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The Financial Situation

The Administration has launched another campaign for further tax legislation. No sooner had Congress after a long and wordy battle enacted the so-called pay-as-you-go tax law than the Director of War Mobilization, the Director of Economic Stabilization, the Secretary of the Treasury, and other officials "went into a huddle" for the purpose of designing another tax bill. Congress, which the Constitution charges with the responsibility of enacting legislation, is apparently expected, as has been usual in recent years, to accept what the Administration hands it and dutifully place it upon the statute books. To be sure, the Administration is apparently somewhat more careful to observe the amenities so far as Congress is concerned but there is little reason to doubt that the executive department hopes to determine the real character of the legislation to be adopted.

Nothing Constructive

Now if there were any good reason to hope that any legislation which results from all this would clean up the horrible mess of tax laws now already on the statute books, no sensible man with the good of his country at heart would demur. Unfortunately, however, there is no evidence of any likelihood of such an eventuality. The Administration has not revealed in any detail what its present ideas of a new tax law are, but it has been broadly intimated that any general sales tax enacted by Congress would be partly vetoed and the old Treasury favorite, a spendings tax, is again being heard from. This latter proposal is, of course, nothing more than a scheme for about the equivalent of a general sales tax arranged in such a way that the main burden will fall not on everybody but on the same groups who are now paying practically all of the income tax. What other ideas the Treasury has is not clear, but no suggestions have emanated from that office to suggest that anything constructive is to be expected from it.

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Hecht Urges Govt. To Stimulate Current Income Bond Buying

Says Bank Holdings Should Not Go Higher To Prevent Inflationary Effect

The Government must put forth every effort to stimulate the buying of bonds from the current income of the people and thus further decrease their purchasing power instead of adding to it through the expansion of bank credit, Rudolph S. Hecht, former President of the American Bankers Association, declared on June 10 in an address before the wartime conference of the American Institute of Banking in Chicago.

R. S. Hecht

Mr. Hecht, Chairman of the Board of the Hibernia National Bank in New Orleans, hailed the Treasury's announced plan for eliminating bank subscriptions entirely from the forthcoming Third Victory Loan, saying the Government "realizes that if banks continue to carry so large a percentage of the debt the effect will be inflationary." He stated that at the end of 1942 over half of the Government debt was held by the commercial banks, and when including holdings of the Federal Reserve Banks the total was nearly 60%.

Mr. Hecht continued:

"The scale of Government bond purchases by commercial banks in this war as compared to World War I is somewhat startling. In the three years from 1916 to 1919 our commercial banks increased their holdings by $4,400,000,000; that is hardly more than the banks bought in a single month in 1943. There were twice as many banks in 1918 as there are today, but their total assets were only half as great as those of the present much smaller number of banks. In 1919, banks held about $5,000,000,000 of Government bonds against approximately $60,000,000,000 today. During the last war banks increased their private loans materially—but this time bank loans show a steady decrease and Government securities are a

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Return To Gold Standard After War Advocated By W. L. Hemingway, President Of ABA

Direct Loans To Financially Disabled Nations Advocated To Achieve World Stability

Discussing post-war problems, W. L. Hemingway, President of the American Bankers Association, on June 10 advocated return to the gold standard and direct loans to financially disabled nations to help achieve world stability.

According to Associated Press accounts from St. Louis, Mr. Hemingway, in a prepared address to the Missouri Bankers Association, said "it is safe to say that they (the bankers) are unanimously in favor of the restoration of the gold standard as a basis for international financial dealings. *** No other method *** will accomplish the purpose as well as the exchange of gold."

W. L. Hemingway

Expressing the opinion that the United States must lend money to other nations, Mr. Hemingway said "I am convinced that our people will be better satisfied with a procedure whereby we deal directly with the countries that we are to assist, rather than through some international body."

Other necessary steps in the establishment of order in the world, he said, will be provision of food, clothing and other human necessities to both victor and vanquished nations; setting up of policing bodies from military occupation forces and the conversion of war economies to peace economies.

Mr. Hemingway, who is President of the Mercantile-Commerce Bank and Trust Co., St. Louis, also said that plans for the forthcoming Third War Bond Drive are already well under way.

He described the Treasury's new state organizations for conducting the financing drive, which will be used for the first time in the September campaign, and urged all bankers to cooperate fully in making the drive a success by assisting the War Bond organizations now being formed in each state.

Mr. Hemingway declared that the Committee on War Borrowing of the American Bankers Association has recently taken part in a conference with the Secretary of the Treasury and the Federal Reserve officials at which the September campaign and the new state organization system were discussed in detail.

He asserted that Secretary Morgenthau "intends to create the best organization possible in each state," and that the Secretary "urgently desires the continued assistance and cooperation of all the persons who heretofore participated in the War Savings activities and in the work of the Victory Fund Committees."

Turning to the activities of government farm lending agencies, Mr. Hemingway said that these are now 22 agencies in the Federal Government that are lending money to farmers. "Some of these are of long standing," he said. "Others were instituted for emergency purposes such as the RACC and Emergency Crop and Feed Loan. Others like the farm Security Administration were put in operation to provide social benefits.

"The American Bankers Association has given out a statement of policy concerning these agencies, and I wish to emphasize that the officials of the Association are working within the framework of that policy. As you know, a bill has been introduced in Congress to abolish the RACC. We are supporting that bill and expect to present testimony when the public hearings on it are held.

"We have also urged that the government recapture the capital that it has put into these agencies, such as the Production Credit Association, which were intended to be cooperative associations. As pure cooperative associations, we can have no objection to them, and perhaps it was a wise policy for the government to start them off with a subscription to their capital fund. But it seems to us that after this length of time the government's money should be returned, because these associations are now of age and should stand upon their own feet," Mr. Hemingway declared.

"We are opposing and will continue to oppose any government lending agency which is created for the purpose of so-called social benefits. We believe that these are merely the entering wedge for a complete socialization of our economy. Believing in the system of free enterprise, we will naturally combat any inroads on that system."

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Editorials

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From Washington Ahead Of The News

By CARLISLE BARGERON

Looking back over the history of our young country, our young and virgin and unsophisticated country, with its railroad tycoons and its industrial tycoons, our builders, our men who did things, you get the impression of ambition. Ambition of our men is what has been responsible for our growth, for the most amazingly successful attainment in material comfort that the world has ever known.

Now, telescope that whole picture into one single chapter of America at war again and Washington a boom town, draws one big shot after another. Their forebears, you imagine, were men who dug mines, built railroads, established industries—they did something worthwhile. The offsprings come arunning here to Washington, not to develop or build anything, but to add to the confusion. And in the melee, to be crushed, to have their heads cut off. In the process they haven't built anything, they haven't accomplished anything. The only thing they have done is to enjoy a brief period in the headlines.

