf-Astoria in New York City on June 3, said that post-war planning should be individual planning, that under the private enterprise system, one must do the planning for one's self. Mr. du Pont said he meant by that the individual must plan for the individual, the little company for

the little company, the corporation for the corporation. Each and every entity must plan for itself. It cannot leave its planning to others. Enforcement of a plan upon someone else is dictation, and dictation never is acceptable to anyone.

We give Mr. du Pont's address in full herewith:

We live in desperate times. Our minds are on momentous happenings far beyond our shores—in Europe, Russia and the far reaches of the Pacific—the success of our arms, the welfare of your sons and mine. We speculate on the length of the war, the price we must pay in blood and treasure for the complete victory that ultimately will be ours. And we consider, too, as indeed we should, what the post-war world will be.

Naturally, the winning of the war has our first consideration. Second only to that with people in all walks of life is what is going to happen after the war. We are trying even now to prepare for that time, with the efforts no-



Photo by Wm. Shewell Ellis Studios Lammot du Pont

tably in contrast with past wars when the people concentrated on the war and allowed reconstruction plans to wait more or less upon a later day. We realize now that we must win the peace equally with winning the war, that otherwise the war will have been fought in vain.

My primary purpose this afternoon is to discuss post-war planning from the industrial point of view. The opinions I shall give may be at variance with the expressions of those who have discussed the subject or written regarding it, but they will be frankly stated.

To my mind, industry, and that includes every man of intelligence and energy, will face during the peace that will follow the conclusion of the war a responsibility, yes a duty, as great if not greater than the task it assumed and is successfully discharging of truly making this nation "an arsenal of democracy." Insuperable though that task was considered to be, the work ahead calls for at least an equally titanic effort. The size and complexity of the job clearly indicates the need of work by all—not the Government alone.

Consider for a moment the magnitude of the obligations. Millions upon millions of our men will be discharged from the army, navy and air forces. They will return to their homes. They will seek employment, the right to enjoy the benefits of life in these United States which they have fought to (Continued on page 2184)

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From Washington Ahead Of The News

By CARLISLE BARGERON

One of the things that fascinates visiting foreigners about us these days—I mean those over here on "official" business and supported by lend-lease—are our periodical polls on the question of whether Mr. Roosevelt will be elected to a fourth term. They are one of the few items of our national life not yet rationed. What bewilders the foreigners is how on earth a nation with such a reported manpower shortage as ours, can continue to indulge in these luxuries. The newspapers are even having difficulty getting carrier boys these days, Western Union has resorted to old men and old women, but apparently the poll takers haven't felt the pinch at all.

These polls come up with the amazing conclusion that if the war is still on in November 1944 which is 18 months from now, Mr. Roosevelt will be re-elected, not so much as President, but as Commander-in-Chief. The people, we are told, don't like the President in the realm of domestic affairs, but as a military strategist, they think he is pretty hot stuff and they would be most reluctant to replace him. In fact, according to the polls, they wouldn't do so. Polls or no polls, this is just

about the greatest nonsense that was ever peddled for cash. We have already been at war 18 months. If it is still going on 18 months from now, and I am referring mostly to the war in Europe, I not only would bet my last penny that Mr. Roosevelt would not have a chance of being re-elected but that furthermore, our Bureaucracy will have so crippled us, that we very likely could not effect an unconditional surrender on the part of Germany.

I base my statement on the war's continuation in Europe because most authorities expect the tension to let down when the war ends over there, with the job of finishing off Japan, something we can more or less take in our stride. Presumably it is the European (Continued on page 2185)

The Financial Situation

(Continued from first page)

overlook. It may well be that in these conclusions we find the significance, the only significance, of the entire proceedings. "The deliberations of the conference in Section III, which was set up to investigate the improvement of distribution, clearly showed," we are told, "that consumers would not be in a position to buy the food they needed, and producers of food could not be assured of adequate returns, unless progress was made through national and international action to raise the general level of employment in all countries. * * * The work of Section III established the close interdependence between the level of employment in all countries, the character and extent of industrial development, the management of currencies, the direction of national and international investment, and the policy adopted by the nations toward foreign trade.

"The conference was not invited to conduct a detailed investigation into policies which should be adopted by the governments of the world in order to promote an expansion of economic activity; but it declared that freedom from want of food could not be fully achieved without such an expansion and urgently recommended to the governments and authorities represented to take action individually, and in concert, in order to secure this objective."

"All the World's a Stage"

Vice-President Wallace himself could not have done better! Nor the National Resources Planning Board! How, then, can the suspicion be avoided that the conference was designed to support and promote internationally the preposterous proposals of our own Planning Board and its counterparts abroad? "All the world's a stage"—in the minds of more than one public figure of this day and time.

Sticking a little more closely to what the unthinking may have supposed to be its last, "the conference recommended measures for new agricultural development. It was the opinion of the conference that some parts of the world which at present are unproductive could be brought into agricultural production if the appropriate measures were applied. At the same time it was recognized that, in some areas of rich potentialities, development is impeded by overcrowding of farmers on the land. While something can be done to increase the productivity of these areas by improving methods of farming, by drainage and similar measures, it was recognized that in some cases the development of industry to provide employment for agricultural populations or emigration to other areas were the only measures likely to offer any significant contribution to a solution of the problem."

Simplicity Itself

How simple life appears to some of these gentlemen who so blithely undertake to make the world over to match their conception of the millenium! How little impression failures of the past and the present seem to make upon their minds! Here representatives of a government which only a few years ago was paying farmers to slaughter little pigs and plow under parts of their crops are gravely consulting together with other nations to seek means of enlarging agricultural production beyond anything ever known in this world! Here representatives of a government which is making a miserable failure of an effort to keep its own people properly fed are confidently preparing to manage the production and distribution of food the world over! Here representatives of several governments which for a decade had been vainly trying to restore even ordinary conditions in their respective countries set out to see that every one everywhere has and eats all the vitamins and the rest that the books say he ought to have!

And what governments are these which are so confident of success in undertakings so vast and so unprecedented? Why, the more powerful and influential among them represent the same nations which bungled and slept while Mussolini paraded in Africa, while Hitler built up his legions, and while the Japanese planned and prepared to march from Hong Kong to Singapore. These same nations, or several of them, wrote the Treaty of Versailles, utterly misunderstood the nature of the situation which that treaty created and the state of affairs existing throughout the world with the result that policies were almost everywhere developed and applied which resulted in the collapse of the late twenties and brought forth the dictators and the New Dealers, who more often than not have taken a leaf from the note books of their predecessors—without even knowing that they did so!

Man Has What Man Makes

Every school child knows, of course, that there have always been substantial numbers of people in the world who could not command sufficient nourishment to main-

tain health. No one needs to be told that millions have never been able to command many other things which are essential to real comfort. But every one who has thought about the matter is equally aware that the world has always harbored an equal number of shiftless, incompetent, foolish people. Neither is any one whose opinion is worth considering ignorant of the fact that mankind must inevitably starve, freeze and suffer or be well fed, well clothed, well housed, and comfortable depending wholly upon what mankind succeeds in producing and distributing. Nor need the thoughtful man be told that his government is composed of men much like the rest of us, to whom is given no more wisdom than the rest of us have—often not nearly as much.

Centuries ago the rank and file of the people were much inclined to look to government as it then existed for their own welfare. Experience, long, sad, bitter experience, taught mankind, or so we had supposed, the futility of depending upon such a slender and undependable reed. For long decades men seem to have learned that they had best look after their own economic needs in their own way. Are we to be led by meaningless phrases back to the utterly disproved conceptions of the middle ages?

"Educating" The Germans

"The Allied powers had no interest in the glorious hopes among the German university youth of that (post-World War I) day. The Allies provided no incentive for education in democratic traditions. And so the German youth fell into the hands of retired army generals, monarchist professors, and politicians. Thus the way was prepared for Hitler and Goebbels to return German education to the teaching of racial superiority, war, and death. . . .

"We shall not need to send school teachers from the United States into the German schools but we can make sure that the liberal element in Germany has an opportunity to replace the Nazi school books and the Nazi methods of teaching."

These, of course, are the words of Vice-President Henry A. Wallace. They bear the unmistakable stamp of his hand and mind. But let this great teachers' teacher continue.

"All the schools of the world will have to be reborn after this great conflict if the boys who have died are not to have died in vain. . . .

"In the years to come it will be even more important for the schools to teach character than to teach facts. In the teaching of character, the essential thing will be the ability of the teacher to kindle enthusiasm—enthusiasm for knowledge, but especially enthusiasm for the greater good."

Is it not about time to have an end of this nonsense about running the German schools from Washington and London?

The State Of Trade

Most of the heavy industries continue to operate at close to peak levels, with retail business showing outstanding gains compared with last year.

Production of electric power for the week ended May 29th, totaled 3,990,040,000 kilowatt hours, an increase of 20.1% over the total of 3,322,651,000 in the like 1942 week, according to the Edison Electric Institute. Production in the preceding week was 3,992,250,000 hours.

The Pacific Coast section once again showed the largest yearly increase in power output, advancing 33.4%. The Southern states area was next with 22.4%, and Mid-Atlantic area followed with 20.2%.

Carloadings of revenue freight for the week ended May 29, totaled 852,518 cars, according to the Association of American Railroads. This was an increase of 9,134 cars over the preceding week, 56,897 cars more than the corresponding week in 1942 and 50,735 cars above the same period two years ago.

This total was 134.40% of average loading for the corresponding week of the ten preceding years.

Steel operations this week are scheduled at 97.5% of ingot capacity compared with 98.4% in the previous week, a decline of 0.9%, according to the American Iron & Steel Institute. The decline in tonnage was attributed by trade officials partly to last week's coal strike.

The indicated rate a month ago was 99.4%, while it stood at 99.3 in the like 1942 week.

The steel industry felt the effects of the big coal strike, the Carnegie-Illinois Steel Corporation reporting 11 of its blast furnaces had been closed down because of the lack of beehive coke—the source of which was choked off by the coal-production stoppage. This brought to 13 the number of blast furnaces shut down.

The Interstate Commerce Com-

mission reported that the nation's 136 Class I railroads had net operating income of \$127,059,362 for April, an increase of 25.1% over the like month last year.

Total operating revenues for April were \$748,797,981, including \$570,135,783 of freight revenue and \$127,915,116 of passenger revenue. Freight revenue was up 21.8% over a year ago and passenger revenue increased 93.5%.

During the first four months of this year the railroads had net operating income of \$468,119,128, an increase of 44.8% over the corresponding period a year ago.

Department store sales on a country-wide basis were up 42% for the week ended May 29, compared with the same week a year ago, according to the Federal Reserve Board.

Store sales were up 21% for the four weeks ending May 29, compared with the same period a year ago.

Department store sales in New York City in the week ended June 5, were unchanged from the corresponding week of last year, according to the preliminary estimate issued by the New York Federal Reserve Bank. The week this year had only five shopping days against six last year, due to the Memorial Day holiday falling in different weeks.

In the previous week ended May 28, sales of this group of stores were up 34% over the like 1942 week, with a good part of the gain due to the shift in day on which the holiday was observed.

Retail business in the second quarter of 1943, now drawing to a close, is holding at the high levels of the first quarter of this year, which showed a 10% gain in dollars over the comparative 1942 period. April, the first month of the second quarter, went 13% ahead of April a year ago, while first reports on May business indicate that that month, too, recorded a sharp increase over last year's results. June likewise is expected to be a good month.

The high level of consumer buying is not surprising in view of current business conditions. Both employment and national income payments to individuals have registered new all-time peaks in recent months. Salaries and wages paid out in the first three months of this year were in excess of \$23,000,000,000, or almost twice the amount distributed in the corresponding period in the boom year of 1929.

Despite the high rate of consumer spending, savings are at substantial figures. The Department of Commerce estimates that they will exceed \$40,000,000,000 this year. Fortunately, the larger part of the current savings is going to the purchase of war bonds and stamps. Henry Morgenthau Jr., Secretary of the Treasury, reports that the recent bond drive was so successful that the Treasury was able to get 60% of idle consumer savings, whereas it originally had aimed at collecting 55%. Its program now calls tentatively for a goal of 65% over the next three months and of 75% in the last four months of the year. The average American family, Mr. Morgenthau holds, should be investing 25% of all its income in war bonds.

While merchants are pleased that retail sales are running at new high levels, some among them express deep concern over the future of inventories.

Mr. Hoffman, who was Director of the Food Price Division until a month ago, when he was made a special assistant to Mr. Galbraith, was to have been Acting Deputy Administrator in charge of food price control, and Mr. Wallace, Director of the Industrial Manufacturing Price Division was made Acting Deputy in charge of that division as well as the Industrial Materials Price Division, Fuel Price Division, Textiles, Leather and Apparel Price Division, and Services and Consumer Durable Goods Price Division. However, now Mr. Wallace assumes full control.

In announcing the appointments Mr. Brown declared that "these changes do not affect price policies and programs which are under way in the Office of Price Administration. There will be no relaxation in the hold-the-line program. The national office, our field offices and local war price and rationing boards will continue their work without interruption or change of direction."

Mr. Galbraith, a former Princeton University professor, was one of the leading supporters of the regime in the OPA organized by Leon Henderson, former Price Administrator, since May, 1941, and had been held over under Administrator Brown.

Hoffman Resigns OPA Food Pricing Post; Wallace In Full Control

Donald Wallace was made sole acting Deputy Administrator of the Office of Price Administration in charge of prices on June 7 when A. C. Hoffman resigned to return to the Department of Agriculture.

Price Administrator Prentiss M. Brown had announced on June 1 temporary appointment of Mr. Hoffman and Mr. Wallace to be in charge of the price post left vacant when J. Kenneth Galbraith resigned on May 31.

Mr. Hoffman, who was Director of the Food Price Division until a month ago, when he was made a special assistant to Mr. Galbraith, was to have been Acting Deputy Administrator in charge of food price control, and Mr. Wallace, Director of the Industrial Manufacturing Price Division was made Acting Deputy in charge of that division as well as the Industrial Materials Price Division, Fuel Price Division, Textiles, Leather and Apparel Price Division, and Services and Consumer Durable Goods Price Division. However, now Mr. Wallace assumes full control.

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Fundamentals Of Prosperity

Roger W. Babson Explains Real Wealth

In a recent article, I brought out that, under our capitalistic system, the middleman is in the best position to weather the inflationary storm. I also stated that the farmers and wage workers might be obliged in the end to be responsible for the greater portion of our national debt. However, debt and inflation are not the only troubles we may have to face. The possibilities of a long War, of radical changes in our social order and other contingencies may ultimately result in real trouble. If such should come, how can we or our children be protected?

Land vs. Securities

The United States is almost the only nation in the world in which securities representing capital have not yet been confiscated. I do not believe that I or my children or my grandchildren will live to see this happen here. I do believe that perhaps my great-grandchildren, if they are lucky or unlucky enough to inherit anything from me, may live in a time when they must work in order to eat. In other words, perhaps I should do more for my present and ultimate heirs by forcing them to work than by leaving them rents to collect or coupons to cut.

I was brought up on a farm and my work has brought me in close touch with many farmers and their problems. Furthermore, as an economist, I recognize that land, children and character are our only real wealth. As in the case of securities, however, the value of land and children or the income they may produce is subject to change. The Astor family fortune of many millions was derived from New York City real estate. It is illustrative of the growth possibilities characteristic of well-located or productive land held through several generations. Yet, while this particular fortune was growing, many land speculators, along with security speculators, lost large sums.

Hard Work Always Pays

Without some real work being done, neither the owners of stocks nor the owners of land make money in the long run. There is no easy road to prosperity. For example, before buying any considerable amount of a stock or a bond issue, I take certain fundamental steps. These consist of visiting the plant or officers of the company whose securities interest me. I meet the officers and determine whether the management is capable, honest and progressive. I also try to obtain stockholders' lists to see who my future associates in ownership will be. Figures relative to earnings, dividends and interest, production or sales are easily obtainable; but it may take days and months of travel, interviewing and investigating before the hidden values in any investment situation may be uncovered.

Likewise, the real value of land or other forms of real estate, such as stores, office buildings, farms, acreage, homes or subdivisions, can be determined only after consideration of location, soil analysis, weather records, population trends and other factors. One should devote considerable time to personal investigation before exchanging one form of investment for another or before making any investment of consequence. I might be in a position to make a large investment in farm land, but in doing so I would be dependent upon some one else to work the land and even to su-



Roger W. Babson

perverse the job. In other words, I would be simply an absentee owner. This is another reason why I have confined my investments to securities. But for the man who will study land values, who can get out upon his property, roll up his sleeves and go to work—then, and only then, do I say, "Go back to the land!" Of course, the ownership of other types of real property also requires personal attention.

Long-Pull Protection

Certainly the last thing that will be taken away from my children or grandchildren will be their homestead and their skill. Under the communistic system Russia re-distributed her land in the form of cooperative farms; but in that country the situation was quite different from anything that we have experienced here. In Russia and in Poland, too, the great bulk of land was held by very large estates individually owned or controlled. It may have been entirely proper to have the use of such land re-distributed among the people. Such a situation does not exist here. Even if our national debt reaches a point where confiscation of some securities might become necessary in order to reduce it, the homestead of forty acres or less should not be disturbed.

Really, the men and women who are trained for some real job may, in the end, be the best off. Consider again the middlemen. They care little whether the goods which they sell are manufactured in the United States or some foreign land; they really pay little or no taxes. I repeat that they are a favored class under the capitalistic system. If, however, our capitalistic system should ever break down and the farmers and wage workers get in control, these middlemen might be subject to terrific persecution. Hence, for temporary benefits, be a middleman; but for long-pull security be an expert farmer, machinist, engineer or chemist. And for that matter, the professions, also, offer opportunities.

The important thing is that our children and grandchildren be brought up to expect less rather than more from their parents and their grandparents. That they be taught that real wealth can come only through their ability to do better than anyone else in their community some honest, useful, technical or professional work.

President Signs Bill Extending Soft Coal Act

President Roosevelt signed on May 21 the legislation extending the Bituminous Coal Act of 1937 for 90 days beyond May 23. The House approved the extension resolution on May 14 and the Senate on May 22.

The Act, setting minimum prices and determining certain fair trade practices in the soft coal industry, originally was due to expire in April but a 30-day extension was granted (referred to in our issue of May 13, page 1781).

The original resolution passed by the House on April 20 provided an extension of 120 days but the Senate amended it to provide for only a 30-day extension. The present action carries out the provisions of the original resolution.

The House Ways and Means Committee will soon take up the bill calling for a two-year continuance of the Act.

New Post-War Social Security Plan Offered In Congress—Workers Would Give 6% Of Pay

A bill to provide a vast new post-war social security program was introduced in Congress on June 3. The measure, offered in the Senate by Senators Wagner (Dem., N. Y.) and Murray (Dem., Mont.) and in the House by Representative Dingell (Dem., Mich.), was described as an "American plan," containing many variations from the "cradle-to-the-grave" plan proposed last year in Great Britain by Sir William Beveridge, British economist.

Senator Wagner, who is one of the authors of the present Social Security Act, said in introducing the bill that it was offered "simply as a basis for legislative study and consideration," and covered broadly the economic hazards of average people "throughout their lifetime." The legislation, Mr. Wagner asserted, increases the old-age benefit allowances for workers and their families and extends coverage to 15,000,000 persons now excluded, such as farm workers, domestic servants, employees of non-profit organizations and independent farmers, professional and small business men.

Under the bill, Mr. Wagner said, contributions into a social insurance trust fund would be about \$5,000,000,000 more than under the present law, with most of the increase coming out of the wages of workers themselves.

According to the Associated Press, the bill would:

1. Assess a 6% employee and 6% employer contribution on all wages up to \$3,000 to finance a national social insurance system.

2. Provide public employment offices, increased old age and survivors insurance as well as insurance covering permanent disability and lump-sum death benefits, unemployment, temporary disability, maternity care and other medical attention and hospitalization, protection of social security rights for armed force members and unemployment allowances when they are demobilized.

The measure has the endorsement of the American Federation of Labor and the Congress of Industrial Organizations.

In special Washington advices June 3 to the New York "Times" from C. P. Trussell, it was stated that "the program departs from the Beveridge plan in financial and other phases and follows only in part the more general proposals advanced earlier by the National Resources Planning Board. These advices also said in part:

"It would be financed at the outset mainly by workers and employers on a pay as you go basis, with the Government coming in later, in ten or 15 years, to take over a share.

"The measure would establish a system of public employment offices to help war workers and veterans find employment in private industry and on farms. The system of social insurance would be unified, with one set of contributions, one set of records and reports, and one set of local offices, to simplify the program for workers, employers and the public.

"Whereas the Beveridge plan would put more than half the cost upon the general treasury in the first year of operation, the insurance plan under the Wagner-Murphy-Dingell measure would be financed at the outset by equal payroll contributions of employers and employees, except for the payments into the fund by the Treasury to cover the insurance rights of war veterans and some additional increases out of general revenue for grants to the States for public assistance.

"Under this bill," Mr. Wagner said, "contributions into a social insurance trust fund would be about \$5,000,000,000 more than under the present law, and most of the increase will come out of the wages of the workers themselves."

This plan, Senator Wagner added, would tend to curb infla-

tionary spirals. There will be an inflationary gap of about \$25,000,000,000 this fiscal year, he said, creating a pressure upon price ceilings which cannot be eliminated by price control or rationing alone.

By increasing social insurance collections now, he said, earners representing almost seven-eighths of current income, would be reached. This group, he said, must be our chief reliance in obtaining the necessary increases in taxes and savings.

"At the same time," he said, "we avoid the post-war inflationary danger of ordinary savings, war bond purchases, or even forced savings, because social insurance contributions cannot be redeemed, canceled out or converted into a loan or a cash surrender."

According to Phelps Adams, in an account to the New York "Sun" from Washington June 4, the bill that day appeared to face rough sledding in Congress. The account in part continued:

Members were divided sharply in their appraisal of its virtues and faults.

Somewhat narrower in scope than its British counterpart, but substantially more lavish in the benefits which it proposes to heap onto Americans of all ages and circumstances, the bill embraces a number of highly controversial provisions. While it has the solid backing of organized labor, there was little likelihood today of its enactment during the present session of Congress and only a slim probability of passage before the termination of the war.

The immediate source of controversy among the members of Congress was to be found not so much in the revolutionary changes proposed in the present social security system as in the questionable effect which such legislation would have upon the political and economic situation on the domestic front during war time. Argument here centers in the proposed 12% pay roll tax to finance the luxuriously enlarged benefits afforded by other parts of the bill.

This tax would be borne equally by employer and employee—the employer paying twice as much as he now does and the employee paying six times the present tax. Advocates of the bill argue vociferously that its immediate adoption would be a contribution of inestimable value in the fight which the Government is waging against inflation. In support of this position, they argue:

1. That the fundamental cause of the inflationary spiral is the fact that consumers today have many billions of dollars more to spend than there are goods to buy.

2. That no inflation controls yet put into operation by the Government strike directly at this fundamental problem, but instead, the Government has sought by purely artificial means, such as price control, wage control and rationing, to prevent the natural operation of the law of supply and demand.

3. That existing controls have failed and may be expected to collapse completely unless something is done to siphon off the excess purchasing power of the consumers.

4. The bulk of this purchasing power is to be found in the hands of wage and salary earners, particularly in the lower brackets, where the income tax rates touch them relatively mildly.

5. No better way of siphoning off this purchasing power can be found than by the imposition of

the 12% pay roll tax called for in the Wagner bill. While the employer pays 6% of this tax, they argue that in the last analysis most of the 12% comes out of the employees' wages.

6. They believe that the only other way to strike at this great reservoir of unspent wealth is through a sales tax, but whereas a sales tax, in their opinion, is regressive and imposes a disproportionate share of the tax burden upon low income groups, the pay roll tax, under this social security law, pays handsome dividends to these workers in the form of cradle-to-the-grave security.

Opponents of the legislation reach an exactly opposite conclusion from exactly the same set of facts. They argue:

1. As matters stand today, the wage earner, when he receives his pay check, finds that it has been docked a total of 6%—1% for Social Security taxes under present law and 5% for the Victory Tax.

2. Under the new tax bill and under the provisions of the new social securities bill, if it were enacted, he would be docked 26% at each pay period—6% for Social Security and 20% withholding tax.

3. If—as millions of Americans have done—he has signed up for war bond purchases under a payroll plan authorizing his employer to withhold an additional 10% from his salary for this purpose, the new bill would mean that more than one-third of his earnings would be taken by the Government before he even put his hands on his pay envelope. Moreover, if Secretary Morgenthau's statement that Americans should contribute at least 25% of their income to bond purchases is any criterion of the pattern of things to come, this would mean that more than half his salary would be deducted at the source.

4. The inevitable effect of this situation would be to stimulate an irresistible, wholesale demand for sweeping wage increases by workers everywhere and the last vestige of governmental control over wages would be shattered.

5. Farmers, in turn, inevitably would seek and obtain through Congress compensatory increases in the price of their products, which, in turn, would cause pressure for further wage increases, and the resulting dog-chase-tail whirlwind of inflation would rage unchecked throughout the land.

Australian Reciprocal Aid To United States

Commenting on a statement reported to have been made by Senator Tydings before the Appropriations Committee, Australian Foreign Minister Herbert V. Evatt on May 25 said:

"The answer to the suggestion made at the hearing before the Senate Committee that Australia might have furnished the labor for airfield construction 'without cur (United States) paying for it' is a very simple one.

"Australia is paying for it. Indeed, Australia is paying for the supplies, materials and services available locally and required for military projects, tasks, and similar capital works necessary for the common war effort in Australia.

"As a matter of fact, Australian financial resources are being strained to the utmost in order to provide these goods and services. This is a burden that is gladly shouldered by the Australian people; but it is important that the people of the United States should know the facts. For instance, in the present financial year alone, more than £50,000,000 (\$170,000,000) will have been spent by Australia on Lend-Lease aid to the United States."

Lammot du Pont Asks Individuality In Post-War Planning

(Continued from first page)

preserve. There will be other millions, many millions of our men and women who have been working in war plants, which no longer will have employment for them. They cannot all create jobs for themselves. They must turn to others for gainful employment. Here is a very considerable segment of our total population who will be seeking the opportunity to work in industry.

Now, mind you, our industries, like these people, will be changing from war work to peace-time production. Never in history has there ever been such an industrial transition as has occurred in this nation in the last two years. Practically every plant, great and small, has turned in the shortest period from normal production to war and essential civilian production—and to its everlasting credit has accomplished the transition amazingly well.

What must be appreciated is that industry again must engineer an epoch-making swing, this time back to peace, and just as promptly, just as completely, as it has gone all out for war. Such transition is vital if there is not to be a hiatus bringing unemployment, unhappiness and, not improbably, but certainly not justifiably, demands for regimentation and changes in our free enterprise system.

Business men already have been placed officially on notice that private initiative must be ready to occupy its rightful place when the war is over—or else. Such notice, for instance, was given by Jesse H. Jones, the Secretary of Commerce, in an address before the Committee for Economic Development in New York on April 14 last, when he said:

"This much is certain, if the business men of the country, either through the Committee for Economic Development or in some other way, do not have concrete, practical suggestions for the conversion of industry from war to peace, Government will have to make the decisions. Under such circumstances what the Government does may not be to your liking. In that event we (business men) would have only ourselves to blame, for it seems to me that, if the past 10 years have taught us anything, it is that business cannot merely express dislike for what Government does. It must be prepared to offer practical solutions based not on privilege—but service and the common welfare."

Secretary Jones speaks honestly. I welcome his forthrightness, to whatever extent I may disagree with him. Not only must there be practical suggestions for the conversion of industry from war to peace, but I would add that industry must devise methods right now for greater employment after the war than was available before the hostilities started. If industry fails, the alternative is not Government, as the Secretary states, but first those who are neither industry nor Government, the potential employers, and they are legion.

I hold it to be a self-evident truth that full employment is the key to prosperity in the reconstruction period. In my opinion, there is no magic source of wealth, Government or otherwise, for the peacetime years which lie ahead. No bounty of which I have knowledge can bring permanent prosperity. Any form of dole or handout, whether at home or abroad, can result only in loss of initiative, loss of self-respect, and ultimate despair on the part of the recipient and bankruptcy on the part of the donor.

As far as is humanly possible, jobs should be provided by private industry for all who want to work and are able to work. This

will be one of the major problems of the reconstruction period. Given favorable conditions under which industry can operate, I am confident that it can be solved. In this connection there is a "freedom" which has not been sufficiently emphasized. I refer to freedom to work, without interference, without paying anyone for the privilege—to which freedom from want is a logical corollary. I do not mean freedom from want as represented by the gift of a quart of milk per day. I do mean freedom to work and earn enough money to buy milk, and, for that matter, everything else that is needed.

Fundamentally, it seems there should be jobs aplenty in the post-war period. Certainly there will be a tremendous demand for various consumer goods that were manufactured on a restricted basis, if at all, during the war. Most of you probably know of the survey conducted a short time ago by the United States Chamber of Commerce on the post-war prospects for consumer demand. Their release on this subject, dated Jan. 12, 1943, states:

"Because the questioning technique is aimed at conservative estimates of post-war purchases . . . the consumer demand reported . . . represents a minimum index of the actual demand for goods and services that would exist if the war should end tomorrow."

The report points out that if the war ended immediately, commitments for the ensuing six-month period would comprise the following:

53% of U. S. families believed they would make purchases of one or more major articles.

More than 2,500,000 families intend to buy, or will attempt to buy, automobiles.

Nearly 1,750,000 families intend to buy a washing machine, stove, vacuum cleaner, radio, electric iron, living and bedroom furniture.

Approximately 500,000 families intend to buy a sewing machine.

Nearly 750,000 intend to buy dining room furniture.

In addition slightly more than a million families intend to build or buy a new home.

34% of the home owners in America said that if the war ended tomorrow they would almost certainly make some sort of improvements or repairs to their properties within six months.

In addition to improving their homes, 58% of farmers who own their own homes said they would make farm improvements. 81% said they were actually putting money into some form of saving, investment or debt reduction.

Significantly, about 73% of the people canvassed said they felt they were at least as well off financially as they were a year previously.

The list, of course, is incomplete. It serves primarily as an index of the unprecedented demand that will exist at war's end for consumers' durable goods. Estimates have been made that at the end of this year the accumulated demand for such goods will amount to \$12,000,000,000 dollars.

Further, as pointed out in a recent excellent report of the National Association of Manufacturers, the volume of peacetime goods the public actually will buy will depend upon four things: (1) the public's need for the goods; (2) the ability of industry to supply the goods; (3) the public's ability to pay for the goods; (4) the public's willingness to use its buying power for the purchase of these goods.

Each of these four points has been ably discussed in the report. I shall not dwell on them here. It is obvious, however, that the public's need for the goods is

great, that the productive capacity of industry will be at an all-time high, and that the public, with the wide-spread savings now being made in War Bonds, and otherwise, will, barring serious inflation, have the ability to pay for the goods.

The point of doubt is the public's willingness to use its buying power for the purchase of these goods. That depends largely on the ease with which employment is available and the confidence of the general public that "rainy days" are not ahead, demanding a conservation of their resources.

Although the nation will have the greatest productive capacity in its history when peace comes, it will be no simple matter to transform all of our swords into plowshares. We in the chemical industry may be somewhat more fortunate in this respect than some of the other industries. While plants making tanks, guns, and planes cannot start making automobiles tomorrow, many chemicals and chemical products now going to war will find peacetime uses just as soon as the war is over. Nylon yarn for parachutes is not fundamentally different from nylon yarn for hosiery. And dyes for Army and Navy uniforms are very much the same as dyes for various civilian goods. This is even more true of basic chemicals.

But in all cases intelligent planning for the post-war period will be necessary—planning well in advance of the war's end in order that the transition from war production to peace economy may be effected with a minimum of difficulty and delay.

If I might use our own company as an example, I can say that it, like many others, feels a keen responsibility in this matter of providing jobs. More than a year ago a group was set up in our Development Department to consider the post-war problems, including the reemployment of former employees now in the armed forces.

A rather exhaustive survey was made by this group to determine, among other things, what new products the company would have ready for immediate exploitation in the post-war period, what existing products might find increased outlets, and the prospective post-war increase in annual sales volume.

An estimate was also made of the employment that might be provided by the prospective post-war increase in volume of business. Finally, specific recommendations were made for the guidance of the several operating departments.

For example, it was recommended that each operating department (1) prepare definite plans to be followed on cancellation of Government orders; (2) prepare definite plans for converting quickly to normal peacetime products; (3) plan in advance the rate of production required for all products to supply the current demand and rebuild inventories; (4) make plans, to the design stage, for new plants, either for expansion or for the manufacture of new products; (5) make advance marketing studies and plans, estimates of requirements, etc.; (6) study each item produced to determine if changes during the war period have developed new uses for it, or eliminated its use in any product; (7) consider the use of raw materials, now being used for war products, which will be available in excess quantities after the war, for the manufacture of new products, or to replace more expensive raw materials hitherto used; and (8) estimate the number of employees required for post-war production, and have definite rehiring plans ready to execute.

The report of our post-war planning group, including the recommendations outlined above and a number of others equally

important, was adopted by the company's Executive Committee, with the request that the various operating departments make frequent periodic reports on the progress being made in the study of their particular problems. In the meantime, our special post-war planning group is continuing its study of the broader, over-all company aspects of plans for the post-war era.

I might add that the survey made by our post-war planning group indicates that the new projects which du Pont will be ready to launch when the war is over, together with increased outlets for existing products, is expected to give rise to an all-time high in peacetime employment. Such a result, of course, assumes that the country will have a sound economic system, that there will be no seriously abnormal man-made business conditions or other difficulties which cannot be foreseen now. It assumes that certain fundamentals will be respected, for instance: (1) sound money based preferably on the gold standard; (2) taxes at such a level as to give industry the incentive to expand and pioneer; and (3) that government will abstain from competition with business.

I have every reason to believe that we are not alone in devising ways and means of materially increasing post-war employment, that many forward-looking companies are also prepared to take employment up to new highs. This must be done, because more jobs, a great many more jobs, will be needed than the normal ones of pre-war commercial production and civilian activity. There were too few jobs for 10 years before the war. The principal ways that new jobs can be created are through expansion of products, new products, or cheaper methods of manufacture which induce increased consumption and, therefore, increased production.

This spells increase in the standards of living and takes up the employment slack caused by the large number of men returning from the armed forces and those let out by industries now strictly devoted to war. The Government cannot successfully take up the slack. If it attempts to do so by huge public works programs, it either brings about high taxation or inflationary borrowing, both of which eventually are paid for in jobs. If it attempts to do it through manufacturing or other commercial activities, it merely competes with private enterprise and throws other men out of work.

It is here that planning, industrial planning, comes in. It cannot be repeated too often that we are doing the greatest war job ever given to industry and, simultaneously, are preparing for our greatest peacetime responsibility. Here is a fundamental, as I see it. Under the private enterprise system, one must do the planning for one's self. By this I mean the individual must plan for the individual, the little company for the little company, the corporation for the corporation. Each and every entity must plan for itself. It cannot leave its planning to others. Enforcement of a plan upon someone else is dictation, and dictation never is acceptable to anyone.

Meetings of committees and regional and national conferences serve a useful purpose. They give incentive. But when problems are actually tackled, each company or corporation must consider its own needs and work out each solution, not selfishly but with consideration of the greatest good for the greatest number, with fair profits to the manufacturer as well as fair wages to the worker and fair prices to the consumer.

Corporation planning is very similar to individual planning, if not substantially the same thing. They are both the application of resourcesful thinking and reasoning toward the solution of our particular problems. This makes

for self-reliance; self-reliance as distinguished from dependence which encourages paternalism. The less we have of that in the future the better. Another contribution to employment is the recognition of success by suitable reward, meaning promotions, salary advances, commissions, bonuses, profits, and the like.

Government, its policies and its procedures, always is a dominating factor. Necessarily, the nation plans for the nation. This is statesmanship. If comment on government activity in such matters is permitted an industrialist, I would say its purpose always should be to increase and develop the productivity of the nation as a whole so that there will be constantly more and more goods for all the people to enjoy. Regulations which have that effect are entirely proper and, indeed, helpful. But regulations which have the effect of reducing total production by destroying incentive, hampering initiative, tying up productive activity in red tape, are a form of regimentation which the American people must reject, if they are to preserve and continue the kind of enterprise which has made this nation great and enabled its people to enjoy the greatest abundance of any nation on the earth.

I would be the last man to suggest that free enterprise should be left so free that it would be subject only to the law of the strongest. But it should be free for the development of all the initiative and incentive that can be coaxed out of every individual, whatever his station in life. It should be free for the encouragement of every man with savings to put those savings to work in a productive way toward the greater development of the country. And to that end saving on the part of every individual should be encouraged. It should be free for the development of every scientific idea, for from the test tubes of science come great improvements in living standards. It is out of these same test tubes that the major improvements of the future give promise.

I have heard it argued that \$50,000 spent in certain research projects has done more for the permanent improvement of agriculture than all the hundreds of millions that have been expended for agricultural relief. I do not wish to imply that many of the expenditures in behalf of agriculture should not have been made. But I do mean that much of the money so spent might have been more wisely used and of greater value to agriculture had more of it been spent on research to find new uses for agricultural products.

As it is the part of industrial statesmanship to plan for the future of industry, so it is the part of national statesmanship to plan for domestic and world conditions under which industry, individuals, and the American people as a whole can develop themselves to the destiny which we know is possible. The greatest contribution that Government can make toward the steady increase in the American standard of living, aside from national defense, sound money, efficient mails, protective tariff and fair courts, will be made if Government avoids competition in the industry and confines itself to the strictest protection of the equality of opportunity for individuals and enterprise, and to the encouragement of individual and corporate venture into new fields. If the larger problems can be solved in such a way that enterprise will have the freedom to produce for useful consumption without being too heavily burdened with production to maintain armies and governments, without being held back by the constant lack of confidence produced by crack-down philosophy in high places—if this can be done, the

period that follows this war will be a Golden Age.

Here is an example of what I mean, an example of industrial initiative making for increased production and resulting in notable savings. A company with which I am acquainted has been engaged, among other things, during the last year or two in manufacturing machine guns. In January, 1942, the building of a single gun required 133 hours of man labor. Due to improvements in manufacture, that total was reduced by March of this year to 48 man hours, a decrease of 64%. More, the cost per gun was cut from \$405 to \$148, a decrease of 63%.

All through American industry similar technological developments have been made under the pressures of this war. Today the advances from them are directed toward the winning of this war. Today these developments are winning the American victory.

Tomorrow, given the freedom to operate these techniques to the best advantage, given freedom from restraints and from unnecessary backstraining and unproductive burdens, the fruits of all the advances that we have attained will be ready for the enjoyment of Americans.

The problem is no longer how to produce enough so that every man who works and does his share can have things he never before dreamed of owning. The problem is not how to build the machinery. The problem is how to take away the cold, dead hand of bureaucracy that, until released by the demands of this war, held the throttle at half speed.

It is important that the kind of Government planning we are to face shall be clearly defined now. The planning of industry for its part of the task—employment, production, distribution, development—will necessarily be dependent on the kind of Government planning that exists in respect to industry.

One way Government can assist greatly is for it to practice economy and efficiency in its own affairs, thus keeping the burden of taxation at a minimum, and goodness knows taxes are going to be extraordinarily heavy under any circumstances. Any broad pattern into which the detail of Government action will be fitted should include, first of all, sound money backed by a Government that keeps its own financial house in order and that encourages people to save by assuring them that the dollar they save in the first post-war year will be the same dollar years hence.

It can be done by a policy of fairness in dealings with industry of all kinds—a policy based on the inter-dependence of industry and public, rather than one designed to stir up discord from any selfish political motive.

It can contribute much by scrupulous honesty and integrity in the performance of its own obligations. It can provide valuable incentives by avoiding retroactive laws either in respect to taxation or other matters. It can keep statutes simple, clear and explicit, so that an army of lawyers on the part of both business and Government are not necessary in order to bring about compliance and to eliminate confusion and uncertainty.

It can avoid using its vast powers in competition with the people instead of in collaboration with them. It can avoid laws and regulations which are unnecessary and serve no useful purpose except to put tax-eaters on the Government rolls for the purpose of enforcing them.

All these things, together with a spirit of cooperation instead of a spirit of chastisement, will give industry the opportunity to plan, the incentive to plan, and the willingness to take risks in order

to bring to fruition the tremendous developments that are awaiting the new world after peace.

It is not the function of business to plan or propose the details of international relationships. That is strictly a function of Government, although it is one in which each of us as individuals has a great stake.

But there are certain broad objectives in the international planning which seem to me so self-evident that they should not be the subjects of contradiction or debate.

First, and most important, the relationships which emerge from this war should be such as to carry, so far as humanly possible, the assurance of enduring peace.

Second, they should be such as to permit widespread world trade and opportunity for the various peoples of the world to develop along lines of their own choosing.

Third, they should be such as to assure a maintenance and an increase in the high standard of living to which Americans look forward, and to avoid the throwing on this country of depressing burdens which can only encourage unrest, stagnation, and failure to reach our own high destiny.

Except in the case of enemy nations, it seems to me basic and fundamental that we must not expect other countries to do what we ourselves are unwilling to do, such as reduction of armament, removal of trade restrictions, change in form of government or laws. We should neither ask, accept, nor give any special privilege or territorial domination. Any world or national policing that is necessary should be paid for, at least in considerable part, by the peoples it is necessary to police.

Finances should be organized on a sound basis and rehabilitation loans made with an assurance of repayment satisfactory to our people.

Since science knows no boundaries, there should be no handicaps to the unrestricted transfer of knowledge and methods.

In a post-war world founded on such principles, I have no doubt of America's ability to hold its own and prosper while it points the way to the world, as it surely will, in development for the future.

Col. Gwynne Honored For 50 Years Service With State Chamber

Col. Charles T. Gwynne, Executive Vice President of the Chamber of Commerce of the State of New York, was the recipient of many congratulations at the monthly meeting on June 4 as he entered upon his 50th year of service on the staff of the organization. The event was observed at the luncheon which followed the meeting by placing a large birthday cake with 49 small lighted candles and one large unlighted one on the table at which Col. Gwynne sat.

Frederick E. Hasler, President of the chamber, and John L. Collyer, President of B. F. Goodrich Co., who was the speaker at the meeting, were the first to extend their congratulations.

Col. Gwynne entered the employ of the Chamber in 1894 as a clerk, was made Assistant Secretary in 1909, elected Secretary in 1915 and in 1924 became the First Executive Vice President the Chamber ever had. He has a national-wide acquaintance with commercial organizations and is regarded as "the dean of chamber of commerce executives in the United States."

From Washington

(Continued from first page)

war for which the poll takers find the people unwilling to replace Mr. Roosevelt.

The statement about what the Bureaucrats will have done to us is not confined to my own observations. It is the conviction, it is the worry of some of the most responsible men in Washington. It is, in fact, a matter of serious concern regardless of the length of the war. It is Hitler's and Mussolini's greatest hope.

It should be said, however, that there are mighty few persons of importance in Washington, who privately think the war in Europe will still be on 18 months from now, or even 12 months. There will be some sort of an emergency state over there. As I have said before, our managers are working for a prolonged armistice period. It will be on this basis, the need for Mr. Roosevelt's retention to work out the peace, that the attempt will be made to sell his fourth term candidacy to the people.

In the meantime, the polls are of tremendous propaganda assistance to him. They tend to take the heart out of the opposition. Particularly, do they tend to break up any possible political revolt in the South.