A society columnist in one of the local papers was complaining snobbishly recently that Washington has certainly changed, was not like its former self. But, she added, we would be glad to know that the daughter of a certain big shot down here was being married to Lieutenant So and So. The facts are that her father went away from here many weeks ago, a victim of the turmoil, and a discredited Big Shot.

What has ever become of Donald Nelson? Your correspondent remembers acutely well when he was around here. He was one of the first czars and I shall never forget the night at a party when he was supposed to say something facetious and instead he sought to give the impression of a "strong" man and bang his fist on the table and said his ambition was to be either of two Nelsons, Nelson at Trafalgar or Battling Nelson, and the guests all muttered, aw, fer gawd's sake.

He has accomplished being neither one of those two men and he is around here now in the name only, without any authority.

We have seen them come and go. There was Leon Henderson, a fellow with no stature but who sprung up to become a household word. The question came to be, if you aren't in favor of Leon, you must be in favor of inflation. If

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The Financial Situation

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A Crude Conception

"The inflationary gap," which Washington statisticians never tire of computing and which the President says is increasing, appears to be responsible for the latest activity in official circles in tax matters. The very conception of this "gap" is crude in the extreme and most official notions of methods to be use in closing it are equally so. He would have to be a naive statistician indeed who believed that he could do more than make a rough guess of the total income of individuals during any given period of time. He would have to be even more gullible to suppose that he could determine with anything approaching exactitude the amount of such individual income which must be devoted to business obligations and accordingly what part could be left at the disposal of the individual for the purchase of consumers' goods. The task of determining the value of consumers' goods produced, and still more, the value of consumers' goods likely to be produced in some future period is equally beset with grave difficulty.

Strange Notions

But the naivete which leads public officials to cite in dollar form the size of the "inflationary gap," as if such a figure could be arrived at much as petty cash is counted at the end of the day, is fully matched by that exhibited in official notions of means adaptable to remedy the situation. If "the inflationary gap" is defined as the difference between the dollar value of income received by individuals and available to them for expenditure in the consumers' goods markets and the dollar value of consumers' goods in those markets, then of course obviously several factors enter into a determination of the size of the gap. One of them, which the Administration and its advisers seem studiously to ignore, is the volume of consumers' goods produced and therefore available for consumption. Indeed the whole attitude of the Administration toward civilian supplies is a strange one. The prevailing philosophy in Washington seems to be that in total war it is a good thing to have the civilian economy suffer merely for the sake of its soul.

The relatively small portion of the economic effort of various of our allies and our enemies which goes into providing consumption goods seems to cause our own government to feel ashamed that we are devoting more to our civilian life. The fact that the situations existing in England, Germany, Russia, or China are wholly different from that obtaining here seems to make no difference whatever. The whole idea seems to be to produce as little for the civilian population as possible, more or less regardless of whether any such policy is necessary for maximum war production or not. Of course any such program as this directly tends to widen the "gap" which so disturbs the official mind.

Civilian Supply

The first step which should be taken to lessen the width of this "gap" should be the revision of policy as regards civilian supply. We should make every endeavor to produce as large a volume of civilian supplies as it is humanly possible to do without interfering with the maximum war effort. In order to make any such program as this effective, it would be necessary, moreover, to improve the quality of over-all management provided in Washington. The more wisely and effectively that management is carried forward, the more goods for both war purposes and for the civilian population can be produced. For the same reason, as well as many others, the price policy of the Administration needs careful reconsideration. Whether we like it or not, profitable prices stimulate production and equally regardless of our likes or dislikes unprofitable prices can definitely curtail production. This simple elementary fact of economic life either is not understood at all in Washington or else is consistently ignored. The danger of the "roll-back" program now being instituted lies partly in the fact that it widens the "inflationary gap" and partly in the likelihood that it will interfere seriously with production.

Taxing the Wrong Groups

Another false notion dear to the heart of those who shape our national policy is the idea that the "inflationary gap" can be closed by killing taxation of certain groups in the community whose income has not benefited by the war effort. It would appear that there are many who suppose that recent increments of purchasing power can be taken from one group in the population by heavy taxation of another group. The fact is, of course, that the great enlargements of purchasing power that have occurred within the past year or two have accrued to the individuals in the low income groups. Some rather left-handed progress has been made in developing a program for reaching these lower incomes by taxation, but developments to date leave many in the lower brackets relatively untouched by any of the current tax exactions. It is precisely in these groups that the real danger of inflation lies.

Current reports seem to indicate that the Administration is still determined for the time being at least to avoid "forced savings." For this it must be given due credit. It is to be hoped that it will not weaken in this determination. It would appear that the Treasury has assumed quite enough risk in the sale of what amount to demand liabilities in the form of War Savings Bonds and Stamps. These obligations have been placed widely among the people of the United States under great pressure and often with the expressed assurance that the purchaser by acquiring these bonds is in effect laying aside funds with which to buy a new automobile, build a house, or in various other ways satisfy his consumption demands as soon as the fighting ceases. It can hardly be that the great rank and file of the holders of these obligations at the end of the war will not make demands upon the Treasury for cash. It would be extremely short-sighted for the Treasury to add to such burdens imposed upon itself by adopting some plan of "forced savings." It is showing good sense in trying to avoid this danger. Would that it could summon the same wisdom in the development of its other ideas on taxation!

Controls And Management

"These reveal most emphatically the importance of looking ahead and planning the use of resources. Increasing tightness, coordination and intensity of government controls over production (as well as other aspects of the economy) are unavoidable in 1943. There are many who feel that this trend, required to bring about the quickest possible victory, represents a giving-up on the home front of what is being fought for on the battle-front.

"Certainly the decision to intensify government controls can be successful and compatible with our democratic system only if the controls are developed and frequently appraised through a process of consultation with the people, and are administered in such a manner as to assure equality of sacrifice.

"If the imposition of more severe controls earlier in the war will bring about a more immediate victory, it may be highly desirable to subject ourselves to greater group discipline in order that we may more promptly dispose of the entire war problem and return to peacetime pursuits."—Donald M. Nelson.

Every one, of course, recognizes that controls alien to our peace time normal existence are essential in times of war.

Every one should be equally aware that controls are no substitute for sound policy and able management.

Better management, not more controls, is the urgent need of the day.

The State Of Trade

Most of the heavy industries continued to show declines for the week, with retail business again showing substantial gains.

Carloadings of revenue freight showed a marked drop for the week ended June 5, which included the Memorial Day holiday, totalling 667,575 cars, according to the Association of American Railroads. This was a decrease of 184,943 cars from the preceding week this year, 187,114 cars fewer than the corresponding week in 1942, and 185,365 cars under the like period two years ago.

This total was 94.73% of average loadings for the corresponding week of the 10 preceding years.

Electric power production declined last week under the double impact of the coal strike and the Memorial Day holiday, according to the Edison Electric Institute, although generator output ran well ahead of 1942 figures.

For the week ended June 5, total distribution was 3,925,893,000 kilowatt hours, the Institute said, compared with 3,990,040,000 the week before and 3,732,374,000 in the like 1942 week.