In connection with this fourth term speculation, the most recent development has been the discarding of Henry Wallace as the Vice-Presidential candidate. White House sources are assiduously peddling the story that he has turned out to be a political liability. To hear them talk you would think they have just now discovered that Henry couldn't carry his own State in 1940. The fact, of course, regardless of the stories that are circulated, is that Henry has come to be of "too towering stature." He is experiencing what Jim Farley, Cordell Hull and Jack Garner experienced. Their names came to appear in the headlines too often. The thing that set the hounds after Henry was his "triumphal" tour of Latin America.

The whole basis for Mr. Roosevelt's retention and for Churchill's retention in Britain, is that neither country has another man approaching their stature. And, manifestly, nobody will ever attain their "stature" if he is not permitted to do so. It is a fact, too, in the case of American Presidents, that they look pretty ordinary up until noon the day of their inauguration. It is when they take that oath of office, come into possession of the vast patronage system, the power of their office, and the Secret Service men shift from the outgoing President to the incoming one, that the "stature" appears.

Joe Davies' movie debut has turned loose a flood of professional and non-professional criticism. The professionals begin screaming at the very opening of the picture when Joe appears and dramatically tells how the President suddenly called him to the White House and importuned him to do his country and his friend, the President, a service by taking the Ambassadorship to Moscow.

Well might they scream then, because it is certainly a piece of historical inaccuracy and it shouldn't be permitted to go unchallenged because it will give posterity a completely wrong impression of how our Ambassadors are selected.

It cost Joe \$148,000 to get the Russian post. Of this amount \$100,000 went to the Democratic National Committee, and Joe wanted to be sure that when he got the appointment he sought, there wouldn't be any trouble in the Senate about it, so his total contributions to Senatorial campaigns amounted to \$48,000. It is a fact that he made some sort of

a "sacrifice" by accepting Moscow. He and Marjorie had been bidding on the Court of St. James, and the whole time they were in Moscow they were restless to get away. Finally, they were sent to Brussels.

Joe, even in his sunshine and light philosophy, ought not to be peddling the story that the way Ambassadors are appointed is for the President to call them up and beg them to serve their country. The Democratic National Committee and the Republican National Committee, too, are embarrassed when these stories are circulated. Imagine their predicament if in the future, Ambassadorial aspirants will just hang back waiting for the President to call them, without a first calling upon the committee treasurer.

There is a suggestion of devilishness in what Joe is doing because after the war, presumably, we are going to have some more social posts abroad—on that big world thing they're planning to set-up. Presumably this organization will have the most socially desirable posts in our diplomatic service, assuming of course, that the headquarters is in Europe.

Dictatorship And Regimentation Feared

Senator O'Daniel in a letter to South Texas poultry raisers, expressed the belief on June 7, that high Federal authorities were carrying out a plan for a dictatorship and "regimentation of our people" and declared that a big housecleaning of elected officials was necessary to save the nation. This is learned from an Associated Press dispatch from Washington on June 7, which went on to say:

After reporting that he had conferred with "these Washington czars and bureaucrats," he said:

"You may think they are ignorant or are not fully informed. I have a different conception of them and their 'planning.' I believe they are taking orders from somebody and that what they are doing is only part of a plot to change our form of government into 'Communism,' 'Socialism' or some other foreign 'ism' which means a dictatorship, and a regimentation of our people and abolishing our 'private system' of enterprise.

"The only way to save our nation, if it can be saved at this late hour, is for the people to make a big house cleaning of elected officials of our Federal Government, and put men in office who believe in our Constitution and our American system of private enterprise and who will not only make speeches favoring it, but will vote the same way they talk."

Bill Introduced For Liquidation Of OPA

A bill calling for immediate liquidation of the Office of Price Administration was introduced on June 7 by Representative Hartley, said a United Press dispatch from Washington, on June 7, which added:

He said his bill, an amendment to the Emergency Price Control Act, would place OPA's powers "in other departments where they actually belong."

Authority over food matters would be turned over to the Office of War Food Administration, oil and petroleum problems would be handled by the Petroleum Administration, and rent control would be the business of the National Housing Agency.

All other OPA functions would be turned over to the Office of Civilian Requirements of the War Production Board and "the OPA Frankenstein would be liquidated at once," Mr. Hartley said.

Grocers Ask Change In OPA Price Regulations

The House Small Business Committee was told on June 7 by spokesmen for retail grocers that thousands of them would be forced out of business unless OPA price regulations were changed, according to an Associated Press dispatch from Washington on June 7, which continued:

First of a group of witnesses here for three days of hearings on the grocers' complaints, P. M. Brinker, of Dallas, president of the National Association of Retail Grocers, said OPA price-margin rulings were so impractical as to lead to a suspicion they were drawn by some one whose "experience in the food line has been with his feet under a table, pulling the meat off a chicken leg."

"Small business is everywhere on the defensive, fighting a desperate, rear-guard action for survival," Mr. Brinker said. He recommended that all food controls be placed under one head and prices be set at the producers' levels, with markups in the retail and wholesale fields to be added.

W. D. Hadel, secretary of the California Retail Grocers and Merchants Association, San Francisco, told the committee that present pricing plans do not allow margins sufficient to permit retailers to stay in business.

He objected to repeated warnings by Government agencies advising consumers to watch prices in grocery stores.

"We resent the repeated inference that retailers are culprits interested primarily in gouging their customers of long-standing," he added.

He filed an exhibit showing that on one popular brand of breakfast food, the lowest possible price to the retailer was \$2.04 per case of 25 packages, with a price ceiling of eight cents per package, entailing a loss of 12 cents a case.

Mr. Hadel recommended abolition of OPA courts, reduction of the number of reports required from business, and dismissal from the OPA of "all persons who wish to inject their theoretical plans for the reform of business."

Will Discuss Army Transport Problems At Chamber Of Commerce

Maj. Gen. Charles P. Gross, Chief of the U. S. Army Transportation Corps at Washington, will address a special meeting of the Chamber of Commerce of the State of New York to be held at 65 Liberty Street at 12 o'clock noon today (June 10). He will discuss the problems involved in transporting the largest force of fighting men over the greatest distances in the history of warfare.

This will be the first public address which Gen. Gross has made since his appointment to his present post last August when the Transportation Corps was organized. Before that he was Chief of Transportation in the Services of Supply, which was organized in February, 1942. He was a member of a Special War Supply Mission which went to Russia in September, 1941. A graduate of West Point, he went to France with the 318th Engineers in 1918 and served in the occupation of the Gerardmer Sector and in the Meuse-Argonne offensive. He was awarded the Purple Heart for bravery in the Gerardmer Sector. Executives of railway and steamship lines and port officials have been invited by Frederick E. Hasler, President of the Chamber, to hear Gen. Gross speak. Admission to the meeting, which will be followed by a buffet luncheon, is limited to Chamber members and invited guests.

President To Sign Pay-Go Tax Bill—Sees Need For Further Taxes And Forced Savings

(Continued from first page)

their March 15 and June 15 installments credited to what they owe this year.

Abatement—Full year's back tax cancelled for all persons who owe \$50 or less, with \$50 of the amount being abated for those who owe up to \$66.67. Those who owe more than that amount will find 75% of either 1942 or 1943 (whichever is lower) tax cancelled, must pay the remaining 25% in two annual installments, beginning next March 15.

Withholding—A 20% levy on wages and salaries—above basic exemptions of \$12 weekly for single persons, \$24 weekly for married, plus \$6 weekly for each dependent—goes into effect July 1. (Members of armed forces, domestic servants, casual workers, farm workers, ministers and some others exempted.)

Estimates—Everybody with \$100 or more earnings from sources other than wages or salaries (as well as those in wage brackets above \$2,700 for a single person and \$3,500 for married) required to file estimate of 1943 income by Sept. 15. Quarterly payments beginning that date required on all taxes due in excess of that withheld from pay rolls. (This means payment on all of the tax that is due from professional men, merchants, landlords and others without wage income.) All may file

revised estimates Dec. 15 and farmers have until that date to file their first estimate.

Victory Tax—Of the 20% withholding, 3% represents collections on the 5% Victory Tax. The amount withheld is compared with the net tax due—after deductions for insurance premium, savings, bond purchases—in final accounting March 15, 1944.

Armed Forces—Basic Government pay up to \$2,000 for single person, \$2,700 for married, plus \$350 for each dependent, excluded from income tax. Back taxes abated for most persons who die in the service.

Windfalls—Persons with abnormal wartime income forced to compare their abated tax (75% of the lesser of either 1942 or 1943) with a mythical tax at the same rate on income (plus \$20,000) in a "normal" year the highest of 1937, 1938, 1939, or 1940.

Final Adjustment—Final return on 1943 tax liability must be filed March 15 next year, as usual. Amount of tax already paid through quarterly installments or in withholding levy compared with amount finally determined to be due, with additional payment required or rebate granted.

Final passage of the bill by the House was noted in these columns of June 3, page 2060.

Labor Leaders Urge President To Correct OPA Food Policies And Easing Of Wages

Leaders of the American Federation of Labor and the Congress of Industrial Organizations appealed to President Roosevelt on June 3 to intervene in the Office of Price Administration and bring about corrections necessary to check the rising food price situation. Members of the Combined Labor War Board, headed by William Green, President of the AFL, and Philip Murray, President of the CIO, presented to Mr. Roosevelt

a joint statement contending that OPA Administrator Prentiss Brown is unable to deal with the situation but did not request his replacement. They did, however, protest the appointment of Lou Maxon as Deputy Price Administrator on the ground that his policies run counter to rolling back prices, the stabilization of prices and effective control.

In Associated Press Washington advices of June 3 the following was reported:

"We presented to the President," Mr. Green said, "a complaint against the rising prices of food and submitted to the President a number of figures showing that the prices of foods in a large number of cities had increased 24 to 150% since January, 1941. We also submitted a joint statement in which we asked him to intervene in the OPA."

While saying that Mr. Brown's replacement was not requested, Mr. Green added that labor feels that there is a need that some specific instructions be issued and that some definite action must be taken to roll back food prices. Labor has suggested that they be pushed back to the May, 1942, level.

Asked how this could be done, Mr. Murray said that it might be accomplished through subsidies, as was done in England, where the Government appropriated \$104,000,000 (about \$416,000,000) annually.

"In a nation spending about \$90,000,000,000 to run a war," he added, "it is the judgment of labor that our country can appropriate a sum of money of about \$2,000,000,000 to roll back these prices and hold them at a level to enable workers to secure for themselves adequate standards, the kind of nutrition and other essentials necessary to maintain their morale."

He said that the President did not make any definite statement,

but that he hoped that Mr. Roosevelt would go into the administration of OPA and bring about corrections necessary to roll back prices and stabilize them, as well as wages. Asked if it would not ease the coal crisis if the President were to follow labor recommendation on food prices, Mr. Murray said he believed that it would ease the entire situation of all workers and that it is "going to be extremely difficult to control the situation unless a more effective control over these factors is put into effect immediately."

Mr. Green said that the board also asked Mr. Roosevelt to take steps to get overtime pay for railway employees, particularly the non-operating workers, after 40 hours' work in a week. They get time and one-half now after 48 hours.

Later, on June 6, representatives of the American Federation of Labor and the Congress of Industrial Organizations unions stressed the growing dissatisfaction in organized labor with the Government's wage and price control policies and demanded effective action to roll back prices and the relaxing of rigid prohibitions on wage readjustments, said the New York "Times" of June 7, which added:

Meeting over the week-end at Unity House, the Union's summer home at Forest Park, Pa., the Executive Board of the International Ladies Garment Workers Union, AFL, headed by David Dubinsky, adopted resolutions declaring that Congress faces a "duty and a compelling obligation" to roll back prices to the levels of a year ago, by subsidies to wholesalers and processors if necessary.

A resolution adopted by the ILGWU Board pointed out that England and Canada have succeeded in holding commodity prices in check by means of Government subsidies and have there-

by aided in exterminating black markets.

"Labor alone cannot be expected to 'hold the line' successfully, and unrest and tension cannot be solved by repressive legislation," the resolution declared.

The resolution also called on President Roosevelt and the Office of War Mobilization, headed by James F. Byrnes, to restore to the War Labor Board its original powers, "together with a flexible policy that would permit the national as well as the regional boards to operate with a living formula designed to maintain a truly proper balance between earnings and living costs."

Similar demands were made also at a city-wide conference of locals affiliated with the New York Joint Council of the United Wholesale, Retail and Department Store Employees, CIO, at the Hotel Astor. The demands received the approval of James B. Carey, National Secretary-Treasurer of the CIO.

Mr. Carey assailed John L. Lewis, President of the United Mine Workers, for staging the recent coal stoppages and "playing Republican politics."

Mr. Carey deplored the step taken by Mr. Lewis and his miners for reaffiliation with the AFL.

The ILGWU Executive Board held Congress responsible for the inability of President Roosevelt to put his stabilization program into effect, charging that "Congressional bungling and partisan political interests prompted by sectional pressures" have practically nullified the most effective parts of the President's program.

"While wages have substantially been frozen, we find effective control of the cost of living commodities to keep in step with wages, limitation of war profits, and even the ban on excessive executive salaries have been swept aside," the garment workers' leaders declared.

"The original powers of the War Labor Board have likewise been reduced to little more than the right to apply the rigid arithmetic of the Little Steel formula, while thousands upon thousands of wage revision applications are accumulating in the Board's files involving months of delay even for workers in the substandard low-pay industries and creating tension and unrest. Clearly, this disturbing situation calls for immediate action and remedy. The original powers of the War Labor Board should be restored to it together with a flexible policy that would permit the national as well as the regional boards to operate with a living formula designed to maintain a truly proper balance between earnings and living costs."

Establishment of a separate Wage Stabilization Board for the distributive industry was demanded by Mr. Altman at the conference of the CIO clerks—a demand applauded by the 250 delegates. Characterizing wages in the industry as substandard, he maintained that its employees should not be considered bound by the Little Steel wage formula.

The conference went on record in support of the national policies of the CIO calling for price roll-back through the use of subsidies where needed, veto of the tax bill now before President Roosevelt, adoption of a fair tax program and "the appointment of strong administrators who will not be affected by any anti-stabilization forces in Washington."

Mr. Kyne presented the following program, which the delegates approved:

"Capable and willing administrators should be placed in charge of OPA who will be fearless and thorough in carrying out a progressive plan for economic stabilization.

"The Government should take heed of the actual experiences of other countries such as England, where the Government purchases all available and perishable items of foodstuffs for distribution

Governmental Policies Keep Markets Bare Of Meat

The present nation-wide artificial shortage of meat is caused by a buying and selling strike between livestock producers and the meat industry, according to a special write up of the situation by Tom Twitty, in the New York "Herald Tribune" of June 6, from which we also take the following:

Albert T. Wendel, President of the New York State Association of Retail Meat Dealers, representing more than 2,000 New York shops, asserted yesterday that if consumers follow OPA's advice and shift their purchases entirely from beef to lower-point veal, lamb, mutton and pork, the shortage problem will still remain unsolved for lack of the beef substitute types.

Mr. Wendel charged that devaluation of the meat coupons is unnecessary and that the consumer is the victim of a government policy of "doing everything but sending us meat when meat could be made available by relieving the price squeeze on the packers."

"Slaughterers can buy all the livestock they need to meet the full civilian quotas, plus all the needs of the armed forces and lend-lease, but they cannot buy it at the prices they are obliged to offer," he asserted.

Two cents a pound is the gap between producers and slaughterers which is creating the meat shortage, he said. Mr. Wendel is also head of the meat subcommittee of the New York food industry advisory committee of the Food Distribution Administration.

Reports of the Department of Agriculture supported Mr. Wendel's contention that there is plenty of meat on the farms.

As of Jan. 1, this year, the Department estimated that 8% more cattle were on feed than at the same time last year, when an all-time record was set. This, it said, indicated larger marketing of beef cattle through the first half of 1943.

But on May 15, the Department report of beef slaughter under Federal inspection for January, February, March and April, showed only 3,500,288 cattle slaughtered, against 3,833,470 for the period the year before, when less was available. Presumably the cattle are still on the farm, pending dissolution of the price deadlock.

Veal slaughter the first four months of this year was 1,445,946, a drop from the 1,824,530 figure of 1942 and the five year pre-war average of 1,769,057.

In its first-of-the-year livestock inventory, the Department reported a 23% larger pig crop would come to market this spring and summer than the record spring crop of 1941. Twenty-four per cent more was estimated than for 1942.

Yet from January through April only 5% more went through the slaughter houses. The peak of slaughtering has now passed.

Sheep and lamb slaughter for the first four months is also down to 6,176,103, compared with 6,256,098 last year.

All the figures cited are nation-

through licensed retail outlets.

"Our people (the members of the Union), where they are employed in warehouses, wholesale establishments or retail stores, should take upon themselves the duty of reporting to their unions all specific violations of price control and rationing.

"Congress should grant a billion-dollar subsidy so that prices can effectively be rolled back to May, 1942.

"Penalties up to \$20,000 and revocation of business licenses should be imposed upon black-market operators and price and ration control violators.

"Livestock should be placed under ceiling regulations.

"Immediate rationing of all clothing is necessary before short-clothing develop."

wide and include supplies which have gone for all purposes—the armed forces, lend-lease, War Shipping Administration and the civilian trade. About 80% of the meat supply is slaughtered under Federal inspection, a higher percentage than in previous years, so that livestock diversion to non-Federal slaughterers cannot account for the missing livestock.

The trend for less cattle to come to market has been even more pronounced since April, and this accounts for the constantly increasing constriction of the meat supply.

During the week ended May 21 (the latest summary of the department) 30% less cattle came to market in 27 selected centers than during the same period in 1942.

Hog slaughter was up less than 8%, but still 15% below the point indicated by the Jan. 1 inventory, and veal was off 30%. Lamb and mutton was practically unchanged.

Western meat shipments into New York for the five weeks ending May 29, compared with 1941, on which civilian quotas of 80% are based, were even more deficient. The official figures follow:

	1941	1943	1943 percentage of 1941
Beef steers	49,926	26,682	53%
Veal	69,551	46,466	66%
Lamb	225,489	113,828	50%
Pork cuts (lbs)	11,483,464	5,847,654	51%

The Market News service pointed out that these figures "are not in any way indicative" of supplies available for retail trade channels because of heavy diversion to government agencies and cutting up of carcasses for the hotel and restaurant trade after the meat arrives here.

Alliot Elected President Of NY Cotton Exchange

(Continued from first page) with Smith Hogg & Co., then one of the oldest cloth firms in the city. During 1917-19 he served as a flying instructor in the Naval Flying Corps as a Lieutenant (j. g.). At the close of the war he was associated with Stephen W. Weld & Company, for whom he worked in Liverpool, Boston, New Orleans and other cotton centers in the South. Mr. Alliot was a member of the New Orleans Exchange in the early 1920's and resided in that city for several years. In 1923 he became a member of the New York Cotton Exchange and since has devoted his entire time to the cotton brokerage business.

The following were elected to the Board of Managers for the coming year: Bernard J. Conlin, Milton S. Erlanger, William E. Farnell, J. Henry Fellers, Tinney C. Figgatt, Frank J. Knell, Jerome Lewine, J. Robert Lindsay, Benedetto Lopinto, Perry E. Moore, Robert J. Murray, Arthur J. Pertsch, Mervin S. Van Brunt, Charles B. Vose and Philip B. Weld. Three new names appeared on the list this year and were elected; they are: Benedetto Lopinto, Robert J. Murray and Charles B. Vose.

Robert J. Murray, retiring President of the Exchange, in addition to being elected to the Board of Managers, was chosen as one of the Trustees of the Gratuity Fund to serve three years. Additionally, inspectors of election for the 1944 election are James B. Irwin, James C. Royce and William H. Spilger.

Rationing Restrictions On Tube Sales Removed

All rationing restrictions on the sale of used passenger car and truck inner tubes, for which there has been very little demand under rationing, have been removed, the Office of Price Administration announced May 21.

Previously, used tubes could be sold only to holders of rationing certificates. Since the certificates could be used to buy either a used tube or a new one, the purchaser usually chose the latter.

The action, to conserve new tube supplies by encouraging the use of about 765,000 used passenger car tubes and 225,000 used truck tubes, now idle in dealers stocks, is contained in Amendment No. 28 to Ration Order 1-A. Effective date of the amendment was May 20, 1943.

Govt. Receipts, Expenses Covered In Bulletin Of League Of Nations

The April number of the League of Nations "Monthly Bulletin of Statistics," published May 5 by the League Mission at Princeton, N. J., contains, in addition to the regular tables, a special table on budget receipts and expenditure. In it are summarized the total government receipts (excluding loans), expenditure and, where available, war expenditure in 26 countries publishing monthly statements. Closed annual accounts or current budget estimates are shown for the years 1938-39 to 1942-43 or 1943-44, together with monthly data from July, 1939, to January, 1943. This permits developments in public finance to be followed month by month since the outbreak of war.

The announcement goes on to state in part:

"The degree of expansion in total Government expenditure has been determined not only by the war effort, but also by the level of prewar expenditure and the scope of the national budgets. Where government expenditure was previously low, there was naturally a greater possibility of increasing it. Total expenditure is now nearly ten times as great in the United States as it was in 1938-39, more than five times as great in the United Kingdom, more than six times as great in Canada and Australia, almost five times as great in New Zealand and twice as great in the Union of South Africa. In the year 1943-44, it will probably be at least fourteen times as great in the United States and ten times as great in Canada as it was in the last prewar year. In neutral Switzerland, expenditure has increased threefold. Among the occupied countries, expenditure in France and The Netherlands appears to be at least three times as great as in the year preceding the war. For Germany, no precise data are available, but tax receipts and borrowing in 1941-42 suggest that expenditure had then increased at least threefold since 1938-39, when it was already at a very high level and had to be met largely by loans.

"War expenditure in 1942-43 represented over 90% of total expenditure in the U. S. A. and the United Kingdom, over 80% in Canada and Australia, nearly 80% in New Zealand and about 55% in the Union of South Africa. Expenditure for defense accounted for 72% of neutral Switzerland's total expenditure in 1942. 'Cost of occupation' amounted in 1941 to about 45% of total expenditure in Belgium and to 36% in The Netherlands, and in 1942 to some 46% in France.

"Everywhere taxation has been greatly increased. Receipts cover about 50% of expenditure in the United Kingdom, 55% in Canada, 46% in New Zealand, nearly 40%

in Australia, 64% in the Union of South Africa and somewhat under 30% in the United States. In Switzerland, receipts in 1942 were estimated to meet less than 40% of that year's expenditure, and in France about 30%.

"Central Bank Reserves of gold and foreign assets have increased considerably in countries producing primary commodities, largely as a result of heavy exports at enhanced prices and reduced facilities for importing manufactured goods. The expansion was particularly marked in Latin American countries where, between the end of 1941 and the first quarter of 1943, large percentage increases in gold holdings occurred in Mexico (135%), in Peru (gold valued at purchase price only: 126%), Venezuela (78%) and Colombia (67%); no change occurred in the Argentine nor in the Peruvian gold stocks valued at the legal parity. During the same period, foreign assets reserves increased by as much as 556% in Peru, 553% in Colombia, 418% in Mexico, 148% in the Argentine and 89% in Chile; and among the smaller Central American States by 626% in Costa Rica and 356% in Salvador. There was a drop, however, of 32% in Venezuela's relatively small holdings of foreign exchange. In India, foreign assets were 74% larger in the beginning of March, 1943, than at the end of 1941, the absolute increase being ten times greater than the accompanying fall in silver stocks (58%) while gold stocks remained unchanged. Corresponding increases in Turkey were 35% for gold stocks and 62% for foreign assets, in New Zealand 141% for foreign assets (gold unchanged) and in Australia 26% for gold stocks and foreign assets combined.

"By February, 1943, Switzerland had converted nearly all her holdings of foreign assets into gold."

Thermal Zone Changes Made In Fuel Oil Rationing Plan

An important, but simple change will be made in the thermal zones in next year's fuel oil rationing plan to permit closer adjustments of rations to the fuel oil supply and to weather conditions, the Office of Price Administration announced on May 17.

In the East Coast and Northwest area, zones A, and B and C will be divided by a north-south line between Districts 1 and 2 as set up by the Petroleum Administration for War.

Thus Zone A will be broken up into two zones: Zone A-1 will be the Eastern part of the present Zone A (Maine, New Hampshire, Vermont and upper New York State); and Zone A-2 will be that part of the present Zone A which lies in PAW District 2 (Michigan, Wisconsin, Minnesota, North Dakota, South Dakota, and the northern counties of Iowa).

Zones B and C will be divided similarly:

The new Zone B-1 will include Massachusetts, Connecticut, Rhode Island, lower New York State, New Jersey and Pennsylvania. Zone B-2 will take in upper Ohio, upper Indiana, upper Illinois, lower Iowa, upper Missouri, Nebraska and upper Kansas.

Zone C-1 will include Delaware, Maryland, District of Columbia, Virginia and West Virginia.

Zone C-2 will include Kentucky, lower Ohio, lower Indiana, lower Illinois, lower Missouri and lower Kansas.

The old Zone D, lying entirely in District 1, will remain a single zone, to be designated Zone D-1. It included North Carolina, South Carolina, Georgia and that part of Florida east of the Apalachicola River.

The three zones in Washington,

Oregon and western Idaho will be designated A-3, B-3, and C-3. Coupons issued in each of the 10 zones will carry the proper designation, A-1, B-2, C-3, etc. Coupons in adjacent zones also will have different colors.

These zone changes were made because of experience in administering fuel oil rationing last winter, OPA explained. While the zones as they were then designated took into account wide disparities in climate throughout the rationed area, there were times when further adjustments had to be made because of a severe cold spell in one particular part of a zone.

Other adjustments were also necessary because of differences in the supply situation in various regions.

Such adjustments will be much easier to make under the arrangement which breaks up the large areas into smaller units. OPA can readily meet an emergency in either the weather, or the supply situation in a given zone, by ordering a change in the value of coupons in that zone.

These changes in the designation of coupons to correspond to the smaller zones will prevent low-value coupons in one zone from flowing into another zone where the value is higher and being redeemed there, the OPA announcement further stated.

Lumber Production Close To Requirements

Lumber production in the United States for the first quarter of 1943 is estimated at 7,141,109,000 board feet, and is not far under the estimated first-quarter goal needed to meet total military and essential civilian requirements of 32,000,000,000 board feet for 1943, the War Production Board's Lumber and Lumber Products Division announced on May 31.

Monthly production has risen steadily during the first-quarter period with 2,199,240,000 board feet in January, 2,307,448,000 board feet in February (4.9% increase over January); and 2,634,421,000 board feet in March (14.2% increase over February).

Comparative figures for the East and West are: East—January: 1,427,355,000; February, 1,505,616,000; March, 1,532,527,000. West—January: 771,885,000; February, 801,832,000; March, 1,101,894,000.

It is not possible to forecast whether or not the rate of production established during the first quarter can be maintained for the entire year, Lumber Division officials stated, since the log supply is dependent on numerous factors. Labor and equipment, the most important ones, are already curtailed in comparison with peacetime standards and additional shortages are to be expected.

March production, according to data compiled by the U. S. Department of Agriculture Forest Service in cooperation with WPB, comprises 2,096,063,000 board feet of softwoods and 538,358,000 board feet of hardwoods. Among the important softwoods with production increases in March as compared with February are: Douglas fir, Noble fir, western hemlock, ponderosa pine, sugar pine, western white pine and redwood in the West; and hemlock and northern pine in the East. Important hardwoods with increased production in March as compared with February are: ash, basswood, beach, birch, hickory, hard maple, white oak, red oak, and yellow poplar. March production of southern pine was 5.4% less than in February.

A regional production breakdown for March shows increases in nine out of eleven regions, with an overall increase over February of 1.8% in the East and of 37.4% in the West.

Cost Of War Damage Claims Seen As Slight

The cost to the War Damage Corporation of settling claims for losses of money and securities insured against possible enemy attack may be very slight, under an interpretation of the settlement clauses of the Federal policies issued May 2 by the Money and Securities War Damage Group, New York City.

As to this the New York "Times" of May 3 reported the following:

One paragraph of the policy provides that the "corporation reserves the right to replace in kind such money and securities." So far as U. S. currency or bonds are concerned, replacement of losses would involve only printing additional banknotes or Treasury certificates, it was said. An insurer might be able under this interpretation, it was added, to obtain a replacement of a greater amount of money and securities than was applied for under the policy.

The particular circumstances in each case will be considered to determine whether the insured will be paid a sum of money or whether the money and securities damaged or destroyed will be replaced in kind in case of loss, the group declares. It sees an intention by the WDC to elect to replace in kind the money and securities involved in a damage claim when the cost will be less than the amount of insurance carried, including the amount payable on the balance of such loss.

In the event of an excess loss over the amount of insurance obtained by the insured, it is expected that the WDC will replace all the damaged or destroyed money and securities covered for any amount under a form of coverage which affords insurance against such loss, even though the value of such money and securities is in excess of the amount of insurance carried under such coverage.

Under the settlement provisions, the insured is to furnish a complete inventory of all damaged or destroyed money and securities for which recovery, in whole or in part, may be made under the policy, but no inventory is required for losses on which the insured has not requested coverage. Likewise, assignment of damaged money and securities that may be required by the WDC is to be limited to such amounts for which recovery may be made under the policy.

For example, an insured concern obtains only coverage on securities in a preferred vault in its head office. It must furnish a complete inventory of all securities contained in such preferred vault in case of loss, even though the value of such securities is in excess of the amount of insurance covering their damage or destruction. Further, the WDC may require an assignment of all such securities. It would not be necessary for the insured to furnish an inventory of securities elsewhere on the premises or those not damaged or destroyed.

If the WDC elects to require an assignment from the insured of damaged or destroyed money and securities, the corporation will exert reasonable and diligent efforts to recover salvage, the rules provide. Any salvage recovered, less the expense of making it, shall be paid first to the insured until recompensed to the extent that the insured has furnished an inventory.

Strategic And Raw Materials Returned From French North Africa

The Office of War Information announced on May 22 that approximately 600,000 tons of medical supplies, food, fuel, clothing and other necessities of life required by the civilian population of French North Africa have been shipped from the United States and Great Britain. But ships carrying these supplies have brought back more than 350,000 tons of strategic and critical raw materials needed for the British and American munitions and farm production programs.

In Washington advices of May 22 to the New York "Times," it was further stated:

French North and West Africa had for two years been a rich source of raw material and foodstuffs for Germany and Italy. They had obtained there large quantities of phosphates, iron ore, fresh fruit and vegetables, oil and oil seeds, fish and cereals.

Among these products phosphate rock was perhaps the most important to the European economy. As a consequence of the United Nations occupation, the Axis will be deprived of this fertilizer, which is essential to its maximum agricultural production and for which there is no adequate source of supply in Europe. Germany is expected to feel the consequences by next year's harvest. She will also miss the fresh fruits and vegetables, 80% of the export of which she has been requisitioning. French North Africa, the OWI says, is the California of Europe.

Britain can obtain from there all the phosphates needed by her agriculture as well as large quantities of high-grade ore. Substantial quantities of lead, zinc, antimony, hides and skins, fruits and vegetables can also be shipped to the United Kingdom.

The United States can obtain some of the cobalt ore needed in war industries, and also important tonnages of manganese and cork.

FDR Greets King George

In a message congratulating King George VI of Great Britain on his "official" birthday, June 2, President Roosevelt emphasized the "unity in friendship and purpose" existing between the American and British people.

The President's message follows:

"His Majesty, King George VI of Great Britain, London (England).

"The occasion of Your Majesty's birthday gives me a welcome opportunity to join in your country's celebration, and to send you heartiest congratulations and good wishes. On behalf of the people of the United States, let me also convey their greetings and good wishes to the people of Great Britain.

"The Allied victory in North Africa has recently given the world an unsurpassed demonstration of what can be done when Britain and America work together. Unity in friendship and purpose has bound together our soldiers on land, our sailors on sea, and our flyers in the air. That same bond unites American and British workers in the paths of production, transport and supply.

"I am clear that the spirit which has united our people in marching towards victory will direct their efforts after the war towards the goal of a just, lasting and fruitful peace.

"FRANKLIN D. ROOSEVELT."

Although the actual date is Dec. 14, it was stated in London Associated Press advices that the anniversary is observed in June instead of December because the weather is more suitable for the traditional ceremony of "trooping the colors" and other celebrations.

New York City Business Tax Regulations Published In Booklet Form As Reference Guide

Comptroller Joseph D. McGoldrick has compiled and published in booklet form, regulations designed to guide and assist the taxpayer to report his true tax liability under the General Business and Financial Tax law (commonly called the "Business or Gross Receipt Tax") in effect since May 1934. Important changes from prior regulations are set forth in the booklet, and as the need therefor arises, the Comptroller will amend, revoke or supplement any part of these regulations, and will issue special rulings relative to specific questions.

The business tax is imposed for the privilege of carrying on or exercising for gain or profit within the City of New York any trade, business, profession, vocation or commercial activity, or of making sales to persons within the city, during a specific privilege period, or any part thereof, and is based upon the gross receipts or, in the case of a financial business, upon the gross income, for a specified basic period as set forth in the respective local laws.

The following rates are in effect under the current law: one-twentieth of one percent (1/20 of 1%) applicable to persons engaged in business and professional endeavors. One-tenth of one percent (1/10 of 1%) applicable to persons engaged in financial business.

A return must be filed by every individual, partnership, society, association, joint stock company, corporation, estate, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination of individuals carrying on or exercising for gain or profit any trade or profession.

The law places persons subject to its provisions in two categories: (1) those engaged in general business and (2) those engaged in financial business. The tax is imposed upon persons engaged in general business upon the basis of gross receipts; persons engaged in financial business must compute the tax upon the basis of gross income. No tax is imposed upon general business where the gross receipts do not exceed \$10,000 for the basic period covered by the return. No return need be filed in such cases. If the taxpayer has filed returns in prior years and no return is due in the current year, the taxpayer should notify the bureau of City Collections, in writing, to such effect.

The \$10,000 limitation does not mean that an exemption of \$10,000 may be taken in computing the General Business and Financial tax. The limitation of \$10,000 does not apply to persons engaged in financial business because such taxpayers must file returns regardless of the amount of gross income. The privilege period commences on July 1 of the calendar year and ends on the following June 30. The booklet which may be obtained from Special Deputy Comptroller George Marlin, Bureau of Excise Taxes, 350 Broadway, contains many comprehensive outlines regarding the general and administrative provisions.

The tax return with the amount of tax due is payable on June 15, following the close of the calendar year normally serving as the basic period. However, where the return cannot be filed on June 15, because the basic period conflicts with the due date, the return may be filed on Aug. 1. Thus, if a taxpayer is required to use a basic period beyond May 1, he may file his return on the later date and pay the tax at such time.

Honor Colombian Consul

Luis Tamayo, newly appointed Consul General of Colombia in New York City, was the guest of honor at a "welcome" luncheon tendered by the Commerce and Industry Association of New York held on June 3 at the Bankers Club, 120 Broadway. Neal

of Directors, R. J. Reynolds Tobacco Co.

For Terms of Three Years:

Wm. W. Bodine, President, The United Gas Improvement Co.; Irene du Pont, President, E. I. du Pont de Nemours & Co.; John H. Goss, President, Scovill Manufacturing Co.; C. W. Kellogg, President, Edison Electric Institute; James S. Kemper, President, Lumbermens Mutual Casualty Co.; Fred I. Kent, President, Council of New York University; Edward F. McGrady, Vice President, Radio Corporation of America; Eugene Meyer, Publisher, The Washington Post; Howard S. Palmer, President, New York, New Haven & Hartford RR Co.; Ralph H. Tapscott, President, Consolidated Edison Co. of New York.

73,938 Newspaper Ads Aided War Loan Drive

The Second War Loan campaign which raised more than \$18,000,000,000, was supported by 73,938 newspaper advertisements worth \$4,564,270, it was reported on May 22 by Secretary of the Treasury Morgenthau.

In addition, the Secretary said, there were thousands of hours of radio time and many thousands of outdoor posters and public conveyance cards helping spread the message.

Mr. Morgenthau described it as the "greatest advertising operation in the history of the world."

In Associated Press advices May 22 it was also reported:

He said that 1,758 daily and Sunday newspapers carried 40,774 ads with a total linage of 30,585,481, valued at \$3,362,890, while 7,735 weekly newspapers carried 33,164 ads with a linage of 42,048,321 valued at \$1,201,380. All of these ads were locally sponsored.

The campaign included 118,000 radio announcements and 8,000 radio programs of fifteen minutes or longer. Using a minimum of one minute for each announcement, this amounts to 4,000 hours of radio time, or about 160 solid days of broadcasting.

In addition to the regular advertising, Mr. Morgenthau said, the newspapers carried more than 5,000,000 lines of publicity furnished in mat and plate form by the Treasury Department, exclusive of campaign stories written locally.

There were 8,089 war loan posters in outdoor spaces with a value of \$202,225 and 84,000 car cards with a space value of \$100,000, the Secretary said.

NY Wool Associates Reelect Officers

The Board of Governors of the Wool Associates of the New York Cotton Exchange, Inc., announced on June 7 the re-election of Frank J. Knell as President, Bernard J. Conlin as First Vice-President, Stanley H. Lawton as Second Vice-President and William J. Jung as Treasurer.

Mr. Knell is serving his fifth term as President of the Wool Associates; this is the fourth consecutive term and he was President during the fiscal year 1937-38. Bernard J. Conlin, who was elected as First Vice-President, begins his fourth term in that office. Stanley H. Lawton starts his third term as Second Vice-President and William J. Jung begins his fourth term as Treasurer.

The following were elected to the Board of Governors: B. Harrison Cohan, E. Malcolm Deacon, Joseph P. Draper, Tinney C. Figgatt, Albert W. Hilliard, Lawrence P. Hills, Marland C. Hobbs, H. Clyde Moore, Robert J. Murray, Max W. Stoehr and Philip B. Weld. Mr. Cohan and Mr. Hilliard are new Governors.

Large Backlogs Of Demand Expected For Reconstruction Period, Says Conference Bd.

"Deferred expenditures and undermaintenance are expected to provide large backlogs of demand in the reconstruction period," according to the National Industrial Conference Board, which completed a general survey of the economic background for postwar planning on May 26.

After 1930, the Board pointed out, a period of attrition and deterioration of capital assets began, which by 1940 resulted in a situation in which some 70% of all metal-working machinery in American industry was over ten years old. Although machine tool shipments have been of record breaking proportions during the past few years, "private purchases of machinery and equipment for non-war industries were drastically curtailed," the Board added, and at the same time recalled that "following World War I new manufacturing capital expenditures exceeded depreciation charges on manufacturing capital assets until 1930."

The Board stated that the total disposable income (after taxes) of all individuals in the country is found to have been fully \$8,500,000,000 greater in 1941 and nearly \$30,000,000,000 greater in 1942 than in 1929. From 1929 through 1935 employee compensation averaged about 65% of total realized national income; by 1940 it had risen above 70%, and in 1942 it is tentatively estimated by the Board at about 72.5%.

The Board's release likewise said:

"Further analyzing the financial position of the consumer in the post-war period, the Board points out that accumulated funds available for social security purposes will total nearly \$11,500,000,000 by June, 1944. 'This post-war cushion,' it adds, 'is equivalent to the total amount of salaries and wages paid out in all manufacturing in 1939. It is nearly twenty times the gross benefit payments distributed in any pre-war year. It exceeds by more than \$200,000,000 the aggregate relief and work relief expenditures of the Federal Governments for the years 1932-1938, inclusive.'

"As another factor supporting the position of the consumer, the Board cites the fact that 'consumer debt was reduced by almost \$3,500,000,000 last year. While retail sales in 1942 were the highest ever recorded, consumer debt was nevertheless well below the debt outstanding at the close of 1938. The ratio of consumer debt to retail sales in 1942 fell off to 10.8%. At previous depression levels this ratio had not fallen below 14%, and it had reached 19% in 1940. Availability of, and past experience with, consumer credit should help to bring effective consumer demand actively into the market in the immediate post-war months.'

"Post-war backlogs of demand, moreover, will not be confined to this country, the Board finds. 'Shortages of both subsistence and capital goods will be pronounced in many nations in the period of reconstruction,' it says, citing the fact that 'following World War I similar shortages raised our exports to about a third above their wartime peaks. Exports of crude and manufactured foodstuffs were at peak levels in the immediate post-war years. In 1919 such commodities accounted for fully a third of all exports, and in 1920 to about a fourth. Immediately prior to World War I shipments of foodstuffs formed less than a fifth of all exports.'

President Hopes For More Successes Overseas

President Roosevelt has expressed the hope that the Allied victory in the African theatre of war will be followed by "further successes" in eastern and western Europe and by new offensives in Asia.

The White House made this disclosure on May 17 in making pub-

lic the messages which the President sent on May 13 to Premier Josef Stalin of Russia and Generalissimo Chiang Kai-shek of China in reply to congratulations they had sent.

The President's message to Mr. Stalin was as follows:

"Thank you for your message of congratulations on the performance of our forces in liberating Tunisia.

"Now that we have the initiative, it is reasonable to expect further successes on both the Eastern and Western Fronts and further supplies, including air."

To the Generalissimo, the President sent the following message:

"For the Allied forces in the African theatre of war, I should like to express appreciation of your message of congratulation on the complete destruction of the enemies of liberty in Africa.

"We hope in the near future to take, together with your gallant army, the initiative in Asia and bring to an end the war which you have for many years carried on successfully in spite of all difficulties."

Urge War Damage Corp. Revise Its Policy On Rates And Surplus

The War Damage Corporation was urged on May 29 to announce soon some policy which would permit future reductions in rates in line with losses as established and the return to policyholders of any existing surplus at the end of the war. The proposal was made by Charles A. Mullenix, President of the Mortgage Bankers Association of America, who declared such action now would, in his opinion, help stimulate renewals of policies for the year beginning July 1st and encourage writing of new ones as well. Return of surplus would require legislation such as the bill of Senator Brooks of Illinois.

The Corporation has announced that the rates inaugurated when war damage insurance was set up would remain in effect for the coming year. So far 4,700,000 insurance policies totaling \$122,000,000,000 have been written and premiums of \$130,000,000 collected.

Mr. Mullenix stated that "protection of property in time of war is a national responsibility and the Federal agency to carry out this duty ought not to be a profit-making enterprise." He criticized the opinion held by some that the Government has the right to show a profit on this undertaking because it embarks on so many other ventures in the public interest which show losses, and said:

"This is the worst kind of reasoning in my opinion. If such a policy guides the future of war damage insurance it will mean that property owners may, in the end, pay much more for wartime property insurance than they should. Real property would assume an excessive burden as it is doing under rent control regulation. Exactly the same thing has long been demonstrated in taxation because real estate is easy to get at, is visible for all to see and hence easy to tax.

"Real estate today bears a far greater proportion of taxation than other forms of wealth. It should not be asked to bear an unnecessary burden through inequitable war damage insurance."

Textile Workers Union Foresees Independent Political Action By Labor

The Textile Workers Union of America, C. O. O., on May 14, shortly before the close of its biennial convention at Carnegie Hall in New York City, voiced the opinion that labor would resort to "independent political action" should there be a "continuation of the ever-deepening trend toward reaction in the present major political parties," according to the New York "Times" of May 15, which went on to say:

"Asserting that labor 'never supported the Roosevelt Administration because it represented the Democratic Party political machine,' the resolution served notice 'on those who have betrayed the New Deal' that labor's support was forthcoming only 'because that Administration had at its head one who, on the record, has kept all his pledges to the people.'

"It flatly announced that the union 'will not support any political party which offers candidates for public office whose objectives represent a departure from the humane policies of the New Deal and who are not wholeheartedly committed to preserve, protect and advance the well-being of the great producing mass of our country.'

"Another resolution on price control and rationing urged 'immediate action' to roll back prices to levels of May 15, 1942, enforcement of price ceilings, grading of canned goods, increased rations for industrial workers, added appropriations for the Office of Price Administration to permit proper extension and policing of the rationing program, and Federal subsidies for manufacturers and farmers of high-cost products to assist in the roll back of prices."