Power demand for the nation as a whole ran 16.4% ahead of 1942. The previous week's output had been 20.1% ahead of year earlier figures.

Consolidated Edison Company of New York announces output for the week ended June 6, totaled 179,800,000 hours, compared with 144,300,000 for the like 1942 week, an increase of 24.6%.

Steel production in the United States is scheduled at 97.8% of rated capacity this week, equivalent to output of 1,693,600 net tons of ingots and castings for the seven days, according to the American Iron & Steel Institute. Last week the operating rate was 97.5% and output 1,688,400 tons. For the like 1942 period, 1,669,700 net tons were produced.

An important factor in the tightening situation in steel delivery may be found in increased exports of semi-finished material, the magazine "Steel" reports.

"Present indications are third-quarter movement will be the heaviest in more than a year, in sharp contrast with last fall, when tonnage accumulated at ports was offered for sale and orders on mill books were canceled," the trade publication continued.

Ingot production droppel 2 points last week to 96½% of estimated national capacity, or the lowest rate since March, 1942, "Steel" calculated.

Civil engineering construction volume in continental United States totals $69,644,000 for the week, "Engineering News-Record" announced. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 82% lower than the total for the corresponding week in 1942, and compares with $106,873,000 reported for the holiday-shortened preceding week by "Engineering News-Record."

Private construction is 52% higher than in the week last year, but this gain is more than offset by the 84% decline in public work. Federal construction is 86% lower than a year ago, and State and municipal work is down 14%.

The current week's construction brings 1943 volume to $1,668,276,000, an average of $72,534,000 for each of the 22 weeks. On the weekly average basis, 1943 volume is 62% below the $4,590,785,000 reported for the 23-week period in 1942. Private construction, $213,022,000, is 31% lower than a year ago, and public work, $1,455,254,000 is down 64% when adjusted for the difference in the number of weeks.

Department store sales on a country wide basis were up 1% for the week ending June 5, compared with the corresponding week a year ago, according to the Federal Reserve Board.

Store sales were up 19% for the four weeks ending June 5, compared with the same period a year ago.

Department store sales in New York City in the week ended June 12 were 26% larger than in the like 1942 week, according to a preliminary estimate issued by the New York Federal Reserve Bank. Part of the increase, the bank pointed out, was attributable to the fact that in the corresponding week last year some of the stores used in the compilation were closed because of a parade.

In the previous week, ended June 5, sales of this group of stores were 3% better than in the comparable 1942 week.

Buying of summer merchandise stimulated retail sales this week, with especially brisk business in apparels generally and women's wear in particular, according to Dun & Bradstreet, Inc.

Retail sales of all stores in the United States aggregated $5,194,000,000 during April, according to the Department of Commerce, an increase of fully 13% over the total for April, 1942. This comparison belies the many prophecies of a severe decline in the volume of goods and services that would be available for civilian consumers this year.

The War Production Board still expects a curtailment of supplies for civilian use during the final months of the year. Its latest estimate, just released by the Office of War Information, predicts a 20% decline during the final three months of the year. Even then, however, the aggregate value of all goods and services bought by civilians during 1943 would approximate the $90,000,000,000 level attained in 1942, observers state.

Record Naval Bill Is Approved By Senate

A bill appropriating $24,850,000,000 for operation of the Navy Department in the 1944 fiscal year was approved on June 7 by the Senate. This record naval bill also contains $4,800,000,000 in direct contract authority. Since the measure was changed from the form in which it passed the House on May 19 a joint conference committee will adjust differences, which principally involve transferring certain items from cash appropriations to contract authority.

The major items in the 1944 Navy bill are a program of additional aircraft construction amounting to $4,943,725,000; ship construction program totaling $9,118,120,000 and $3,476,800,000 for ordnance.

House passage of the measure was noted in our issue of May 27, page 1986.

Preparing For After War Conditions

Roger W. Babson Gives Rules For Every Businessman

Although I do not expect the European and Asiatic conflicts to be over until after the election in 1944, yet the time is fast approaching. Hence, it will be well for all businessmen—large and small—now to prepare a definite plan of post-war action. Certainly the "old days" will not return. New methods and policies are inevitable. Those who properly plan their work should succeed, but many of those who do not, will go under.

Study Profitable Items

Perhaps the first step is to make a survey of your present business and find out which departments and items are profitable and which are not. The present time gives every business man a wonderful opportunity to cut non-profitable lines and various unnecessary customs which have developed during the past years. It is surprising how many of these can be eliminated without hurting the customer or the employee. These eliminations should be made before the war is over.

Roger W. Babson

After the war, merchants will become more and more specialists. Competition will be very keen, both with American concerns and with foreign competitors. This means that costs must be cut to a minimum which can be done partly by standardization. The lines carried should be the very latest and best, but they should not be too extensive. It will be more profitable to give the best service at a low price carrying fewer lines. This often requires opposing both your own salesmen and the salesmen trying to sell you goods.

Base Costs on Normal Sales

When peace comes there will be a temptation to expand. Customers will be rushing in and demanding goods which you are not carrying; while returning soldiers and munition workers will be urging you to give them jobs. Such of your former employees who have been drafted, you must take back if they apply within 60 days after their discharge; but it will not be patriotic to hurriedly enlarge your whole organization. Any business boom which takes place after peace will not continue indefinitely. Therefore it is very important to base your stock and your labor costs on a normal business which can be depended upon to continue. Keep down fixed burdens such as rent, interest charges and other overhead costs.

Cooperate With the Government

Do not be upset by all the reports which you are obliged to fill out and by the various restrictions and regulations to which you are subjected. Get used to these things and quit trying to buck the inevitable. As long as our competitors are also subject to them, we should cooperate with the Government. Above all things, do not put in evasive or dishonest reports.

All of us should, of course, take on certain work when the Government requests us to do so. On the other hand, let us not be hogs and take too much when other concerns are willing to take it for the same price. Hold at least 30% of your normal business, independent of the Government or war. Have in permanent stock only commodities which will be needed after the war. Many Government contracts with concerns on the Atlantic Seaboard will be cancelled when an armistice is declared with Germany. Contracts everywhere may be cancelled when an armistice is declared with Japan also.

Avoid Debt

As far as possible, these wartime conditions should be used for getting out of debt. The theory that it is good to go into a period of inflation with a large debt is wrong. Wise business men will make little or no capital expansions at the present time. The conditions facing us after the war will be so very different than they are today, we should enter them with large cash reserves and no debts.

It is unwise now to speculate in raw materials or manufactured goods. There is no telling what prices will be after the war. The prices for some commodities will then go up, while the prices for other commodities will then go down. It is bad enough to have any slow-moving items on hand when peace comes, but by all means avoid unnecessary commitments.