Military Lend-Lease To French African Forces Valued At \$75,000,000

Lend-lease military supplies valued at about \$75,000,000 have been transferred to French military forces in North and West Africa up to April 30, it was announced on May 26 by Edward R. Stettinius, Jr., Lend-Lease Administrator. Four-fifths of this total were consigned in April.

Mr. Stettinius' statement as given in Washington advices to the New York "Journal of Commerce" follows:

"Up to April 30, 1943, military supplies valued at approximately \$75,000,000 have been transferred to General Giraud for the use of French military forces in French North and West Africa. Materials valued at four-fifths of this sum were consigned to the French during the month of April. These include tanks, signal equipment, medical supplies, ordnance combat vehicles, ordnance stores and miscellaneous military equipment.

"When American and British forces landed in North Africa on Nov. 8, 1942, French arms were in a state of depletion. The military supplies which are now being sent to General Giraud will help to re-equip the French armies, which are now completely allied with American and British military forces, to a full war-footing.

"About six months ago the President announced a policy for French Africa, the first of the Liberated areas:

"No one will go hungry or without the other means of livelihood in any territory occupied by the United Nations, if it is humanly within our powers to make the necessary supplies available to them. Weapons will also be supplied to the peoples of these territories to hasten the defeat of the Axis."

"Since that time the President's policy has been translated into action. The weapons have been supplied to the French military forces in French Africa, and they are now an integral part of the United Nations' striking

power. Medical supplies, food, and the other essentials of life have been supplied to the peoples of French Africa by the British and the United States to the point where these people are already able to help themselves. Much-needed strategic and critical supplies are being produced by the peoples of French Africa and have been shipped to the United Kingdom and the United States for use in our war and farm production programs. Steadily the liberated peoples of French Africa are becoming a growing force in the United Nations' war program."

Edsel Ford Leaves Most Of Estate To Foundation

Edsel B. Ford, President of the Ford Motor Co., who died on May 26 at his home in suburban Grosse Pointe Shores, Mich., left the major portion of his stock holdings in the company to a foundation for educational and charitable purposes, according to the will, which was filed for probate on June 3. Mr. Ford's body lay in state in a Detroit funeral chapel on May 27 while thousands paid him final tribute. Employees of the Ford Motor Co. throughout the world joined in five minutes of silence on May 28 at the time when services began.

Among the many hundreds of messages of sympathy was this one from President Roosevelt to Henry Ford:

"Please accept for yourself and for all who mourn with you this assurance of heartfelt sympathy in which Mrs. Roosevelt joins."

Mr. Ford, the only son of Henry Ford, founder of the Ford industrial empire, was 49 years old. He died from a condition resulting from a former stomach malady. Undulant fever, it is stated, was also present.

Mr. Ford had been chief executive of the company since 1919. He had been associated with his father's plant from the time he completed his preparatory schooling—entering there instead of going to college. In 1918 Edsel Ford was made Vice-President of the company and in the following year his father relinquished to him the title of President. In 1921 he also took over the post of Treasurer.

On June 1, Henry Ford was elected President of the Ford Motor Co., taking over the office made vacant by the death of his son, Edsel Bryant Ford.

Attorneys estimated the estate at about \$200,000,000 and said that the total of inheritance, transfer and other taxes to be assessed against the estate will amount to approximately \$12,000,000.

In Associated Press advices from Detroit, it was stated:

Chief beneficiary from the estate, which the attorneys said would inventory about \$200,000,000, is the Ford Foundation, incorporated in 1936, to receive and administer funds for "scientific, educational and charitable purposes, all for the public welfare."

Gifts to organizations of that type, the attorneys explained, are tax-exempt. Earlier conjectures that overlooked the foundation had placed the possible taxes as high as \$200,000,000 and brought the suggestion also that stock in the Ford company might have to be sold to meet them.

Other beneficiaries are Mrs. Eleanor Clay Ford, the widow, and four children—Henry Ford 2d, Benson Ford, Mrs. Walter Buhl Ford, 3d, and William Clay Ford—to whom is bequeathed in equal

shares that portion of the Ford Motor Co. stock not conveyed to the Ford Foundation.

With the filing of the will, it was disclosed also that on Nov. 4, 1935, Edsel Ford had executed four trusts, one for each of the four children, to remain operative until the beneficiary becomes 25 years old.

Henry Ford 2d is the only one of the four who has reached that age. He will receive the bequest directly. The other bequests will go into the trusts, with Mrs. Edsel Ford as special administratrix.

In addition to his Ford Motor Co. stock, Edsel Ford also owned a majority of the stock of the Manufacturers National Bank of Detroit, the bank stock, as well as the family estate in suburban Grosse Pointe Shores, a mansion at Seal Harbor, Me., the White Hart Inn in New Hampshire, a residence in Florida and several other pieces of property are bequeathed to the widow.

While the attorneys placed a tentative figure on the value of the estate, they admitted that a protracted survey must be made before specific valuations can be placed upon the various items involved.

No inventory accompanied the will, drawn July 15, 1936, but the attorneys advised Probate Judge Joseph V. Trombley, with whom it was filed in nearby Macomb County, they would try to have one ready for a hearing the court set for July 12.

The court appointed Mrs. Edsel Ford administratrix under nominal bond of \$1,000.

One of the difficulties of determining valuations hinges upon the actual value of a share of stock in the Ford Motor Co. Edsel Ford was understood to own not less than 41½% of the 3,452,900 shares of stock outstanding; his father 55%, and his mother, Clara Bryant Ford, 3½%.

The stock had a par value of \$5 a share. Nobody ever has undertaken to estimate its market value.

March Income Receipts Total \$1.2 Billion

The Department of Commerce reports that in March income payments to individuals were \$11,211,000,000, or 28% above the same 1942 month and substantially higher than the February total of \$10,443,000,000. The rise in March income payments was due in part to seasonal factors, particularly marked in the dividend and interest component. The Department also revealed that income payments to individuals for the first quarter of this year, totaling \$32,402,000,000, were 28% higher than a year ago and 96% greater than in 1939. The first quarter income represents an annual rate of \$135,000,000,000 after adjustment for seasonal influences.

Associated Press advices also reported:

The Department's index of income payments rose from 201 in February to 205.1 in March.

Secretary Jesse Jones said the upward movements in total income payments has been strongly influenced since 1939, the beginning of the war, by the large wage and salary component.

Wages and salaries for the first 1943 quarter totaled \$23,285,000,000, about a third larger than the \$17,528,000,000 total for the first 1942 quarter and more than double the \$11,012,000,000 of 1939.

Manufacturers' pay rolls in the first quarter were 41% larger than in 1942 and 198% greater than in 1939.

Federal pay rolls were 188% larger than in the first 1942 quarter and 680% greater than in 1939.

Incomes of farm operators—\$2,536,000,000 for the first quarter of 1943—were up 49% from 1942 and 177% from 1939.

Credit As Aid In War Stressed By Heimann

Henry H. Heimann, Executive Manager-on-Leave in his keynote address at the opening of the War Credit Congress of the National Association of Credit Men at St. Louis on May 25, told the 2,000 credit executives from 116 of the leading markets of the country that "everything within our power should be done to see that credit is made available to the deserving who are engaged in war production." He pointed out however, that "this does not mean that we should extend credit to the unworthy or to the incapable." Our Government needs the help of the credit executives, he declared, so that these incompetents shall be weeded out of the production line before they cause a delay in the flow of the much need materials for our fighting forces. Mr. Heimann's subject was "Credit, Today and Tomorrow."

"The success of this war depends largely upon the equipment that is furnished to those directly engaged in this conflict and we must dedicate every day during the war to the utmost in production," Mr. Heimann said. "But the fact that people are engaged in war production does not mean that credit should be insured to them, for if they lack capacity of if they are wholly lacking in capital or of questionable character then it is evident they could not satisfactorily complete their jobs in accordance with their contracts.

"Each morning as we go to our offices we realize that in war production the total amount of credit employed represents a staggering sum. We cannot afford to have idle credit dollars any more than we can afford to have idle manpower or idle military equipment. Our credit dollars must be on the march as are our soldiers in the field of battle. Our credit dollars must plow the high seas of commerce as do the battle-ships that seek out the enemy. We must marshal every possible credit dollar and put it to use. We must unfreeze every stagnant dollar upon our ledgers in order that they shall be mobilized for an all-out credit effort.

"We must recognize that in times like these, when the world is crying out for production and when this nation is bending every effort to do everything it can to produce more and more goods, there can be no reasonable excuse for the failure to live up to paying terms. We as credit men and credit women, therefore, should go over our ledgers constantly and see to it that the idle dollars that are contained in the long past due accounts are converted into real live fighting dollars. The place for these dollars is rightfully with the army of marching dollars."

Turning to the "Tomorrow" phase of his subject, Mr. Heimann predicted that in the era after Victory-day, credit will "take rank as one of the greatest contributing factors in a peaceful world condition."

Food Transport Head

James F. Brownlee, President of the Frankfort Distilleries, Inc., of Louisville, Ky., has been appointed director of transportation for the War Food Administration, it was announced by Chester Davis, War Food Administrator on May 26.

Mr. Brownlee, who assumed his duties immediately, is on leave from his duties with Frankfort Distilleries and will act as direct representative of Mr. Davis in coordinating the transportation work of the various WFA agencies.

High Court Puts Off Ruling On Utility 'Death Sentence'

The U. S. Supreme Court is not likely to rule on the "death sentence" clause of the 1935 Public Utility Holding Company Act until the Fall since arguments for the present term were concluded on May 13 without hearing litigation involving this case, it was noted by the Associated Press.

The section of the Act involved requires interstate gas and electric holding companies to limit their operations to a "single integrated system."

Regarding the case, Associated Press (Washington advices) said:

The North American Co. on Feb. 10, last, asked the Supreme Court to rule on the constitutionality of Section 11 b (the "death sentence") provision of the Holding Company Act. The Securities and Exchange Commission subsequently, on Feb. 25, joined with the company in requesting the high court to rule on the constitutionality of that portion of the act.

Owing to lack of a quorum the Supreme Court deferred argument on the matter last month.

The Securities and Exchange Commission directed the North American Co. to confine its activities to a system centering around St. Louis. It has operated in 17 States and the District of Columbia.

Senate Approves Separate Civilian Supply Agency

The Senate passed on May 10 by a vote of 44 to 29 a bill establishing an independent Civilian Supply Administration with far-reaching powers over supplies, production, and distribution of civilian goods.

Sponsored by Senator Maloney (Dem., Conn.), the measure would end the War Production Board's control over the present Office of Civilian Supply and transfer many manpower and rationing functions of other agencies to a civilian director to be appointed by the President.

The Administrator, who would be paid \$12,000 annually, would be empowered to determine needs for rationing and to ascertain types and quantities of materials, manpower, and other services necessary to keep the civilian population "healthy and functioning effectively."

In the event of a dispute with other claimant agencies, the Administrator could appeal to the Economic Stabilization Director, James F. Byrnes, for a ruling.

The legislation cites as Congressional policy that:

"Keeping the civilian population healthy and functioning effectively is essential to the prosecution of the war" and the nation shall "guarantee the production and distribution of the goods and services necessary" for that purpose.

The measure was opposed by Donald M. Nelson, WPB Chairman, as wholly unnecessary and dangerous. Mr. Nelson contended that "no dual production programs—military as separate from civilian—can be efficiently carried out."

In its report to the Senate recommending passage, the Banking and Currency Committee declared that it had come to the conclusion that the best kind of organization to represent the civilian population is an independent claimant agency.

"Furthermore, the committee believes that whenever the civilian supply claimant receives less than is necessary for effective participation in the war effort by the civilian population, it should have the right to appeal to an arbiter cloaked with the authority to adjust differences of opinion," it was said.

Market Value Of Stocks On New York Stock Exchange Higher On May 29

The New York Stock Exchange announced on June 7 that as of the close of business May 29, there were 1,234 stock issues, aggregating 1,469,720,387 shares listed on the Stock Exchange, with a total market value of \$48,437,700,647. This compares with 1,236 stock issues, aggregating 1,468,918,529 shares, with a total market value of \$46,192,361,639 on April 30 and with 1,242 stock issues, aggregating 1,469,388,445 shares, listed on the Stock Exchange on May 29, 1942, with a total market value of \$32,913,725,225.

In making public the figures, the Exchange also said: "As of the close of business May 29, New York Stock Exchange member total net borrowings amounted to \$620,703,562, of which \$423,639,415 represented loans which were not collateralized by U. S. Gov't issues. The ratio of the latter borrowings to the market value of all listed stocks, on that date, was, therefore, 0.87%. As the loans not collateralized by U. S. Gov't issues include all other types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value."

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

Group	May 29, 1943		April 30, 1943	
	Market Value	Average Price	Market Value	Average Price
Amusement	525,350,132	24.11	467,385,359	21.43
Automobile	3,997,282,018	33.00	3,801,269,154	31.42
Aviation	708,874,574	21.18	695,573,396	20.78
Building	573,679,851	27.95	532,529,083	25.95
Business & office equipment	400,566,035	33.96	369,757,665	31.35
Chemical	6,298,708,233	66.04	5,964,284,428	62.56
Electrical equipment	1,645,323,222	40.64	1,569,096,555	39.01
Farm machinery	752,015,171	57.41	739,874,447	56.49
Financial	1,007,513,976	20.10	951,188,818	18.92
Food	3,069,205,540	32.87	2,919,852,055	31.27
Garment	44,568,754	26.63	43,559,837	26.03
Land & realty	32,247,800	6.63	27,339,892	5.62
Leather	225,860,244	26.86	215,413,924	25.62
Machinery & metals	1,714,815,025	25.07	1,617,817,015	23.65
Mining (excluding iron)	1,481,785,563	25.23	1,474,114,434	25.10
Paper & publishing	467,253,597	20.72	450,765,213	19.99
Petroleum	5,788,803,610	30.22	5,505,439,125	28.81
Railroad	3,832,456,550	33.76	3,663,941,178	32.28
Retail merchandising	2,479,514,888	34.05	2,322,226,928	31.90
Rubber	547,818,406	51.85	528,282,619	50.60
Ship building & operating	106,590,534	22.48	109,302,281	22.93
Shipping services	16,758,347	9.72	15,414,760	8.94
Steel, iron & coke	2,247,100,550	44.87	2,193,757,737	43.51
Textiles	476,204,752	33.49	469,419,872	33.01
Tobacco	1,247,877,500	46.42	1,189,862,276	44.25
Utilities:				
Gas & electric (operating)	2,059,324,026	22.25	2,005,679,434	21.67
Gas & electric (holding)	1,046,488,360	10.93	994,114,008	10.38
Communications	3,588,785,399	85.81	3,427,842,425	81.87
Miscellaneous	113,315,911	15.39	98,226,890	13.36
U. S. companies oper. abroad	811,221,772	23.87	726,118,930	21.40
Foreign companies	986,906,104	24.39	968,196,055	23.93
Miscellaneous businesses	143,477,203	24.44	134,716,342	22.95
All Listed Stocks	48,437,700,647	32.96	46,192,361,639	31.45

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

1941—	Market Value		Average Price		
	\$		\$		
Jan. 31	40,279,504,457	27.68	1942—		
Feb. 28	39,398,228,749	27.08	Apr. 30	31,449,206,904	21.41
Mar. 31	39,696,269,155	27.24	May 29	32,913,725,225	22.40
Apr. 30	37,710,958,034	25.78	June 30	33,419,047,743	22.73
May 31	37,815,306,034	25.84	July 31	34,443,805,860	23.42
June 30	39,607,836,569	27.07	Aug. 31	34,871,607,323	23.70
July 31	41,654,256,215	28.46	Sept. 30	35,604,809,453	24.20
Aug. 30	41,472,032,904	28.32	Oct. 31	37,727,599,526	25.65
Sept. 30	40,984,419,434	28.02	Nov. 30	37,374,462,460	25.41
Oct. 31	39,057,023,174	26.66	Dec. 31	38,811,728,666	26.39
Nov. 29	37,882,316,239	25.87	1943—		
Dec. 31	35,785,946,533	24.46	Jan. 30	41,410,585,043	28.16
1942—			Feb. 27	43,538,661,753	29.61
Jan. 31	36,228,397,999	24.70	Mar. 31	45,845,738,377	31.20
Feb. 28	35,234,173,432	24.02	Apr. 30	46,192,361,639	31.45
Mar. 31	32,844,183,750	22.36	May 29	48,437,700,647	32.96

Hull Hails Trade Treaty Renewal As Favoring 'Practical Collaboration'

Secretary of State Cordell Hull on June 3 hailed Congressional extension of the trade agreements program, saying that it showed "a splendid manifestation of national unity in favor of practical international collaboration."

His statement follows: "The further extension of the trade agreements program by a large non-partisan majority of both houses of the Congress is a welcome and far-reaching decision, coming as it does at a time when the whole future of our nation depends on our clarity of vision and resoluteness of action with respect to the momentous questions before us. "The size and character of the affirmative vote in the House and in the Senate reflect the most important thing a democracy can possess—an informed and united public opinion. "The clean cut renewal of the trade agreements program has had vigorous and almost unanimous support of the press, of responsible spokesmen of American agriculture, business and labor, and of other public spirited groups which have been steadfast in their endorsement of the program. "It is a splendid manifestation of national unity in favor of practical international collaboration now and for the future, an en-

Argentine President Answers Roosevelt Message

President Ramon S. Castillo, replying to a message from President Roosevelt congratulating the Argentine people on the occasion of the 133rd anniversary of the nation's revolution for independence, said on May 26 that "the government and people of Argentina, faithful to their noble and historic traditions, revive today these traditions in the spirit of solidarity with which my country cooperates in the security of the American Continent."

In Associated Press advices from Buenos Aires, President Castillo was further quoted as saying: "We salute through Your Excellency the tremendous effort of the great people of the United States in behalf of liberty."

National Fertilizer Association Commodity Price Average Advances

Wholesale commodity prices last week were fractionally higher, according to the price index compiled by The National Fertilizer Association and made public on June 7. In the week ended June 5 this index advanced to 135.9 from 135.7 in the preceding week. It was 135.8 a month ago, and 127.5 a year ago, based on the 1935-39 average as 100. The Association's report added:

The increase in the general level was due to higher prices for livestock and foods. The food price index continued its upward trend, advancing for the third consecutive week. Although cotton and grains were somewhat lower, a marked rise in certain livestock quotations were sufficient to cause an advance in the farm products average. During the week none of the group averages in the composite index declined.

Although the index advanced last week 4 price series advanced and 6 declined; in the preceding week there were 9 advances and 5 declines; and in the second preceding week there were 12 advances and 2 declines.

% Each Group Bears to the Total Index	Group	Latest Week		Preceding Week		Month Ago		Year Ago	
		June 5 1943	May 29 1943	June 5 1943	May 29 1943	May 8 1943	May 8 1942	June 6 1942	June 6 1942
25.3	Foods	141.1	140.8	141.1	140.8	139.9	135.6	125.6	125.6
	Fats and Oils	147.9	147.9	147.9	147.9	147.8	137.0	137.0	137.0
23.0	Farm Products	159.0	159.0	159.0	159.0	159.0	157.7	135.5	135.5
	Cottonseed Oil	153.3	152.8	153.3	152.8	153.7	182.7	182.7	182.7
	Cotton	201.8	202.0	201.8	202.0	200.9	111.6	111.6	111.6
	Grains	142.3	142.6	142.3	142.6	142.8	132.3	132.3	132.3
	Livestock	147.4	146.8	147.4	146.8	148.5	119.7	119.7	119.7
17.3	Fuels	122.8	122.8	122.8	122.8	122.8	127.6	127.6	127.6
10.8	Miscellaneous commodities	130.1	130.1	130.1	130.1	130.1	148.2	148.2	148.2
8.2	Textiles	151.4	151.4	151.4	151.4	151.3	104.4	104.4	104.4
7.1	Metals	104.4	104.4	104.4	104.4	104.4	151.6	151.6	151.6
6.1	Building materials	152.6	152.6	152.6	152.6	152.2	120.7	120.7	120.7
1.3	Chemicals and drugs	126.6	126.6	126.6	126.6	126.6	118.5	118.5	118.5
1.3	Fertilizer materials	117.7	117.7	117.7	117.7	117.9	115.3	115.3	115.3
1.3	Fertilizers	119.8	119.8	119.8	119.8	119.8	104.1	104.1	104.1
1.3	Farm machinery	104.1	104.1	104.1	104.1	104.1	104.1	104.1	104.1
100.0	All groups combined	135.9	135.7	135.9	135.7	135.8	127.5	127.5	127.5

*Indexes on 1926-1928 base were June 5, 1943, 105.9, May 8, 105.8 and June 6, 1942, 99.3.

Steel Production Affected By Coal Strike—War Strategy Reflected In Changed Needs

"With coal again trickling out of the mines, units of the steel industry are making a slow recovery from the effects of last week's strike which caused the loss of 50,000 tons of steel needed for war," the "Iron Age" states in its issue of today (June 10), further adding:

"While the battle between John L. Lewis and the Federal Government goes on, the steel industry's attention is divided between a number of pressing matters such as the reflections in its production schedules of shifting war strategy (typified by the layoff of 800 persons at the Gary armor plate mill, which is expected to affect 1,400 before the end of this week because of the cutback in the tank program) and the 48-hour work week.

"The blast furnaces which were shut down due to lack of coal lost about five days' output which cannot be made up. Steel production this week is down 2 1/2 points to 94.5%, lowest since late December of 1941. In May the steel industry produced 7,545,379 net tons of ingots slightly under the all-time March peak, according to the American Iron and Steel Institute, and operated at 98.4% of capacity. Significantly, electric furnace steel production reached a new all-time peak of 389,057 tons.

"The coal strike will make it difficult for some steel production units to meet the quotas which WPB established for them for June and may be responsible in part for tighter steel mill schedules for months to come. In connection with the latter situation, furnace repairs on a larger scale than occurred last summer also will be another factor.