Insure Accounts Receivable

In addition to providing yourself with sufficient working capital and guarding against inventory losses, it is well carefully to watch receivables. If possible, keep these down to a 30-day basis. Even though you are careful in providing for post-war reserves, many of your customers will not be so careful. Hence, when the Government and sub-contractors cancel their contracts, the latter may be unable to pay you what they owe you. Thus it is well to insure certain accounts receivable.

Companies having outstanding cumulative preferred stocks should try to retire such issues. This would be in addition to eliminating bond issues and bank loans. It is also wise to set up a sinking fund of 1% of the net sales from now on to provide for losses on any receivables which are not properly insured. By all means do not "grab" for new war business at the present time.

What About Salaries?

The salary situation is now pretty well frozen, so that it is very difficult to raise salaries even if desirable. Cases that are worthy of increases should be handled by bonuses so as to avoid unpleasant readjustments after the war is over. Salesmen can be kept on a sliding scale, but this should be based on profits rather than on volume. Although the temptation today is to keep all employees, yet there are some who could now wisely be let go to their advantage as well as yours.

Money In Circulation

The Treasury Department in Washington has issued the customary monthly statement showing the amount of money in circulation after deducting the moneys held in the United States Treasury and by Federal Reserve Banks and agents. The figures this time are for April 30, 1943, and show that the money in circulation at that date (including, of course, that held in bank vaults of member banks of the Federal Reserve System) was $16,659,573,874 as against $16,249,773,305 on March 31, 1943, and $11,766,865,667 on April 30, 1942, and compares with $5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, on June 30, 1914, the total was $3,459,434,174.

Labor Urges Veto Of Anti-Strike Bill

Organized labor has made direct appeals to President Roosevelt to veto the Connally-Smith bill outlawing strikes in government-operated war plants and imposing new restrictions on union activities.

The bill reached the President's desk on June 14 and Mr. Roosevelt has ten days to sign or veto it or allow it to become law without his signature.

The legislation strengthens the War Labor Board's power to deal with the coal wage and other disputes disrupting production, requires a thirty-day notice and majority vote on a secret ballot before a strike could be called in any privately operated war industry, and bans union contributions to political campaigns.

Final Congressional action on the measure came on June 12 when the Senate by a vote of 55 to 22 approved the compromise draft worked out by a joint conference committee. The House had adopted the final version on June 11 by a vote of 219 to 130. The original bill, sponsored by Senator Connally (Dem., Tex.) passed the Senate on May 5 by a 63 to 16 vote. However, the House on June 4 by a vote of 231 to 141 approved a much more drastic measure containing the major provisions of the bill of Representative Smith (Dem., Va.), which the House passed in December, 1941, but the Senate shelved. This necessitated the working out of a compromise by a conference group.

The bill in its final form also provides penalties of $5,000 fine or one year's imprisonment for persons who aid in the interruption of work in Government-operated mines or factories.

On June 14 William Green, President of the American Federation of Labor, appealed to President Roosevelt to veto "this un-American, Fascist, anti-labor legislation." In a letter to the President, Mr. Green said the legislation "strikes at the very heart of democratic processes and is violative of the fundamental principles of freedom upon which our form of government rests."

He added that "the Congress of the United States rendered the nation a great disservice" when it passed the measure.

"This disservice," Mr. Green wrote, "will be reflected in the lowered morale of working men and women, in the development of widespread discontent, and in the impairment of efficiency.

"The workers of our country would never become reconciled to this legislation. They would protest against it and rebel against it in the event it would become the law of the land."

Philip Murray, President of the Congress of Industrial Organizations, sent a letter to the President on June 15 urging him to veto the bill, declaring that it would "hamper and stifle the production of our munitions of war through the demoralization of the workers on the production front."

Weiner Resigns WPB Post

Joseph L. Weiner, former head of the War Production Board's Office of Civilian Supply, has resigned from the WPB, effective June 14, and Chairman Donald M. Nelson has accepted the resignation.

Mr. Weiner had been Director of the Office of Civilian Supply from December, 1942, until April 15, 1943, when this agency was replaced by the new Office of Civilian Requirements, under Arthur D. Whiteside. He agreed to remain with the new organization for a 60-day period while Mr. Whiteside familiarized himself with the work.

Mr. Weiner had been Deputy Director of civilian supply under Leon Henderson from May, 1941, until Mr. Henderson resigned as Director in December, 1942.

The appointment of Mr. Whiteside was reported in our issue of April 29, page 1597.

Reciprocal Trade Agreements Act Extended For Two Years Without Any Restrictions

President Roosevelt signed on June 7 the joint resolution extending for two years his authority to enter into reciprocal trade agreements with foreign governments. Congressional action on the legislation was completed on June 2 when the Senate by a vote of 59 to 23 approved the measure in the form in which it passed the House on May 13.

The renewal of the authority without any "crippling" amendments was a major victory for the administration since Secretary of State Hull had urged Congress not to insert any limitations on the trade agreements program. The authority of the President to enter into agreements under the act was originally adopted in 1934 for a term of three years only and it was renewed twice since each time for a three-year period. The resolution expiring June 12 was also for a three-year extension but the House reduced it to two years and the administration did not seek to raise it.

Under the Trade Agreements Act, the President can adjust tarriffs upward or downward 50% in return for reciprocal concessions by foreign governments. During the past nine years reciprocal trade agreements have been concluded with 29 countries, which account for more than 65% of the total foreign trade of the United States.

Before reaching the final vote on June 2, the Senate defeated a number of proposals designed to restrict the program. One of these was an amendment offered by Senator Maloney (Dem., Conn.) to require ratification of the agreements to a two-thirds vote of the Senate. This was rejected by a 44 to 33 vote. On the previous day, June 1), the Senate turned down, by a vote of 50 to 31 a proposal offered by Senator O'Mahoney (Dem., Wy.) providing that no future agreements could become operative without prior approval by Congress. A Republican - sponsored proposal, presented by Senator Danaher of Connecticut, to impower Congress to terminate any of the trade agreements by joint resolutions six months after the war was defeated by a vote of 51 to 33. This latter provisions had been included in the resolution when it was reported to the floor of the Senate by its Finance Committee on May 19. At that time, Secretary Hull voiced his formal protest against the amendment declaring that it threatened existing agreements with destruction after the war and charging that it would turn this and other nations "away from international economic cooperation" and open the way for a return to "economic nationalism, with serious effects upon both the domestic and international situations."

In the final Senate passage of the measure were 41 Democrats and 18 Republicans favoring extensions and 14 Republicans, 8 Democrats and 1 Progressive opposing.

Continuation of the reciprocal trade agreements program for a two-year period was voted by the House on May 13 by a vote of 342 to 65.

The administration had sought a three-year extension of the act but the Republicans in the House succeeded in cutting the period to two years. This was the only change in the measure since the Democrats were able to defeat a number of Republican efforts to bring the trade pacts under a veto power of Congress. In the final vote a majority of the Republicans joined the Democrats in continuing the program. Voting for the extension were 195 Democrats, 145 Republicans and two members of minor parties. Those opposing it were 11 Democrats, 52 Republicans and two members of minor parties.