"The 48-hour week in steel can be shrugged off by many persons as they turn to more interesting reading matter, but it is a vital subject to all connected with the industry. Labor hiring practically is frozen in steel, most companies are in a position where they cannot hire new workers, and WPB directives are not always sufficient to supply 48 hours per week per man on some steel finishing units. There are possibilities that the industry may find itself in a trying position in a few months, with some output jeopardized.

"Layoffs in a number of aircraft divisions are reported this week and may be augmented by further temporary halts."

The American Iron and Steel Institute on June 7 announced that telegraphic reports which it had

stitute reports April production of finished steel for sale at 5,564,981 net tons and for four months at 22,196,829 tons. At this rate for the remainder of the year the 1943 output would be 66,540,487 tons. Plate production in April was 1,070,060 tons; which was at the rate of 141.5% of rated plate capacity.

"How severely restrictions on steel construction have affected fabricators is shown by statistics of the American Institute of Steel Construction. Bookings by fabricators in the first four months this year were 198,471 net tons, compared with 974,347 tons in the corresponding period last year. Bookings in April were 56,050 tons and shipments were 97,982 tons.

"Iron ore shipments in May totaled 10,974,672 gross tons, the Lake Superior Iron Ore Association reports, and the season total reached 12,929,467 tons May 31. This is 8,397,575 tons less than was loaded to the same date in 1942. In May, 1942, loadings of 12,677,356 tons almost equalled this year's season total."

President's Tribute To Civilian Defense Workers

President Roosevelt on May 15 praised the millions of volunteer civilian defense workers "for their efforts in protecting our bulwarks at home" and reminded them that "those efforts must continue unceasing until the day of victory is attained."

The occasion for the President's tribute was the second anniversary of the creation of the Office of Civilian Defense. His letter to James M. Landis, OCD Director, follows:

"I cannot allow the second anniversary of the creation of the Office of Civilian Defense to pass without expressing my appreciation of the good work accomplished. The problem has been twofold: to protect our people against enemy attack from without and economic and social dislocation from within.

"I know that millions of our own citizens and friendly aliens have volunteered their time, energies, services and even their lives in the performance of their duties as members of the United States Citizens Defense Corps, and the United States Citizens Service Corps, and have contributed to all of our other war programs which require the utmost in civilian participation and cooperation.

"We have not yet won this war and we must not withhold any human effort in fighting it. Every man, woman and child must continue to realize that this is an individual, as well as a national, battle and must continue to understand the need for accelerated activities in the discharge of these important civilian defense duties.

"I am proud, therefore, to take this opportunity to salute the millions of volunteers who have not questioned their country's need for their efforts in protecting our bulwarks at home and to remind them that those efforts must continue unceasing until the day of victory is attained."

Russell Replaces Potter As N.Y. Dist. Head of OPA

Sylvan L. Joseph, New York regional administrator for the Office of Price Administration, announced on June 2 the appointment of Frank C. Russell, of Brooklyn, a Vice-President of the New York Coffee and Sugar Exchange, as director of the New York District OPA to succeed Russell H. Potter, who had been acting director for the last six months. Mr. Potter was asked to remain as a member of Mr. Joseph's staff but on June 3 resigned.

The appointment of Mr. Russell was said to be in the interest of the food situation in New York.

Electric Output For Week Ended June 5, 1943, Shows 16.4% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended June 5, 1943, was approximately 3,925,893,000 kwh., compared with 3,372,374,000 kwh. in the corresponding week last year, an increase of 16.4%.

Table showing percentage increase over previous year for major geographical divisions and total United States.

Table showing data for recent weeks (Thousands of Kilowatt-Hours) from 1943 to 1929.

May Department Store Sales Decline

The Board of Governors of the Federal Reserve System announced on June 3 that department store sales decreased more than seasonally in May and the Board's adjusted index decline from 128 to 122% of the 1923-25 average.

Table showing index of department store sales (1923-25 average=100) for May 1943, April 1943, March 1943, and May 1942.

Table showing weekly index without seasonal adjustment for Federal Reserve districts from 1943 to 1942.

The large increases over last year reflect in part the fact that this year stores were open for 6 business days whereas in the corresponding week last year stores in most districts were closed on Saturday in observance of the Memorial Day holiday.

Home Mtg. Recordings Down In First Quarter

The Federal Home Loan Bank Administration announces that the downward trend in mortgage recordings continued during the first quarter of this year when 247,051 instruments of \$20,000 or less totaling \$717,584,000 were filed for public record in non-farm areas throughout the United States.

The announcement further explained: "In line with seasonal expectations, mortgage recordings rose 22.5% from the short month of February to a total of more than \$269,400,000 in March. Sayings and loan associations indicated the largest increase of all types of institutions during this period—28%.

Table comparing mortgage recordings by type of lender for March 1943 and March 1942.

Roads Handle More Ton-Miles Of Rev. Freight

Railroads of Class I in the United States handled about 18% more ton-miles of revenue freight in April, 1943, than in April, 1942, according to a preliminary estimate prepared by the Association of American Railroads, it was announced on June 3.

In the first four months of 1943, Class I railroads performed 26% more revenue ton-miles of service than in the same period of 1942. Compared with the first four months of 1939, the freight service performed by American railroads in the first one-third of 1943 was 138% greater.

The following table summarizes revenue ton-mile statistics for the first four months of 1943 and 1942.

Table showing revenue ton-miles of freight for 1943 and 1942, including first two months of year, month of March, and month of April.

Moody's Bond Prices And Bond Yield Averages

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

Table showing Moody's Bond Prices (Based on Average Yields) for various bond ratings and corporate groups.

Table showing Moody's Bond Yield Averages (Based on Individual Closing Prices) for various bond ratings and corporate groups.

*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.

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

Moody's Common Stock Yields

Yearly average yields in the years 1929 to 1941 inclusive and monthly average yields for 1941 will be found on page 2218 of the June 11, 1942 issue of the "Chronicle."

Table showing Moody's Weighted Average Yield on 200 Common Stocks by industry (Industrials, Railroads, Utilities, Banks, Insurance) for May 1942 and other months.

Chicago Home Loan Bank Advances In 1st Quarter

The borrowing of \$60,155,000 for home ownership purposes from all types of lenders in Illinois and Wisconsin during the first quarter of 1943 is reported by the Federal Home Loan Bank of Chicago on basis of mortgages recorded in counties with 75% of the urban population.

A. R. Gardner, president of the Bank, said on May 22 that this year's volume of new indebtedness was less than in any first quarter in four years, but was still \$5,000,000 more than was recorded in this district in 1939 which was considered already well into the recovery period.

"Largest source of funds borrowed in this district was the savings, building and loan associations located in practically every county in the two states. They were the source of 32.7% of the home mortgage money in the first quarter, representing an increase of a few points over the proportion of the financing they did in the first quarter of 1942.

"In number the savings and loan institutions provided 37% of the mortgages made in all parts of the two states and 42.2% of those made in non-metropolitan areas."

May Steel Plate Output Maintained At High

Steel plate production last month was maintained at about recent record levels, H. G. Batcheller, Director of the Steel Division announced on June 5.

May shipments totaled 1,114,920 net tons, compared with 1,121,647 net tons in April, and 1,012,194 net tons in May, 1942. The record for plate shipments in any one month was set in March, 1943, when 1,167,679 net tons were shipped.

Mr. Batcheller said that plate shipments last month were in strict conformity with the Production Directives issued to plate producers for May, and that shipments were in good balance with the plate requirements of the Claimant Agencies.

Included in the May shipments were 535,528 net tons produced on continuous strip mills which have been converted to plate. Strip mill shipments in April were at an almost identical figure, 535,548 tons, while a total of 425,211 net tons were shipped from strip mills in May, 1942.

Moody's Daily Commodity Index

Table showing Moody's Daily Commodity Index for various commodities from Tuesday, June 1 to Tuesday, June 8, 1943.

Labor Bureau's Wholesale Commodity Index Advanced 0.2% During Week Ended May 29

The U. S. Department of Labor announced on June 3 that the Bureau of Labor Statistics' comprehensive index of prices in primary markets rose 0.2% during the week ended May 29. The all-commodity index stood at 104% of the 1926 average, 5.3% above a year ago.

The Department's announcement further said:

"Farm products and foods.—Further increases in prices of fresh fruits and vegetables, an advance in grain prices, and higher quotations for calves and ewes contributed to the rise of 0.7% in the index for farm products. Prices of corn, hogs, eggs, flaxseed, onions, and white potatoes at New York were lower than for the previous week. The index for foods was higher by 0.4% as a result of higher prices for fruits and vegetables and an increase of 2% for rye flour.

"Industrial commodities.—Prices of industrial commodities continued steady. The index for building materials as a group remained unchanged although there were increases in prices of lamp black and turpentine and decreases in cement, maple flooring, and linseed oil. Drugs and pharmaceuticals advanced 0.1% as the price of ergot rose sharply. An increase of 0.1% in the price of bituminous coal was not sufficient to affect the index for the fuel and lighting materials group."

The following notation is made:

"During the period of rapid changes caused by price controls, materials allocation, and rationing the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports."

The following table shows index numbers for the principal groups of commodities for the past 3 weeks, for May 1, 1943 and May 30, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

Commodity groups—	(1926=100)				Percentage changes to		
	5-29 1943	5-22 1943	5-15 1943	5-1 1943	5-30 1942	5-22 1943	5-30 1942
All commodities	*104.0	*103.8	*103.8	*103.5	98.8	+0.2	+0.5 + 5.3
Farm products	*126.7	*125.8	*125.7	*124.3	106.0	+0.7	+1.9 +19.5
Foods	110.7	110.3	110.2	108.7	99.4	+0.4	+1.8 +11.4
Hides and leather products	118.4	118.4	118.4	118.4	119.0	0	0 -0.5
Textile products	96.9	96.9	96.9	96.9	97.2	0	0 -0.3
Fuel and lighting materials	81.3	81.3	81.5	81.5	78.9	0	-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	110.3	110.4	110.3	109.9	0	0 + 0.4
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	104.5	0	0 -0.3
Miscellaneous commodities	91.7	91.7	91.4	91.4	90.1	0	+0.3 + 1.8
Raw materials	*114.3	*113.8	*113.7	*112.7	100.6	+0.4	+1.4 +13.6
Semimanufactured articles	92.9	92.9	92.9	92.9	92.7	0	0 + 0.2
Manufactured products	*100.9	*100.9	*101.0	*100.9	99.1	0	0 + 1.8
All commodities other than farm products	*99.1	*99.1	*99.1	*99.1	97.3	0	0 + 1.8
All commodities other than farm products and foods	*96.9	*96.9	*96.9	*96.9	95.9	0	0 + 1.0

*Preliminary.

Eng. Construction At 1943 High As Private Volume Is Highest Since October, 1940

Civil engineering construction in continental U. S. totals \$106,873,000 for the short week due to the Memorial Day holiday. This volume, not including construction by military combat engineers, American contracts outside the country, and shipbuilding, is the highest reported since the week of November 12, 1942. It compares with \$46,465,000 for the full preceding week, but is 61% below the total for the corresponding week last year, as reported by "Engineering News-Record" on June 3, which continued as follows:

Private construction for the week totals \$54,323,000, 51% of the total, and is the top figure reported since October 31, 1940. The private total compares with \$3,654,000 a week ago, and is 242% higher than a year ago. Public work is 80% lower than in the 1942 week as a result of the 81% decline in federal volume, and the 59% decrease in state and municipal construction.

The current week's construction brings 1943 volume to \$1,598,632,000, an average of \$72,665,000 for each of the 22 weeks. On the weekly average basis, 1943 volume is 60% below the \$4,211,327,000 for the 23-week period in 1942. Private work, \$204,089,000, is 33% lower, and public construction, \$1,394,543,000, is down 63% when adjusted for the difference in the number of weeks.

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

	June 4, 1942 (four days)	May 27, 1943 (five days)	June 3, 1943 (four days)
Total U. S. Construction	\$274,971,000	\$46,465,000	\$106,873,000
Private Construction	15,851,000	3,654,000	54,323,000
Public Construction	259,120,000	42,811,000	52,550,000
State and Municipal	10,509,000	6,440,000	4,296,000
Federal	248,611,000	36,371,000	48,254,000

Industrial building volume totals \$51,565,000, the highest weekly value reported since October 17, 1940, and is the only class of work to gain over the 1942 week. Comparisons with a week ago reveal gains in waterworks, industrial, commercial, and public buildings. Subtotals for the week in each class of construction are: waterworks, \$1,106,000; sewerage, \$270,000; bridges, \$142,000; industrial buildings, \$51,565,000; commercial building and large-scale private housing, \$2,733,000; public buildings, \$40,641,000; earthwork and drainage, \$100,000; streets and roads, \$4,937,000; and unclassified construction, \$5,379,000.

New capital for construction purposes for the week totals \$291,000, and is made up entirely of state and municipal bond sales. The week's new financing brings the 22-week 1943 volume to \$492,713,000, a total that is 92% lower than the \$6,823,307,000 for the 23-week period in 1942.

Continental U. S. Civil Engineering Construction \$273,650,000 For May

Civil engineering construction volume for the month of May in continental United States totals \$273,650,000, an average of \$68,413,000 for each of the four weeks of the month. This weekly average volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding is 10% lower than the average for the five weeks of April 1943, and 74% below the all-time high average reported for May 1942 by "Engineering News-Record" on June 2, which added in part:

On the weekly average basis, May private construction volume declines 40% from a month ago, and is down 55% from a year ago. Public work is 6 and 75% lower, respectively, than last month and last year. The decrease in public construction compared with the preceding month is due to a 7% decline in Federal volume, as state and municipal work increases 6% over a month ago. State and municipal work, however, is down 59% compared with May 1942, and Federal construction is 76% lower.

Civil engineering construction volumes for the corresponding 1942 month, the preceding month, and the current month are:

	May, 1942 (4 weeks)	April, 1943 (5 weeks)	May, 1943 (4 weeks)
Total U. S. Construction	\$1,044,572,000	\$379,068,000	\$273,650,000
Private Construction	49,325,000	45,710,000	22,014,000
Public Construction	995,247,000	333,358,000	251,636,000
State and Municipal	55,847,000	26,605,000	22,649,000
Federal	939,400,000	306,753,000	228,987,000

The current month's volume brings 1943 engineering construction for the five-month period 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. Public construction, \$1,341,993,000, is 61% under a year ago as a result of the 71% decrease in state and municipal construction and a 60% decline in federal volume. Private construction, \$149,766,000, is down 48% when adjusted for the difference in the number of weeks reported.

New Capital

New capital for construction purposes for May totals \$13,143,000. This new financing volume is made up of \$11,893,000 in state and municipal bond sales, \$750,000 in corporate security issues, and \$500,000 in RFC loans for public improvements.

The month's new financing brings the volume for the 21 weeks of 1943 to \$492,422,000, a total that compares with \$6,818,823,000 for the 22-week period a year ago.

Non-Ferrous Metals—Slight Easing By WPB Of Lead And Zinc Conservation

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 June 3, stated: "During the last week the War Production Board amended both the lead and zinc conservation orders slightly, permitting freer use of these metals for 'essential' purposes. Though the move hardly points to a change in the stringent views entertained in Washington in reference to war materials, non-ferrous metal producers believe that the trend toward modifying some of the controls should improve from now on. News from the Tri-State district was better. Flood damage is being repaired and output of zinc and lead concentrate in that area last week was back to about two-thirds of normal. Our index of major non-ferrous metal prices for May was unchanged for the ninth consecutive month." The publication further went on to say:

Copper

The labor situation at copper mines is expected to show the customary deterioration during the summer months, and production may slump moderately in some districts. However, so far this year output of copper has held a more or less even course. All of the new supplies available for June delivery have not yet been allocated. The price situation remains unchanged.

Peru exported the equivalent of 35,139 metric tons of copper during 1942, which compares with 35,326 tons in 1941, according to official returns published in Foreign Commerce Weekly, Department of Commerce.

Lead

WPB has issued General Preference Order M-38, as amended, and, at the same time has revoked M-38 and M-38-c, and supplementary orders M-38-a and M-38-b, and M-38-d to i, inclusive. The latest version of the lead conservation order, effective May 26, eases the restrictions moderately in that essential uses have been freed from all controls, being away with the 90% limitation which existed on all uses. Some minor changes were made in list

"A" that covers items for which lead must not be used. In reference to foil, list "A" now specifies that lead may not be used in making foil for packaging cigarettes, tobacco, cigars, candy, gum, beverages or fluids, except cap inserts for medicinals.

Sales of common lead for the last week were over three times those in the week previous. Consumer's needs for the month of June are said to be slightly more than two-thirds covered. The price situation in lead was unchanged last week.

Zinc

The zinc conservation order was eased a trifle last week when WPB permitted galvanizers making certain kinds of more or less essential galvanized pails to increase production. Otherwise, the situation in zinc showed little change. Tri-State operations in zinc concentrate are being restored rapidly after the recent flood damage and output this week is back to about 66 per cent of what might be termed normal.

Antimony

Retroactive to May 15, our quotation for bulk antimony, f.o.b. New York, was 15.452c. per pound, instead of the previous quotation of 15.509c. In revising the New York equivalent downward, reflecting a recent freight rate ruling, we took into consideration the published tariff on such shipments of \$18.48 per ton, plus the 3 percent tax, making a total freight charge of \$19.034 per ton, equal to 0.912c. per pound.

The New York quotation for antimony packed in cases, ex-warehouse, continued unchanged

last week at 16.049c. for lots of 5 tons or more but less than a car-load lot.

Chrome Ore

Sellers of chrome ore (metalurgical or chemical) are entitled to a higher handling charge when the material is shipped in box cars rather than gondola cars, OPA ruled. Amendment No. 2 to Maximum Price Regulation No. 258 (Chrome Ores) permits the ore seller to increase his maximum price by an amount equal to the extra expense entailed in loading. The Amendment became effective June 2, 1943.

Tin

The tin trade looks for an amendment to the price schedule to provide for the sale of grades produced at the Texas smelter that fall below "Grade A." At present this material is selling on a basis of 99% tin, whereas it contains around 99.5%. The price of "Grade A" tin will not be disturbed, continuing at 52¢.

Straits quality tin for shipment was as follows:

	June	July	August
May 27	52.000	52.000	52.000
May 28	52.000	52.000	52.000
May 29	52.000	52.000	52.000
May 31	—	—	—
June 1	52.000	52.000	52.000
June 2	52.000	52.000	52.000

Chinese, or 99% tin, continues at 51.125c. a pound.

Quicksilver

With current production of quicksilver finding ready takers, the price situation remains firm in all directions. Quotations in New York continued at \$196@198 per flask, with sales within that range.

Silver

The industry hopes for some action on the Green bill this month. The measure aims to release Treasury silver for essential uses, thereby relieving the supply situation. The New York Official held at 44½c., and the Treasury's price continued at 35c. London unchanged at 23½d.

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.

Senate Votes Sharp Cut In Funds For Planning Board

The Senate voted on May 27 to provide the National Resources Planning Board with only \$200,000 of a requested \$1,400,000 for post-war planning. This agency, which is headed by Frederic A. Delano, the President's uncle, was denied funds to continue its operations by the House last February.

The Senate action, coming by a vote of 44 to 31, was taken in passing the \$2,621,000,000 Independent Offices Appropriations Bill.

An effort was made to increase the funds earmarked for the Board from \$200,000 to \$534,000 but this motion was defeated by a vote of 43 to 31. It is said that the \$200,000 provided by the Senate, will mainly be applied in permitting the NRPB to function in cooperation with State and local planning groups. However, a joint conference committee will have to decide whether the Board will continue to function on a reduced scale as provided by the Senate or be eliminated as voted by the House.

The Senate also inserted an amendment to the bill directing the Home Owners' Loan Corporation to prepare a plan for its complete liquidation by July 1, 1945, and to make semi-annual reports, in the meantime, on the progress toward liquidation.

House elimination of funds for the NRPB was noted in these columns Feb. 25, page 766.

April Building Construction Dollar Volume In Urban Areas Down Only 1% From March

The 19% increase between March and April 1943 in the value of privately financed building construction started in urban areas of the United States practically offset the 20% decline in the value of Federal construction contracts awarded, Secretary of Labor Frances Perkins reported on May 29. "The decrease of less than 1% in total valuation is in marked contrast to the sharp downward movement of the previous 13 months," she said. "The valuation of new non-residential buildings declined 13% between March and April while the valuation of new residential building increased 3% and additions, alterations, and repairs to existing structures increased 19%."

Secretary Perkins added:

"The dollar volume of building construction started in urban areas during April 1943 showed a decrease of 70% when compared with the same month a year ago. All types of building construction shared in this decline, but the most pronounced drop was in the value of non-residential buildings which decreased 82%. New residential valuations declined 58% while additions, alterations, and repairs to existing structures decreased 44%."

Changes in permit valuations and the value of Federal contracts awarded in all urban areas of the United States between March and April 1943, and between April 1942 and April 1943, are summarized below.

Class of construction	Percentage change from:			Percentage change from:		
	Mar. 1943 to Apr. 1943			Apr. 1942 to April 1943		
	Total	Other than Federal	Federal	Total	Other than Federal	Federal
All building construction	-0.4	+19.3	-19.6	-70.1	-60.9	-77.6
New residential	+2.7	+14.7	-16.3	-58.0	-61.5	-47.8
New non-residential	-12.5	+49.5	-22.7	-82.4	-75.8	-83.8
Additions, alterations and repairs	+19.3	+17.8	+70.6	-43.9	-43.7	-49.0

From the Labor Department's announcement we also quote:

"Permits were issued or contracts were awarded for 15,686 family dwelling units in urban areas during April 1943. This represents a decrease of less than 1% from the previous month and a drop of 53% from the total for April 1942. Thirty-seven percent of the total for April 1943, or 5,826 units, were in Federal housing projects for war workers. These Federally financed units declined 10% from March 1943 and 27% from April 1942. The number of privately financed units in April 1943 was 6% greater than in the previous month but 61% less than a year ago. Federal contracts were also awarded during April 1943 for dormitories providing accommodations for 2,764 persons.