The vote on the amendment to give Congress veto powers was 170 to 149.

Secretary Hull appeared before the Senate Finance Committee on May 17, testifying that a clear-cut extension of this authority would be of even greater historical significance than its original adoption.

The House Ways and Means Committee's approval of a two-year extension was noted in our issue of April 29, page 1593.

Baruch To Advise Byrnes

James F. Byrnes, Director of the new Office of War Mobilization, announced on June 9 that Bernard M. Baruch, Chairman of the War Industries Board in the first World War, has been appointed to his personal staff and will serve in an advisory capacity without salary.

Mr. Baruch has been serving as an unofficial adviser to President Roosevelt since the defense program got under way three years ago and headed a rubber-investigating committee for the President last year.

Mr. Baruch declared on June 10 that "internal bickering has hurt the war effort and confused the public," and expressed hope that Mr. Byrnes will stop it.

The Associated Press reported Mr. Baruch as asserting:

"Any call from so fine a man and so old a friend as Justice Byrnes commands my best efforts.

"If I can do anything to help the country I am happy at the opportunity. In taking on this work I am assuming that the Office of War Mobilization will be effective, and that it is to be the final expression of the Commander in Chief and, therefore, it will not be bypassed or side-tracked.

"Justice Byrnes, if not blocked, will improve things by more clearly defining the work of each administrator and stopping all this infernal bickering which has hurt the war effort and confused the public."

Treasury Plans To Borrow $2.5 Billion In 'New Money'

Secretary of the Treasury Morgenthau announced on June 6 that the Treasury plans to borrow about $2,500,000,000 of "new money" around the end of this month (June 28) in order to tide it over before the regularly scheduled third war loan campaign in September. The details of the securities to be offered were not revealed but it was said that the maturity will not be more than ten years. Officials said the money is needed to supplement the $4,000,000,000 in second quarter income tax instalment payments and other tax payments. Mr. Margenthau said on June 7 that June 28 has been set for the offering.

Secretary Morgenthau also announced on June 6 that all outstanding 3¼% Treasury bonds of 1943-45 have been called for redemption on Oct. 15. In making this announcement, Secretary Morgenthau said holders of the 3¼% bonds may be offered in advance of the redemption date the privilege of exchanging them for other Treasury obligations. The 3¼% bonds outstanding approximate $1,401,000,000.

Spain Planning To Pay Frozen U. S. Claims

The Spanish Government is planning an early settlement of the claims of American exporters owning pre-Civil War funds now "frozen" in that country, and the probability is that amounts under $1,000 will be paid first, it was reported on June 14 by Antonio B. Caragol, President of the American Chamber of Commerce in Spain. The information, he said, is based on cable advices just received from the chamber, which is composed of the representatives of United States business organizations in Spain.

In reporting the foregoing, the New York "Times" of June 15 also said:

According to Mr. Carogol, who is associated with the United States Machinery Co., Inc., 90 Broad Street, the settlement is being worked out by a ministerial committee of the Spanish Government. The general validity of the claims has been officially recognized, he said, but the difference between the 1936 rate for pesetas of 7.30 and the figure of 11 now current will probably not be recognized by the government. Exporters seeking such adjustments will be expected to make whatever arrangements they can with the Spanish importers involved.

The chamber's information, Mr. Caragol explained, is that the Spanish Government has been setting aside a percentage of dollar collections for the purpose of honoring the merchandise credits held here. The amount of such credits outstanding he estimated "very roughly" at between $11,000,000 and $12,000,000. Claims under $1,000, which Mr. Caragol said would probably be completely satisfied before the end of this year, constitute the numerical bulk, "at least 60%," of the total.

Pointing out that the recent purchases of the United States Government in Spain "have reversed the exchange picture," creating a reservoir of dollar balances to facilitate the settlement, Mr. Caragol estimated the total now held by Spain at $60,000,000.

"But the Spanish Government has given every indication of a desire to settle these blocked credits as promptly as possible," he said. "The disposition was first evidenced in 1941 when it permitted payment of a percentage of the cost of certain Spanish exports through the utilization of the blocked credits.

"Since then the nation's dollar position has turned around and there is a large balance of dollars created by the purchases we make in Spain and by the amounts spent by our various government agencies stationed there. There is no doubt that a complete and generally satisfactory settlement of the outstanding merchandise credits originating prior to the civil war may be expected in the near future."

Asked about the report that American exporters would be expected to collect the difference in the rates of exchange from the Spanish importers who might be unwilling or unable to make any adjustment, Mr. Caragol explained that the matter was one of the details still under discussion. The method of collection and payment is also yet to be determined, he said.

"Any settlement, however, is in the nature of a windfall," Mr. Caragol continued. "Remember that the majority of American exporters following sound bookkeeping practices wiped these claims off long ago—in fact, probably during the war, right after they were frozen."

Text Of Current Tax Payment Act Of 1943

We are giving below the full text of the new "Current Tax Payment Act of 1943" which became a law on June 10 when President Roosevelt affixed his signature to the legislation.

Final Congressional action on the pay-as-you-go tax bill, abating 75% to 100% of a year's payments, 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 original House bill was enacted on May 4 and the Senate approved its version of the legislation on May 14.

Following is the text of the bill as finally enacted.

[Public Law 68—78th Congress]
[Chapter 120—1st Session]
[H. R. 2570]

AN ACT

To provide for the current payment of the individual income tax, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Current Tax Payment Act of 1943".

(b) Meaning of Terms Used—Except as otherwise expressly provided, terms used in this Act shall have the same meaning as when used in the Internal Revenue Code.

SEC. 2. Collection of Tax At Source On Wages—

(a) In General—Chapter 9 of the Internal Revenue Code (relating to employment taxes) is amended by inserting at the end thereof the following new subchapters:

"SUBCHAPTER D—COLLECTION OF INCOME TAX AT SOURCE ON WAGES

"SEC. 1621. Definitions

"As used in this subchapter—

"(a) Wages—The term 'wages' means all remuneration (other than fees paid to a public official) for services performed by an employee for his employer, including the cash value of all remuneration paid in any medium other than cash; except that such terms shall not include remuneration paid—

"(1) for services performed as a member of the military or naval forces of the United States, other than pensions and retired pay includible in gross income under Capter 1, or

"(2) for agricultural labor (as defined in section 1426 (h)), or

"(3) for domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, or

"(4) for casual labor not in the course of the employer's trade or business, or

"(5) for services by a citizen or resident of the United States for a foreign government or for the government of the Commonwealth of the Philippines, or

"(6) for services performed by a nonresident alien individual, other than a resident of a contiguous country who enters and leaves the United States at frequent intervals, or

"(7) for such services performed by a nonresident alien individual who is a resident of a contiguous country and who enters and leaves the United States at frequent intervals, as may be designated by regulations prescribed by the Commissioner with the approval of the Secretary, or

"(8) for services for an employer performed by a citizen or resident of the United States while outside the United States (as defined in section 3797 (a) (9)) if the major part of the services for such employer during the calendar year is to be performed outside the United States, or

"(9) for services performed as a minister of the gospel.

For the purpose of paragraph (8) services performed on or in connection with an American vessel (as defined in section 1426 (g)) under a contract of service which is entered into within the United States or during the performance of which the vessel touches at a port in the United States, or on or in connection with any vessel as an employee of the United States employed through the War Shipping Administration, shall not constitute services performed outside the United States.

"(b) Payroll Period—The term 'payroll period' means a period for which a payment of wages is ordinarily made to the employee by his employer, and the term 'miscellaneous payroll period' means a payroll period other than a daily, weekly, biweekly, semimonthly, monthly, quarterly, semiannual, or annual payroll period.

"(c) Employee—The term 'employee' includes an officer, employee, or elected official of the United States, a State, Territory or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing. The term 'employee' also includes an officer of a corporation.

"(d) Employer—The term 'employer' means the person for whom an individual performs or performed any service, of whatever nature, as the employee of such person, except that—

"(1) if the person for whom the individual performs or performed the services does not have control of the payment of the wages for such services, the term 'employer' (except for the purposes of subsection (a)) means the person having control of the payment of such wages; and

"(2) in the case of a person paying wages on behalf of a nonresident alien individual, foreign partnership, or foreign corporation, not engaged in trade or business within the United States, the term 'employer' (except for the purposes of subsection (a)) means such person.

"(e) Single Person—The term 'single person' means a person with respect to whom a withholding exemption certificate is in effect under section 1622 (h) stating that such person is single, or is married and not living with husband or wife, and is not the head of a family.

"(f) Married Person—The term 'married person' means a person with respect to whom a withholding exemption certificate is in effect under section 1622 (h) stating that he is married and living with husband or wife.

"(g) Married Person Claiming All of Personal Exemption for Withholding—The term 'married person claiming all of personal exemption for withholding' means a married person with respect to whom a withholding exemption certificate is in effcet under section 1622 (h) stating that for the purposes of this subchapter such person claims all of the personal exemption and that for the purposes of this subchapter his spouse is claiming none of the personal exemption.

"(h) Married Person Claiming Half of Personal Exemption for Withholding—The term 'married person claiming half of the personal exemption for withholding' means a married person with respect to whom a withholding exemption certificate is in effect under section 1622 (h) stating that for the purposes of this subchapter such person claims half of the personal exemption and that for the purposes of this subchapter his spouse is claiming not more than half of such exemption.

"(i) Married Person Claiming None of Personal Exemption For Withholding—The term 'married person claiming none of the personal exemption for withholding' means a married person with respect to whom a withholding exemption certificate is in effect under section 1622 (h) making no claim with respect to the personal exemption for the purposes of this subchapter.

"(j) Head of Family—The term 'head of a family' means a person with respect to whom a withholding exemption certificate is in effect under section 1622 (h) stating that he is the head of a family.

"(k) Dependent—The term 'dependent' means a person included in a withholding exemption certificate in effect under section 1622 (h) as a person dependent upon and receiving his chief support from the employee and either under eighteen years of age or incapable of self-support because mentally or physically defective.

"SEC. 1622. Income Tax Collected At Source

"(a) Requirement of Withholding—Every employer making payment of wages shall deduct and withhold upon such wages a tax equal to the greater of the following:

"(1) 20 per centum of the excess of each payment of such wages over the family status withholding exemption allowable under subsection (b) (1) (A), or

"(2) 3 per centum of the excess of each payment of such wages over the Victory tax withholding exemption allowable under subsection (b) (1) (B).

"(b) Withholding Exemption—

"(1) In computing the tax required to be deducted and withheld under subsection (a), there shall be allowed as a withholding exemption with respect to the wages paid for each payroll period—

"(A) in computing the tax required to be deducted and withheld under subsection (a) (1), a family status withholding exemption determined in accordance with the following schedule:

"Family Status Withholding Exemption

"Payroll period	Single person	Married person claiming whole of personal exemption for withholding or head of family	Married person claiming half of personal exemption for withholding	Married person claiming none of personal exemption for withholding	Each dependent, other than the first dependent in the case of the head of a family
Weekly	$12	$24	$12	0	$6
Biweekly	$24	$48	$24	0	$12
Semimonthly	$26	$52	$26	0	$12
Monthly	$52	$104	$52	0	$26
Quarterly	$156	$312	$156	0	$78
Semimonthly	$312	$624	$312	0	$156
Daily of miscellaneous (per day of such period	$3.40	$3.40	$1.70	0	$.85
Annual	$624	$1,248	$624	0	$12

"(B) in computing the tax required to be deducted and withheld under subsection (a) (2), a Victory tax withholding exemption determined in accordance with the following schedule:

"Payroll Period	Victory Tax Withholding Exemption
Weekly	$12.00
Biweekly	24.00
Semimonthly	26.00
Monthly	52.00
Quarterly	156.00
Semiannual	312.00
Annual	624.00
Daily or Miscellaneous (per day of such period)	1.70

"(2) If wages are paid with respect to a period which is not a payroll period, the withholding exemption allowable with respect to each payment of such wages shall be the exemption allowed for a miscellaneous payroll period containing a number of days (including Sundays and holidays) equal to the number of days in the period with respect to which such wages are paid.

"(3) In any case in which wages are paid by an employer without regard to any payroll period or other period, the withholding exemption allowable with respect to each payment of such wages shall be the exemption allowed for a miscellaneous payroll period containing a number of days equal to the number of days (including Sundays and holidays) which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

"(4) In any case in which the period, or the time described in paragraph (3), in respect of any wages is less than one week, the Commissioner, under regulations prescribed by him with the approval of the Secretary, may authorize an employer, in computing the tax required to be deducted and withheld, to use the excess of the aggregate of the wages paid to the employee during the calendar week over the withholding exemption allowed by this subsection for a weekly payroll period.

"(5) In determining the amounted to be deducted and withheld under this subsection, the wages may, at the election of the employer, be computed to the nearest dollar.

"(c) Wage Bracket Withholding—

"(1) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a).