"The Bureau of Labor Statistics has revised its methods of summarizing reports on building permits. Through January 1943, the figures covered a specified number of reporting cities, which varied from month to month. Beginning with the February 1943 comparisons, the data cover all building construction in urban areas of the United States, which by Census definition, includes all cities and towns with population of 2,500 or more in 1940. The principal advantage of this change is that figures for every month will be comparable since estimates are made for any cities failing to report in a given month. As in the past, the value of contracts awarded by the Federal Government for building construction will be combined with information obtained from the building-permit reports. However, because of the volume of Federally financed construction at the present time, the contract value of such construction will also be shown separately.

"Principal centers of various types of building construction for which permits were issued or contracts were awarded in April 1943, except projects which have been excluded because of their confidential nature were: Hartford, Conn., 12 apartments providing 48 dwelling units to cost \$193,000, and one institutional building to cost \$105,000; South Portland, Me., 60 one-family dwellings to cost \$229,000; Springfield, Mass., 41 one-family dwellings to cost \$175,000, and 9 stores and mercantile buildings to cost \$193,000; Niagara Falls, N. Y., 9 factories to cost \$198,000; Darby, Pa., 158 one-family dwellings to cost \$474,000; Philadelphia, Pa., 207 one-family dwellings to cost \$835,000; Chicago, Ill., 29 one-family dwellings to cost \$129,000, 104 units in two-family dwellings to cost \$283,000, and 11 apartments providing 44 dwelling units to cost \$146,000; Mundelein, Ill., 61 one-family dwellings to cost \$275,000; Hammond, Ind., 46 units in two family dwellings to cost \$207,000; Detroit, Mich., 625 one-family dwellings to cost \$3,118,000, 160 units in two-family dwellings to cost \$709,000; East Detroit, Mich., 53 one-family dwellings to cost \$245,000; Garden City, Mich., 70 one-family dwellings to cost \$280,000; Royal Oak, Mich., 94 one-family dwellings to cost \$466,000; Wayne, Mich., 93 one-family dwellings to cost \$332,000; Cleveland, Ohio, 112 one-family dwellings to cost \$536,000, 14 units in two-family dwellings to cost \$61,000, and 7 apartments providing 120 dwelling units to cost \$436,000; Columbus, Ohio, 46 one-family dwellings to cost \$223,000; Dayton, Ohio, 22 one-family dwellings to cost \$117,000 and 12 apartments providing 48 dwelling units to cost \$164,000; Maple Heights, Ohio, 64 one-family dwellings to cost \$291,000; Wichita, Kans., 110 units in two-family dwellings to cost \$226,000 and 55 apartments providing 220 dwelling units to cost \$450,000; Sioux Falls, So. Dak. 44 one-family dwellings to cost \$174,000, 26 units in two-family dwellings to cost \$90,000, 10 apartments providing 40 dwelling units to cost \$100,000; Washington, D. C., 18 apartments providing 97 dwelling units to cost \$273,000; Jacksonville, Fla., 71 one-family dwellings to cost \$204,000, 42 units in two-family dwellings to cost \$79,000, and 7 apartments providing 28 dwelling units to cost \$53,000; Marietta, Ga., 261 one-family dwellings to cost \$761,000; Savannah, Ga., 52 one-family dwellings to cost \$239,000; Baltimore, Md., 46 one-family dwellings to cost \$133,000, and 78 units in two-family dwellings to cost \$139,000; Tacoma Park, Md., 1 apartment providing 96 dwelling units to cost \$285,000; Arlington, Va., 12 apartments providing 161 dwelling units to cost \$588,000; Memphis, Tenn., 63 one-family dwellings to cost \$216,000, 70 units in two-family dwellings to cost \$149,000; Fort Worth, Texas, 195 one-family dwellings to cost \$428,000; Long Beach, Calif., 223 one-family dwellings to cost \$671,000, and 3 apartments providing 76 dwelling units to cost \$110,000; Redondo Beach, Calif., 108 one-family dwellings to cost \$360,000; San Francisco, Calif., 166 one-family dwellings to cost \$517,000; Seattle, Wash., 99 one-family dwellings to cost \$401,000, and 68 units in two-

family dwellings to cost \$215,000; and Spokane, Wash., 140 one-family dwellings to cost \$605,000.

"In addition, contracts were awarded during April 1943 for the following Federally financed housing projects containing the indicated number of housekeeping units: Willimantic, Conn., \$382,000 for 184 units; Holyoke, Mass., \$211,000 for 112 units; Southbridge, Mass., \$150,000 for 80 units; Springfield, Mass., \$519,000 for 250 units; Chester, Pa., \$325,000 for 150 units; Detroit, Mich., \$890,000 for 332 units; Muskegon, Mich., \$600,000 for 300 units; Akron, Ohio, \$847,000 for 300 units; Sandusky, Ohio, \$300,000 for 100 units; Warren, Ohio, \$795,000 for 320 units; Tomah, Wis., \$123,000 for 50 units; Avon Park, Fla., \$186,000 for 110 units; Orange, Texas, \$5,795,000 for 2,748 units; Phoenix, Ariz., \$361,000 for 200 units; Lompoc, Calif., \$301,000 for 160 units; Oceanside, Calif., \$31,000 for 20 units; Portland, Oreg., \$825,000 for 400 units; and Spokane, Wash., \$24,000 for 10 units.

"Federal contracts were also awarded for dormitory accommodations for 98 persons at Southbridge, Mass., to cost \$58,000; for 50 persons at Dayton, Ohio, to cost \$48,000; for 68 persons at Avon Park, Fla., to cost \$38,000; for 500 persons at Norfolk, Va., to cost \$395,000; for 150 persons at Palm Springs, Calif., to cost \$105,000; for 1,000 persons at San Francisco, Calif., to cost \$800,000; and for 498 persons at Portland, Oreg., to cost \$375,000. Dormitory units were also provided for 400 persons in Springfield, Ohio, by converting a children's home at a cost of \$64,000."

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 29, 1943 is estimated at 11,800,000 net tons, an increase of 185,000 tons, or 1.6%, over the preceding week. Production in the corresponding week last year (a partial-holiday week) amounted to 11,058,000 tons. For the present year to May 29, soft coal output was 5.1% in excess of that for the same period in 1942.

The U. S. Bureau of Mines estimated that the production of Pennsylvania anthracite for the week ended May 29 was estimated at 1,352,000 tons, an increase of 91,000 tons (7.2%) over the preceding week. When compared with the output in the corresponding week last year, there was an increase of 539,000 tons, or 66.3%.

The Bureau of Mines also announced that the estimated production of byproduct coke in the United States for the week ended May 29 showed a decrease of 7,700 tons when compared with the output for the week ended May 22. The quantity of coke from beehive ovens increased 7,800 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL, WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM (In Net Tons—000 Omitted.)

	Week Ended			January 1 to Date		
	May 29 1943	May 22 1943	May 30 1942	May 29 1943	May 30 1942	May 29 1929
Bituminous coal and lignite	11,800	11,615	11,058	249,521	237,394	192,053
Total, incl. mine fuel	1,967	1,936	2,086	1,972	1,877	1,523
Daily average						
Crude Petroleum						
Coal equivalent of weekly output	6,360	6,416	6,211	133,363	131,144	115,111

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B. t. u. per barrel of oil and 13,100 B. t. u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal (Minerals Yearbook, Review of 1940, page 775). †Revised. ‡Subject to current adjustment.

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

	Week Ended			Cal. Year to Date		
	May 29 1943	May 22 1943	May 30 1942	May 29 1943	May 30 1942	Jun 1 1929
Penn. anthracite	1,180	1,165	1,105	241,521	237,394	192,053
Total, incl. mine fuel	1,298,000	1,211,000	1,780,000	24,988,000	23,410,000	28,574,000
Commercial production						
Beehive coke						
United States total	166,800	159,000	153,100	3,384,600	3,387,800	2,734,100
By-product coke						
United States total	1,220,300	1,228,000	1,193,900	25,982,500	25,193,600	21,848,200

*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	Week Ended					May 1929
	May 22 1943	May 15 1943	May 23 1942	May 24 1941	May 22 1937	
Alabama	404	396	370	332	267	398
Alaska	6	6	5	4	2	**
Arkansas and Oklahoma	50	52	72	14	13	66
Colorado	159	153	137	91	82	168
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,340	1,454	1,212	1,037	562	1,292
Indiana	441	488	470	432	243	394
Iowa	38	47	46	41	24	89
Kansas and Missouri	81	149	160	92	72	131
Kentucky—Eastern	971	1,016	980	924	796	679
Kentucky—Western	278	301	228	154	106	183
Maryland	39	37	41	36	18	47
Michigan	6	8	5	1	1	12
Montana (bituminous and lignite)	77	77	54	43	32	42
New Mexico	32	32	30	19	27	57
North and South Dakota (lignite)	23	34	28	17	16	**14
Ohio	699	740	698	589	458	860
Pennsylvania (bituminous)	2,865	2,995	2,818	2,851	2,002	3,578
Tennessee	133	138	152	157	108	121
Texas (bituminous and lignite)	5	5	6	7	16	22
Utah	134	132	110	67	24	74
Virginia	409	435	408	393	242	250
Washington	28	33	43	29	29	44
West Virginia—Southern	2,294	2,406	2,189	2,242	1,679	1,380
West Virginia—Northern	937	995	869	802	531	862
Wyoming	164	169	134	100	72	110
Other Western States	1	1	††	††	††	**5
Total bituminous and lignite	11,615	12,300	11,266	10,475	7,422	10,878
§Pennsylvania anthracite	1,261	1,420	1,201	871	1,085	1,932
Total all coal	12,876	13,720	12,467	11,346	8,507	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.

Govt. Bond Holdings By Life Insurance Cos. Increased Further

Record subscriptions entered in the Second War Loan Drive in April brought total purchases of United States Government bonds by the life insurance companies in the first four months of the year up to a total of \$2,200,000,000, according to the Institute of Life Insurance. These new purchases it is indicated were more than four times the aggregate for the corresponding months of 1942 when government bond purchases by the life insurance companies were reported as \$530,000,000. "Life insurance holdings of United States Government bonds represent on the average \$157 per policyholder, and \$321 per family," the Institute pointed out in announcing the figures on May 18. "Thus policyholders through the investment of their life insurance funds" the Institute said "are making a direct and substantial contribution to the financing of the nation's war effort." In its advice the Institute also said:

"Total holdings of government bonds by the life insurance companies at the end of April amounted to \$10,500,000,000. The increase in holdings represents substantially more than the increase in assets of life companies during the four month period, funds available from sales and maturities of other investments making up the balance. In the aggregate, some 30% of all life insurance invested funds are now in United States Government obligations.

"Approximately 105,000 or 95% of the 111,000 home office and branch office employees of life insurance companies are now participating in War Bond purchase through company payroll purchase plans, to the extent of \$1,500,000 monthly, it is also reported by the Institute of Life Insurance. Two-thirds of the companies report more than 90% participation by their employees and one-fourth of the companies report that their employees are averaging more than 10% of pay."

Sterling Quits WPB Newspaper Advisory Post

Donald M. Nelson, Chairman of the War Production Board, announced on May 14 the resignation of Donald J. Sterling, his consultant on the newspaper and publishing industries. Mr. Sterling is returning to his post as managing editor of "The Oregon Journal," Portland, Ore., after seven months with the WPB. Mr. Nelson, as reported in Washington advises May 14 to the New York "Herald Tribune," said:

"During Mr. Sterling's term of service with the War Production Board we worked out a three-point formula governing the use of print paper by the publishing industry. I think this formula is very sound and I would like to re-emphasize it. It calls for: (1) No limitation just for the sake of limitation, but merely to meet war needs; (2) No suggestion to any publisher as to how he shall use the paper allotted him; (3) No discrimination in allocation.

"I am deeply appreciative of the fine service Mr. Sterling has rendered and also of the splendid cooperation that has been given to him and me by the publishers of America.

"The printing and publishing division, under the direction of W. G. Chandler and H. M. Bitter, is eminently able to continue administration of the several orders governing the use of paper in the publishing industry."

Daily Average Crude Oil Production For Week Ended May 29, 1943 Declined 35,450 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended May 29, 1943 was 3,970,300 barrels, a decrease of 35,450 barrels from the preceding week, and 327,100 barrels per day less than the daily average figure recommended by the Petroleum Administration for War for the month of May, 1943. The current figure, however, is 93,000 barrels per day more than in the corresponding period last year. Daily production for the four weeks ended May 29, 1943 averaged 3,995,200 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 3,679,000 barrels of crude oil daily and produced 10,656,000 barrels of gasoline; 3,798,000 barrels of distillate fuel oil, and 7,672,000 barrels of residual fuel oil during the week ended May 29, 1943; and had in storage at the end of that week 83,937,000 barrels of gasoline; 32,274,000 barrels of distillate fuels, and 67,682,000 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	*State Allowables	Actual Production	Change	4 Weeks	Week
	May	May 1	May 29, 1943	from Previous Week	May 29, 1943	Ended May 30, 1942
Oklahoma	379,000	379,000	323,250	+ 3,450	327,800	383,250
Kansas	309,700	309,700	299,450	-12,200	302,400	256,500
Nebraska	2,400		12,050	50	2,100	4,000
Panhandle Texas			91,100		91,100	98,000
North Texas			131,750		131,850	155,950
West Texas			226,750		226,750	210,000
East Central Texas			124,300		124,300	100,050
East Texas			339,300		339,300	495,000
Southwest Texas			214,000		214,000	165,950
Coastal Texas			375,200		375,200	324,850
Total Texas	1,622,000	1,622,000	1,502,400		1,502,500	1,549,800
North Louisiana			87,050	200	87,100	86,550
Coastal Louisiana			261,050		260,650	208,150
Total Louisiana	359,300	377,000	348,100		347,750	294,700
Arkansas	73,000	75,043	72,900	+ 300	72,350	72,750
Mississippi	50,000		54,000	-2,350	54,350	82,000
Illinois	250,800		211,550	-8,150	219,500	288,450
Indiana	16,000		13,650	-600	14,100	21,300
Eastern (not incl. Ill. Ind., Ky.)	92,200		79,700	-300	78,350	89,800
Kentucky	23,500		21,950	-650	22,450	11,200
Michigan	62,100		61,700	+ 3,800	59,650	64,400
Wyoming	97,000		92,100	-600	93,050	93,350
Montana	24,600		20,900	+ 350	20,650	21,700
Colorado	7,400		6,650	+ 50	6,650	6,350
New Mexico	105,700	105,700	96,850	-100	97,000	54,450
Total East of Calif.	3,474,700		3,207,200		3,220,650	3,294,000
California	822,700	\$822,700	763,100	-18,200	774,550	583,300
Total United States	4,297,400		3,970,300		3,995,200	3,877,300

*P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline prorations. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in 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.

†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.

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 29, 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 Stills		Production at Refineries		Stocks of Gasoline		Stocks of Gas Oil and Distillate Fuel		Stocks of Residual Fuel Oil	
	Potential	% Re-ported	Daily	Average	Incl. and Un-cluded	Finished	Un-cluded	Gasoline	Gasoline	Gasoline	Gasoline	Gasoline
Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,730	70.8	5,024	33,235	13,348	11,636				
Appalachian	177	84.8	159	89.8	396	2,409	862	476				
Ind., Ill., Ky.	824	85.2	702	85.2	2,246	18,851	4,198	3,040				
Okl., Kans., Mo.	416	80.1	318	76.4	1,007	6,373	1,744	1,536				
Rocky Mountain	147	49.0	85	57.8	300	1,922	321	600				
California	817	89.9	685	83.8	1,683	21,147	11,801	50,394				
Tot. U. S. B. of M. basis May 29, 1943	4,825	86.2	3,679	76.2	10,656	183,937	32,274	67,682				
Tot. U. S. B. of M. basis May 22, 1943	4,825	86.2	3,698	76.6	10,300	185,331	32,193	67,717				
U. S. Bur. of Mines basis May 30, 1942			3,521		10,578	95,283	30,391	79,690				

*At the request of the Petroleum Administration for War. †Finished, 73,247,000 barrels; unfinished, 10,690,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,450,000 barrels of kerosene, 3,798,000 barrels of gas oil and distillate fuel oil and 7,672,000 barrels of residual fuel oil produced in the week ended May 29, 1943, which compares with 1,453,000 barrels, 3,682,000 barrels and 7,442,000 barrels, respectively, in the preceding week, and 1,197,000 barrels, 3,034,000 barrels and 6,993,000 barrels, respectively, in the week ended May 30, 1942. †On new basis in Indiana, Illinois, Kentucky district, due to inclusion of material not previously included by a reporting company.

Note.—Stocks of kerosene amounted to 5,936,000 barrels during the week ended May 29, 1943 as compared with 5,895,000 barrels in the preceding week and 8,393,000 barrels in the corresponding week of 1942.

May Reduce War Bond Size

Plans are under consideration by the Treasury Department to reduce the size of the War bonds to save paper and shipping space and speed up production, according to the Associated Press. Officials of various government

agencies have been asked for their opinion on the proposal, but no decision has been reached, the advices said. One proposal was reported to call for the bonds to be reduced to the size of the old dollar bill. That was 3¼ by 7½ inches. The present bond is 7¼ by 8½.

Trading On New York Exchanges

The Securities and Exchange Commission made public on June 5 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended May 22, 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 22 (in round-lot transactions) totaled 2,270,055 shares, which amount was 16.94% of the total transactions on the Exchange of 6,700,480 shares. This compares with member trading during the week ended May 15 of 3,275,740 shares or 15.76% of total trading of 10,394,270 shares. On the New York Curb Exchange, member trading during the week ended May 22 amounted to 496,655 shares, or 13.95% of the total volume of that Exchange of 1,779,725 shares; during the May 15 week trading for the account of Curb members of 819,995 shares was 12.44% of total trading of 3,295,455 shares.

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

WEEK ENDED MAY 22, 1943

A. Total Round-Lot Sales:	Total for week	% Per Cent
Short sales	148,080	
†Other sales	6,552,400	
Total sales	6,700,480	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	568,820	
Short sales	77,880	
†Other sales	496,510	
Total sales	574,390	8.53
2. Other transactions initiated on the floor—		
Total purchases	372,900	
Short sales	20,100	
†Other sales	330,380	
Total sales	350,480	5.40
3. Other transactions initiated off the floor—		
Total purchases	174,590	
Short sales	11,600	
†Other sales	217,275	
Total sales	228,875	3.01
4. Total—		
Total purchases	1,116,310	
Short sales	109,580	
†Other sales	1,044,165	
Total sales	1,153,745	16.94

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

WEEK ENDED MAY 22, 1943

A. Total Round-Lot Sales:	Total for week	% Per Cent
Short sales	13,390	
†Other sales	1,766,335	
Total sales	1,779,725	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	136,600	
Short sales	10,725	
†Other sales	143,480	
Total sales	154,205	8.17
2. Other transactions initiated on the floor—		
Total purchases	55,325	
Short sales	1,100	
†Other sales	55,450	
Total sales	56,550	3.14
3. Other transactions initiated off the floor—		
Total purchases	20,915	
Short sales	100	
†Other sales	72,960	
Total sales	73,060	2.64
4. Total—		
Total purchases	212,840	
Short sales	11,925	
†Other sales	271,890	
Total sales	283,115	13.95
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	25	
†Customers' other sales	58,761	
Total purchases	58,786	
Total sales	45,367	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

April Living Cost Up In 60 Industrial Cities

The cost of living for wage earners and lower-salaried clerical workers in April rose in 60 of 62 cities surveyed by the National Industrial Conference Board. The largest advance, 2.4% according to the Board, was shown in New Orleans, but there was a rise of 2.0% or more in Baltimore, Birmingham and Newark, and an increase of 1.0% or more in 32 other cities. For the United States as a whole, the cost of living rose 1.0%. The Board's advices June 7 further said:

"Living costs were higher this April than in April, 1942 in all cities for which comparable figures are available. San Francisco recorded the largest increase during the twelve-month period with an advance of 10.8%. The smallest was shown in Akron, where it rose only 4.4%. The cost of living for the United States as a whole stands 7.1% higher than a year ago, and 20.9% above January, 1941.

"The Board's cost of living indexes have been revised to take into account the changes in buying habits resulting from rationing and war shortages."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on June 7 a summary for the week ended May 29 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Week Ended May 29, 1943

Odd-Lot Sales by Dealers: (Customers' purchases)	Total for Week
Number of Orders	20,160
Number of Shares	593,838
Dollar Value	21,660,674
Odd-Lot Purchases by Dealers—	
(Customers' Sales)	
Number of Orders	
Customers' short sales	123
Customers' other sales	21,874
Customers' total sales	21,997
Number of Shares:	
Customers' short sales	3,322
Customers' other sales	577,894
Customers' total sales	581,216
Dollar value	18,306,059
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	220
†Other sales	159,040
Total sales	159,260
Round-Lot Purchases by Dealers—	
Number of shares	196,970
*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."	

War Meat Board To Divide National Supply

The War Food Administration and the Office of Price Administration announced jointly on May 16 the establishment of a War Meat Board, to increase effectiveness of the allocation and distribution of the national meat supply among the three claimant groups—the armed forces, civilians and lend-lease—"taking into account the total quantity of meat available from day to day and week to week."

The nine-member board, serving as the "nerve center" for the entire war-time meat management program, will operate in Chicago. According to United Press advices, it will consist of:

"The authorized representative of the War Food Administrator, as Chairman; a representative of the armed forces; another representative of the Food Administration to be responsible for other Government meat purchases, such as lend-lease; representatives of the Price and Food Rationing Divisions of OPA, and key men from the industry to represent these divisions of the trade: pork, beef, lamb, veal, mutton and canned meat.