If the payroll period with respect to an employee is weekly

And the wages are		And, (1) such person is a married person claiming none of personal exemption for withholding and has—									
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents
				Or, (2) such person is a married person claiming half of personal exemption for withholding and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
				Or, (3) such person is a single person and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
At least	But less than					Or, (4) such person is a married person claiming all of personal exemption for withholding and has—					
						No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
						Or, (5) such person is head of a family and has—					
						No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents
		The amount of tax to be withheld shall be—									
$0	$10	$1.00									
10	15	2.50	$1.30	$0.10							
15	20	3.50	2.30	1.10	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20
20	25	4.50	3.30	2.10	.90	.30	.30	.30	.30	.30	.30
25	30	5.50	4.30	3.10	1.90	.70	.50	.50	.50	.50	.50
30	40	7.00	5.80	4.60	3.40	2.20	1.00	.70	.70	.70	.70
40	50	9.00	7.80	6.60	5.40	4.20	3.00	1.80	1.00	1.00	1.00
50	60	11.00	9.80	8.60	7.40	6.20	5.00	3.80	2.60	1.40	1.30
60	70	13.00	11.80	10.60	9.40	8.20	7.00	5.80	4.60	3.40	2.20
70	80	15.00	13.80	12.60	11.40	10.20	9.00	7.80	6.60	5.40	4.20
80	90	17.00	15.80	14.60	13.40	12.20	11.00	9.80	8.60	7.40	6.20
90	100	19.00	17.80	16.60	15.40	14.20	13.00	11.80	10.60	9.40	8.20
100	110	21.00	19.80	18.60	17.40	16.20	15.00	13.80	12.60	11.40	10.20
110	120	23.00	21.80	20.60	19.40	18.20	17.00	15.80	14.60	13.40	12.20
120	130	25.00	23.80	22.60	21.40	20.20	19.00	17.80	16.60	15.40	14.20
130	140	27.00	25.80	24.60	23.40	22.20	21.00	19.80	18.60	17.40	16.20
140	150	29.00	27.80	26.60	25.40	24.20	23.00	21.80	20.60	19.40	18.20
150	160	31.00	29.80	28.60	27.40	26.20	25.00	23.80	22.60	21.40	20.20
160	170	33.00	31.80	30.60	29.40	28.20	27.00	25.80	24.60	23.40	22.20
170	180	35.00	33.80	32.60	31.40	30.20	29.00	27.80	26.60	25.40	24.20
180	190	37.00	35.80	34.60	33.40	32.20	31.00	29.80	28.60	27.40	26.20
190	200	39.00	37.80	36.60	35.40	34.20	33.00	31.80	30.60	29.40	28.20
$200 or over		20% of the excess over $200 plus									
		$40.00	$38.80	$37.60	$36.40	$35.20	$34.00	$32.80	$31.60	$30.40	$29.20

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by $1.20 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages fall (or if the wages paid are $200 or over, of the excess of the wages) over $12, computed, in case such amount is not a multiple of $0.10, to the nearest multiple of $0.10.

If the payroll period with respect to an employee is biweekly

And the wages are		And, (1) such person is a married person claiming none of personal exemption for withholding and has—									
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents
				Or, (2) such person is a married person claiming half of personal exemption for withholding and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
				Or, (3) such person is a single person and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
At least	But less than					Or, (4) such person is a married person claiming all of personal exemption for withholding and has—					
						No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
						Or, (5) such person is head of a family and has—					
						No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents
		The amount of tax to be withheld shall be—									
$0	$20	$2.00									
20	30	5.00	$2.60	$0.20							
30	40	7.00	4.60	2.20	$0.30	$0.30	$0.30	$0.30	$0.30	$0.30	$0.30
40	50	9.00	6.60	4.20	1.80	.60	.60	.60	.60	.60	.60
50	60	11.00	8.60	6.20	3.80	1.40	.90	.90	.90	.90	.90
60	80	14.00	11.60	9.20	6.80	4.40	2.00	1.40	1.40	1.40	1.40
80	100	18.00	15.60	13.20	10.80	8.40	6.00	3.60	2.00	2.00	2.00
100	120	22.00	19.60	17.20	14.80	12.40	10.00	7.60	5.20	2.80	2.60
120	140	26.00	23.60	21.20	18.80	16.40	14.00	11.60	9.20	6.80	4.40
140	160	30.00	27.60	25.20	22.80	20.40	18.00	15.60	13.20	10.80	8.40
160	180	34.00	31.60	29.20	26.80	24.40	22.00	19.60	17.20	14.80	12.40
180	200	38.00	35.60	33.20	30.80	28.40	26.00	23.60	21.20	18.80	16.40
200	220	42.00	39.60	37.20	34.80	32.40	30.00	27.60	25.20	22.80	20.40
220	240	46.00	43.60	41.20	38.80	36.40	34.00	31.60	29.20	26.80	24.40
240	260	50.00	47.60	45.20	42.80	40.40	38.00	35.60	33.20	30.80	28.40
260	280	54.00	51.60	49.20	46.80	44.40	42.00	39.60	37.20	34.80	32.40
280	300	58.00	55.60	53.20	50.80	48.40	46.00	43.60	41.20	38.80	36.40
300	320	62.00	59.60	57.20	54.80	52.40	50.00	47.60	45.20	42.80	40.40
320	340	66.00	63.60	61.20	58.80	56.40	54.00	51.60	49.20	46.80	44.40
340	360	70.00	67.60	65.20	62.80	60.40	58.00	55.60	53.20	50.80	48.40
360	380	74.00	71.60	69.20	66.80	64.40	62.00	59.60	57.20	54.80	52.40
380	400	78.00	75.60	73.20	70.80	68.40	66.00	63.60	61.20	58.80	56.40
$400 or over		20% of the excess over $400 plus									
		$80.00	$77.60	$75.20	$72.80	$70.40	$68.00	$65.60	$63.20	$60.80	$58.40

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by $2.40 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages fall (or if the wages paid are $400 or over, of the excess of the wages) over $24, computed, in case such amount is not a multiple of $0.10, to the nearest multiple of $0.10.