"In addition to black markets and attendant maldistribution of civilian supplies, the OPA and the Food Administration cited these factors as important reasons for the new War Meat Board:

- "1. Wide decentralization of the industry adds to the complexities of adequate Government controls.
- "2. Wide seasonal and sectional variations in movement of livestock to markets and equally wide variations in demand further complicate meat management.
- "3. The perishability of meat necessitates a flexible and active administrative control.
- "4. Imposition of war-time regulations has produced a price 'squeeze' on slaughterers and has led to difficulty even in procuring requirements for the armed forces and lend-lease.

Revenue Freight Car Loadings During Week Ended May 29, 1943 Increased 9,184 Cars

Loading of revenue freight for the week ended May 29, 1943 totaled 852,518 cars, the Association of American Railroads announced on June 4. This was an increase above the corresponding week of 1942 of 56,897 cars, or 7.2%, and an increase above the same week in 1941, of 50,735 cars or 6.3%. Both 1942 and 1941 included holiday.

Loading of revenue freight for the week of May 29 increased 9,184 cars, or 1.1% above the preceding week.

Miscellaneous freight loading totaled 382,797 cars, an increase of 2,019 cars above the preceding week, and an increase of 19,025 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 98,375 cars, an increase of 1,564 cars above the preceding week, and an increase of 11,404 cars above the corresponding week in 1942.

Coal loading amounted to 172,431 cars, an increase of 5,784 cars above the preceding week, and an increase of 14,616 cars above the corresponding week in 1942.

Grain and grain products loading totaled 43,402 cars, an increase of 461 cars above the preceding week, and an increase of 10,533 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of May 29 totaled 28,986 cars, an increase of 1,128 cars above the preceding week and an increase of 8,574 cars above the corresponding week in 1942.

Live stock loading amounted to 13,564 cars, an increase of 251 cars above the preceding week, and an increase of 1,797 cars above the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of May 29, totaled 9,657 cars, a decrease of 8 cars below the preceding week, but an increase of 869 cars above the corresponding week in 1942.

Forest products loading totaled 44,133 cars, a decrease of 454 cars below the preceding week and a decrease of 1,544 cars below the corresponding week in 1942.

Ore loading amounted to 82,904 cars, a decrease of 1,085 cars below the preceding week and a decrease of 24 cars below the corresponding week in 1942.

Coke loading amounted to 14,912 cars, an increase of 644 cars above the preceding week, and an increase of 1,090 cars above the corresponding week in 1942.

All districts reported increases compared with the corresponding week in 1942, except the Southern and Southwestern and all districts reported increases above the corresponding week in 1941.

	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
Week of May 29	852,518	795,621	801,782
Total	16,945,876	17,677,746	16,340,675

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended May 29, 1943. During this period 81 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED MAY 29

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1943	1942	1943	1942
Eastern District—				
Ann Arbor	266	406	1,370	1,270
Bangor & Aroostook	842	1,669	290	247
Boston & Maine	6,281	5,943	13,614	14,402
Chicago, Indianapolis & Louisville	1,425	1,500	2,060	2,173
Central Indiana	42	35	33	60
Central Vermont	1,076	806	2,511	2,072
Delaware & Hudson	6,470	4,243	12,238	9,707
Delaware, Lackawanna & Western	8,117	7,304	15,566	9,709
Detroit & Mackinac	376	302	82	123
Detroit, Toledo & Ironton	1,762	1,652	2,654	1,110
Detroit & Toledo Shore Line	278	282	320	2,481
Erie	13,080	11,475	14,091	19,787
Grand Trunk Western	3,975	3,958	5,512	7,747
Lehigh & Hudson River	206	198	2,598	4,758
Lehigh & New England	2,240	1,330	1,925	2,131
Lehigh Valley	8,905	7,042	13,870	10,748
Maine Central	2,243	2,108	2,998	2,020
Monongahela	6,493	5,952	5,701	424
Montour	2,559	2,409	2,167	50
New York Central Lines	50,441	45,588	45,944	57,978
N. Y., N. H. & Hartford	10,228	9,028	10,441	18,173
New York, Ontario & Western	1,420	652	1,046	2,451
New York, Chicago & St. Louis	7,749	6,961	5,795	15,266
N. Y., Susquehanna & Western	536	435	410	2,668
Pittsburgh & Lake Erie	7,933	8,125	8,406	10,174
Pere Marquette	5,223	5,178	6,297	7,279
Pittsburg & Shawmut	1,059	712	632	9
Pittsburg, Shawmut & North	392	380	393	256
Pittsburgh & West Virginia	1,175	1,005	1,255	3,292
Rutland	352	335	489	1,015
Wabash	5,510	4,681	5,236	12,331
Wheeling & Lake Erie	6,425	5,406	4,968	4,891
Total	165,079	147,100	164,948	232,498
Allegheny District—				
Akron, Canton & Youngstown	760	654	684	1,098
Baltimore & Ohio	43,347	36,697	37,882	30,419
Bessemer & Lake Erie	6,587	7,789	6,435	2,019
Buffalo Creek & Gauley	288	322	285	2
Cambria & Indiana	1,884	2,022	1,803	7
Central R. of New Jersey	7,276	6,340	7,605	20,728
Cornwall	674	642	718	61
Cumberland & Pennsylvania	312	267	290	10
Ligonier Valley	162	125	70	40
Long Island	1,121	821	768	3,911
Penn.-Reading Seashore Lines	1,817	1,443	1,542	3,052
Pennsylvania System	86,228	80,046	80,776	78,524
Reading Co.	15,596	12,171	16,597	28,476
Union (Pittsburgh)	21,302	21,609	20,590	7,403
Western Maryland	4,461	3,926	3,904	11,988
Total	191,815	174,874	179,949	179,738
Poconos District—				
Chesapeake & Ohio	30,366	29,295	27,834	15,166
Norfolk & Western	23,081	23,638	23,777	7,019
Virginian	4,987	4,661	4,662	2,104
Total	58,434	57,594	56,273	24,289

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Southern District—					
Alabama, Tennessee & Northern	268	387	331	314	337
Atl. & W. P.—W. R. R. of Ala.	622	722	796	2,824	2,365
Atlanta, Birmingham & Coast	733	852	772	1,135	1,090
Atlantic Coast Line	12,563	13,056	11,317	10,204	8,442
Central of Georgia	4,076	3,696	4,425	5,355	4,186
Charleston & Western Carolina	462	477	614	1,885	1,526
Clinchfield	1,608	1,673	1,739	2,847	2,801
Columbus & Greenville	333	341	466	163	205
Durham & Southern	99	186	176	723	1,246
Florida East Coast	2,201	1,214	647	1,888	850
Gainesville Midland	40	33	50	90	117
Georgia	1,235	1,335	1,309	3,146	2,944
Georgia & Florida	343	334	392	544	486
Gulf, Mobile & Ohio	3,758	4,222	3,872	4,847	4,236
Illinois Central System	27,112	28,609	22,097	22,826	18,247
Louisville & Nashville	26,692	27,483	24,949	13,131	9,654
Macon, Dublin & Savannah	170	128	194	792	687
Mississippi Central	219	145	178	453	450
Nashville, Chattanooga & St. L.	3,332	3,844	3,359	5,057	4,052
Norfolk Southern	1,181	1,123	1,171	1,784	1,834
Piedmont	364	360	494	1,197	1,295
Richmond, Fred. & Potomac	413	473	397	12,401	10,887
Seaboard Air Line	10,574	9,146	10,745	8,150	7,010
Southern System	21,501	23,943	25,393	25,993	22,622
Tennessee Central	686	676	556	875	1,210
Winston-Salem Southbound	125	100	154	880	893
Total	120,710	124,558	116,593	129,504	109,672
Northwestern District—					
Chicago & North Western	19,309	19,418	20,913	13,032	12,189
Chicago Great Western	2,751	2,151	2,538	3,180	3,179
Chicago, Milw., St. P. & Pac.	21,491	17,580	19,199	11,540	9,414
Chicago, St. Paul, Minn. & Omaha	3,308	3,316	3,864	3,758	3,820
Duluth, Missabe & Iron Range	27,141	28,064	23,783	237	348
Duluth, South Shore & Atlantic	1,014	790	1,115	524	474
Elgin, Joliet & Eastern	8,577	10,571	10,381	10,821	10,743
Ft. Dodge, Des Moines & South	452	511	531	105	132
Great Northern	24,643	20,028	20,791	6,911	3,836
Green Bay & Western	432	529	549	847	677
Lake Superior & Ishpeming	2,614	2,923	3,323	108	49
Minneapolis & St. Louis	1,695	1,769	1,771	2,161	2,169
Minn., St. Paul & S. M.	6,413	6,057	6,983	2,923	2,478
Spokane International	10,452	8,858	8,245	5,643	3,921
Northern Pacific	175	138	243	597	442
Spokane, Portland & Seattle	2,689	1,984	2,274	3,495	2,797
Total	133,056	124,687	126,503	65,882	56,668
Central Western District—					
Atch., Top. & Santa Fe System	23,298	21,660	21,319	13,001	10,548
Alton	2,770	2,950	3,142	6,569	4,348
Bingham & Garfield	472	748	606	110	130
Chicago, Burlington & Quincy	17,404	13,495	14,984	11,798	8,978
Chicago & Illinois Midland	3,173	2,564	2,640	491	939
Chicago, Rock Island & Pacific	12,192	10,622	12,283	13,501	11,863
Chicago & Eastern Illinois	2,489	2,129	2,427	5,922	3,293
Colorado & Southern	731	675	559	2,002	1,798
Denver & Rio Grande Western	3,429	2,618	2,046	6,204	4,777
Denver & Salt Lake	649	566	175	14	21
Fort Worth & Denver City	768	1,205	1,399	2,586	1,307
Illinois Terminal	1,465	1,852	1,778	1,350	2,336
Missouri-Illinois	*	1,081	985	*	432
Nevada Northern	2,109	2,034	2,039	121	125
North Western Pacific	1,096	862	782	720	488
Peoria & Pekin Union	0	5	12	0	0
Southern Pacific (Pacific)	32,648	25,446	25,874	14,140	8,980
Toledo, Peoria & Western	326	249	348	1,990	1,519
Union Pacific System	13,050	11,083	12,388	16,602	13,104
Utah	554	483	241	5	2
Western Pacific	2,273	1,524	1,571	3,528	2,269
Total	120,896	103,851	107,598	100,654	77,257
Southwestern District—					
Burlington-Rock Island	867	151	173	723	166
Gulf Coast Lines	3,399	4,525	2,738	2,606	2,364
International-Great Northern	3,399	2,966	1,844	3,529	2,269
Kansas, Oklahoma & Gulf	208	378	229	210	1,346
Kansas City Southern	4,866	5,512	2,332	1,696	2,785
Louisiana & Arkansas	3,838	4,136	2,074	3,216	2,359
Litchfield & Madison	381	332	259	1,162	1,057
Midland Valley	243	756	429	229	214
Missouri & Arkansas	125	119	155	311	321
Missouri-Kansas-Texas Lines	4,927	4,352	4,198	3,208	3,551
Missouri Pacific	11,509	14,274	13,600	20,277	15,119
Quanaah Acme & Pacific	58	101	104	173	251
St. Louis-San Francisco	7,765	8,445	7,867	12,681	7,863
St. Louis Southwestern	3,040	2,715	2,380	6,135	5,896
Texas & New Orleans	12,939	9,830	7,862	4,510	4,511
Texas & Pacific	4,854	4,180	3,862	9,223	5,499
Wichita Falls & Southern	85	155	176	44	52
Weatherford M. W. & N. W.	25	30	13	8	19
Total	62,528	62,957	49,919	69,941	55,642

*Figures not available on account of flood conditions. Note—Previous year's figures revised.

Cotton Spinning For April, 1943

The Bureau of the Census announced on May 20 that according to preliminary figures, 23,482,702 cotton spinning spindles were in place in the United States on April 30, 1943 of which 22,893,630 were operated at some time during the month, compared with 22,925,194 for March, 22,859,160 for February, 22,88

Items About Banks, Trust Companies

Dr. Herman L. Reis, President of West Side Federal Savings and Loan Association, New York City, has been elected President of Group Seven of the New York State League of Savings and Loan Associations. This group is comprised of savings and loan associations in Westchester County, the Bronx, Manhattan and Richmond.

William L. DeBost, President of the Union Dime Savings Bank, New York City, announces that beginning July 1 dividends or interest on accounts will be credited semi-annually—Jan. 1 and July 1. For some years the Union Dime Savings Bank has been on a quarterly dividend basis, allowing interest from the day of deposit to the end of each quarter.

In explaining this new policy, the announcement stated:

"After July 1, however, interest will be computed from the first of each calendar quarter—Oct. 1, Jan. 1, April 1 and July 1—but will be credited semi-annually Jan. 1 and July 1. Deposits made during the first five business days of July or January, and remaining on deposits to the end of the dividend period, will be entitled to a full six months' interest. Deposits made after the fifth business day of July or January and before the close of the third business day of October or April, respectively, and remaining on deposit to the end of the period, will draw three months' interest.—For example, after July 1, interest no longer will be allowed from the day of deposit, but all money deposited on or before the fifth business day of July and still on deposit on Dec. 31 will be entitled to six months' interest. However, deposits made after the fifth business day of July and on or before the third business day of October, and still on deposit on Dec. 31, will be entitled to three months' interest.

"The dividend to be credited June 30 will be for the quarterly period April 1 to June 30, and computed from the day of deposit to the end of the quarter. The rate is what it has been for some time—2% per annum on the first \$1,000 and 1½% per annum on amounts in excess of \$1,000."

The Bankers Federal Savings and Loan Association, New York City, announced on June 5 the election of James J. Ga Nun and J. G. C. McNair to the board of directors. Mr. Ga Nun is a Second Vice President of the Chase National Bank and Mr. McNair is manager of the Atlantic branch of the National Lead Co.

The National City Safe Deposit Co., New York City, has made application to the State Banking Department for permission to open a branch office at 108-110 Hudson St., conditioned upon the discontinuance of the branch now maintained at 105 Hudson St.

Liquidation of the International-Madison Bank and Trust Co., New York City, has been completed with the payment of a final dividend of \$106,000; it is announced by Elliott V. Bell, State Superintendent of Banks. The final payment of 2½% of the depositors' claims brought the total dividends to \$3,592,900, or 76% of the liability when the bank failed in August, 1931.

Carl A. Koelsch, Vice President and senior Trustee of the Empire City Savings Bank, New York City, died on June 3 at his home in New York City at the age of 76. Mr. Koelsch was a retired food merchant. He had been a trustee of the Empire City Savings Bank for over 25 years and had served as Vice President since 1932.

Francis J. McDonough, a Director of the New York Board of Trade and the South Brooklyn Savings and Loan Association, died on May 31 at his home in Brooklyn. He was 54 years old. Mr. McDonough was President of the New York Quinine and Chemical Works, Brooklyn, and was head of the Drug and Chemical Club of New York.

Arthur C. Hoyt, President of the First National Bank of Pleasantville, N. Y., and Andrew Wilson, Jr., President of the County Trust Co. of White Plains, announce that, subject to formal approval by the State and Federal banking authorities, it is expected that the First National Bank of Pleasantville will shortly be consolidated with the Pleasantville Office of the County Trust Company. Under the terms of the proposed arrangement, the County Trust Company will acquire the assets and assume responsibility for all of the deposits of The First National Bank of Pleasantville.

According to the present plan, the combined banking operations will be carried on by the County Trust Co. in the present quarters of the First National Bank. Customers and other friends will be interested to know that there will be no interruption in the service now being rendered by either bank and that no change in personnel is in contemplation. The Boards of Directors of both institutions have approved the terms of the proposed consolidation and the stockholders of the First National Bank will be asked to give their approval at a meeting to be held on July 2. Mr. Hoyt stated:

"Officials and others connected with both banks, have come to the conclusion that, while both banking institutions are reported to be in excellent condition and have been doing well, the needs of the community do not require the services of two banks and can best be served by taking advantage of the opportunity to consolidate on a basis which is eminently fair to all concerned."

"The move when completed will enable the County Trust Co. to broaden its service to Pleasantville and the surrounding territory and I am assured that it is their intention to continue the friendly relations which The First National Bank has always maintained."

It is anticipated that some of the directors of The First National Bank will become members of the Board of Directors of the County Trust Co. and, in keeping with the policy of the latter institution, a number of those now connected with the National Bank will be invited to serve as members of the Advisory Committee for the Pleasantville Office to retain the benefit of their experience and knowledge of local conditions and to insure the promotion of sound banking service for the community.

The County Trust Co. was organized in 1903 and is celebrating its 40th anniversary this month. In addition to its Pleasantville office, the trust company maintains offices at White Plains, Scarsdale, Hartsdale, Mamaroneck and Hastings-on-Hudson. According to figures published March 31, 1943, the County Trust Co. showed deposits of \$26,223,334; capital, surplus and undivided profits of \$1,886,586; reserve for contingencies of \$117,391 and total assets of \$28,227,311.

The First National Bank of Pleasantville, as of Dec. 31, 1942, had total assets of \$2,212,754 and deposits of \$1,884,895. Its capital, surplus and undivided profits were \$327,859.

George W. Arnett, President of the Trenton Savings Fund So-

ciety, has been elected President of the New Jersey Savings Bank Association.

John W. Kress Vice President of the Howard Savings Institution of Newark, has been made First Vice President of the Association, and Thomas A. Loughlin, Secretary and Treasurer of the United States Savings Bank of Newark, has been made Second Vice President.

W. Frank D. Herron, Vice-President of the Union Trust Co. of the District of Columbia, died on May 21.

The Citizens State Bank of South Haven and the First State Bank of South Haven, both of South Haven, Mich., and both State member banks of the Federal Reserve System, have consolidated under the charter of the former institution, it is announced by the Board of Governors of the Federal Reserve System. In connection with the consolidation, the title was changed to Bank of South Haven.

Banks Urged Not To Lessen Advertising Efforts During War

In its new manual, "Publicity and Public Relations for the Average Bank," the New York State Bankers Association points out that banks should not lessen their advertising and public relations efforts during the war, but should instead use present conditions as a foundation for building good will that will endure after the war is over.

The manual points out that new acquaintances banks are making through Government security sales, ration banking, financing war industry and food production, and other emergency activities, can be converted into permanent customers if sound public relations, publicity, and advertising programs are put into action and kept in action. The manual says:

"Once the bank has established in the public mind the highly desirable attitudes of respect, friendship, loyalty, and pride, it is fairly easy to crystallize these attitudes into definite habits of patronage. No bank, however, can hope to accomplish this merely by shaping its conduct in what it deems to be an admirable pattern and then trusting that the people will arrive at the conclusions the bank management wishes them to reach. To be successful, a program of publicity and public relations must be undertaken with definite objectives in view and with a determination not only to carry out the program completely but also to make it intelligible and interesting to the people."

The manual stresses the importance in the smaller bank of delegation of responsibility for public relations to an individual officer. Because of its importance, it is pointed out, the job is one which should be entrusted "to the highest ranking person that has the ability to fulfill it. If he happens to be the President, so much the better."

Other subjects discussed include display advertising, direct mail, telling it in the news columns, radio advertising and publicity, public speaking, visual appeals, and various phases of employee-customer-public relations. Also included is a special section on agricultural public relations and a list of publicity and public relations books which should be in every bank library.

The publication contains 44 pages and sells for \$1. Copies are available from The State Bankers Association, 33 Liberty St., New York City.

Uniform European Currency Would Eliminate Chief Cause Of War, Dr. Haensel Declares

Dr. Paul Haensel, Professor of Economics at Northwestern University, advocated on June 7, the adoption of a uniform European currency, abolition of all trade barriers and customs tariffs within Europe and permission for any European citizen to emigrate to any country on the continent to work, as the best methods of eliminating the chief causes of Europe's wars. Reporting this, United Press advices from Evanston, Ill., on

June 7 also stated:

"The Allies must recognize," he said, "that no matter what nations or boundaries are restored or created, the Europe of the future must not be divided into separate economic units.

"After the war Europe will have most of her industry destroyed or worn out and her former economic relations uprooted. A new life will begin and it must be based upon the principle of free trade between all nations on the European continent outside of Russia. Russia would be excluded from this condition since it would be incompatible with her fundamental economic system."

In foreign trade with other countries the European nations must adopt the policy of low tariffs, not over 20% ad valorem, Mr. Haensel stressed.

Pa. Bank Board Cuts Legal Reserve Fund

Under date of June 2, Harrisburg advices to the Philadelphia "Inquirer" said:

Acting under a new law approved 10 days ago by Governor Martin, State Banking Board today fixed at 10% of total of demand deposits and liabilities and 6% of total of time deposits, amount of legal reserve fund all State banking institutions, except savings bank, must establish and maintain. Previous requirements were 15 and 7½%, respectively.

The board raised from 33½ to 40% that portion of total reserve fund which may be invested in U. S. Government, State and municipal securities, while balance of required reserve must be composed of actual cash on hand, or balances due from approved legal reserve agents.

The board made no change in amount of reserve fund which every savings bank must carry and continued present rate of 7½% of total deposits, minimum rate permitted under existing law.

William C. Freeman, banking secretary, said new law provides "a highly flexible and speedy method" for expanding or contracting the amount and the composition of the required legal reserve funds of State banking institutions.

He also pointed out that the statute suspends reserve requirements on war loan deposit accounts for duration of the war, thereby granting the same exemption granted to national banks and members of Federal Reserve System two months ago.

Lend-Lease Funds Voted

The Senate approved on June 3 and returned to the House a \$6,273,629,000 supplemental lend-lease appropriation bill, which will bring direct appropriations for that purpose to nearly \$25,000,000,000.

Senator Hill (Dem., Ala.) Acting Majority Leader, told the Senate that Edward R. Stettinius, Jr., Lend-Lease Administrator, had urged prompt action on the measure in view of the fact that "certain arrangements of the highest importance with Russia cannot be made or concluded until the bill is passed."

The measure was returned to the House for action on a Senate amendment. Original House passage of the \$6,000,000,000 appropriation was noted in our issue of May 27, page 1978.

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