If the payroll period with respect to an employee is semimonthly

And the wages are		And, (1) such person is a married person claiming none of personal exemption for withholding and has—									
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents
				Or, (2) such person is a married person claiming half of personal exemption for withholding and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
				Or, (3) such person is a single person and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
At least	But less than					Or, (4) such person is a married person claiming all of personal exemption for withholding and has—					
						No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
						Or, (5) such person is head of a family and has—					
						No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents
		The amount of tax to be withheld shall be—									
$0	$20	$2.00									
20	30	5.00	$2.40								
30	40	7.00	4.40	$1.80	$0.30	$0.30	$0.30	$0.30	$0.30	$0.30	$0.30
40	50	9.00	6.40	3.80	1.20	.60	.60	.60	.60	.60	.60
50	60	11.00	8.40	5.80	3.20	.90	.90	.90	.90	.90	.90
60	80	14.00	11.40	8.80	6.20	3.60	1.30	1.30	1.30	1.30	1.30
80	100	18.00	15.40	12.80	10.20	7.60	5.00	2.40	1.90	1.90	1.90
100	120	22.00	19.40	16.80	14.20	11.60	9.00	6.40	3.80	2.50	2.50
120	140	26.00	23.40	20.80	18.20	15.60	13.00	10.40	7.80	5.20	3.10
140	160	30.00	27.40	24.80	22.20	19.60	17.00	14.40	11.80	9.20	6.60
160	180	34.00	31.40	28.80	26.20	23.60	21.00	18.40	15.80	13.20	10.60
180	200	38.00	35.40	32.80	30.20	27.60	25.00	22.40	19.80	17.20	14.60
200	220	42.00	39.40	36.80	34.20	31.60	29.00	26.40	23.80	21.20	18.60
220	240	46.00	43.40	40.80	38.20	35.60	33.00	30.40	27.80	25.20	22.60
240	260	50.00	47.40	44.80	42.20	39.60	37.00	34.40	31.80	29.20	26.60
260	280	54.00	51.40	48.80	46.20	43.60	41.00	38.40	35.80	33.20	30.60
280	300	58.00	55.40	52.80	50.20	47.60	45.00	42.40	39.80	37.20	34.60
300	320	62.00	59.40	56.80	54.20	51.60	49.00	46.40	43.80	41.20	38.60
320	340	66.00	63.40	60.80	58.20	55.60	53.00	50.40	47.80	45.20	42.60
340	360	70.00	67.40	64.80	62.20	59.60	57.00	54.40	51.80	49.20	46.60
360	380	74.00	71.40	68.80	66.20	63.60	61.00	58.40	55.80	53.20	50.60
380	400	78.00	75.40	72.80	70.20	67.60	65.00	62.40	59.80	57.20	54.60
$400 or over		20% of the excess over $400 plus									
		$80.00	$77.40	$74.80	$72.20	$69.60	$67.00	$64.40	$61.80	$59.20	$56.60

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by $2.60 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages fall (or if the wages paid are $400 or over, of the excess of the wages) over $26, computed, in case such amount is not a multiple of $0.10, to the nearest multiple of $0.10.

If the payroll period with respect to an employee is monthly

And the wages are		And, (1) such person is a married person claiming none of personal exemption for withholding and has—									
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents
				Or, (2) such person is a married person claiming half of personal exemption for withholding and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
				Or, (3) such person is a single person and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
At least	But less than					Or, (4) such person is a married person claiming all of personal exemption for withholding and has—					
						No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
						Or, (5) such person is head of a family and has—					
						No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents
		The amount of the tax to be withheld shall be—									
$0	$40	$4.00									
40	50	9.00	$3.80								
50	60	11.00	5.80	$0.60	$0.10	$0.10	$0.10	$0.10	$0.10	$0.10	$0.10
60	70	13.00	7.80	2.60	.40	.40	.40	.40	.40	.40	.40
70	80	15.00	9.80	4.60	.70	.70	.70	.70	.70	.70	.70
80	100	18.00	12.80	7.60	2.40	1.10	1.10	1.10	1.10	1.10	1.10
100	120	22.00	16.80	11.60	6.40	1.70	1.70	1.70	1.70	1.70	1.70
120	140	26.00	20.80	15.60	10.40	5.20	2.30	2.30	2.30	2.30	2.30
140	160	30.00	24.80	19.60	14.40	9.20	4.00	2.90	2.90	2.90	2.90
160	200	36.00	30.80	25.60	20.40	15.20	10.00	4.80	3.80	3.80	3.80
200	240	44.00	38.80	33.60	28.40	23.20	18.00	12.80	7.60	5.00	5.00
240	280	52.00	46.80	41.60	36.40	31.20	26.00	20.80	15.60	10.40	6.20
280	320	60.00	54.80	49.60	44.40	39.20	34.00	28.80	23.60	18.40	13.20
320	360	68.00	62.80	57.60	52.40	47.20	42.00	36.80	31.60	26.40	21.20
360	400	76.00	70.80	65.60	60.40	55.20	50.00	44.80	39.60	34.40	29.20
400	440	84.00	78.80	73.60	68.40	63.20	58.00	52.80	47.60	42.40	37.20
440	480	92.00	86.80	81.60	76.40	71.20	66.00	60.80	55.60	50.40	45.20
480	520	100.00	94.80	89.60	84.40	79.20	74.00	68.80	63.60	58.40	53.20
520	560	108.00	102.80	97.60	92.40	87.20	82.00	76.80	71.60	66.40	61.20
560	600	116.00	110.80	105.60	100.40	95.20	90.00	84.80	79.60	74.40	69.20
600	640	124.00	118.80	113.60	108.40	103.20	98.00	92.80	87.60	82.40	77.20
640	680	132.00	126.80	121.60	116.40	111.20	106.00	100.80	95.60	90.40	85.20
680	720	140.00	134.80	129.60	124.40	119.20	114.00	108.80	103.60	98.40	93.20
720	760	148.00	142.80	137.60	132.40	127.20	122.00	116.80	111.60	106.40	101.20
760	800	156.00	150.80	145.60	140.40	135.20	130.00	124.80	119.60	114.40	109.20
$800 or over		20% of the excess over $800 plus									
		$160.00	$154.80	$149.60	$144.40	$139.20	$134.00	$128.80	$123.60	$118.40	$113.20

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by $5.20 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are $800 or over, of the excess of the wages) over $52, computed, in case such amount is not a multiple of $0.10, to the nearest multiple of $0.10.

(Continued on page 2290)

N Y Factory Jobs And Payrolls Down In May

For the first time in nearly a year factories in New York State reported a decline in both employment and payrolls. The decrease in employment from April to May amounted to 1.1% and in payrolls 1.5%, according to a statement released June 15 by the New York State Department of Labor. Curtailment in production of nondurable goods, coupled with the seasonal slump in the clothing industries, accounted for most of the decrease. Higher payrolls were reported by most plants engaged in the production of war materials except for some manufacturers of electrical machinery, aircraft and smelters of nonferrous metals.

The index of factory employment for May was 158.7, an increase of 10.3% over last May. The payroll index was 284.3, which was 29.6% higher than May of 1942. These indices are based on the average of 1935-1939 as 100. Average weekly earnings were $44.44 this month compared with $37.76 a year ago. The above statements are based on preliminary tabulations by the Division of Statistics and Information covering reports from 2,929 firms throughout the State.

The Department's announcement further said:

Seasonal Losses in Apparel Industries

"The severest payroll decrease for the month was experienced by the women's coat, suit and skirt industry, where the decline amounted to more than 40%. The entire group of clothing industries including men's, women's and children's suffered seasonal losses in both employment and payrolls. Fur goods was the single exception, with an employment increase of 1.5%; even here payrolls declined.

"In the textile group, carpets and rugs showed the largest employment decrease for the period. Cotton textile and knitting mills curtailed operations; also bleacheries and makers of felt hat bodies. In rayon and silk mills, employment and payrolls increased slightly.

"Lumber and planing mills decreased activities sharply, reflecting the slump in construction. Most furniture and finished wood products factories reported declines in employment except those with contracts for war materials. Decreased employment and payrolls were recorded in the printing and leather goods industries.

"The food industry showed the only substantial payroll increase for the month, although employment was slightly lower for the group. Canneries began to show some signs of activity, and ice cream plants and breweries enjoyed seasonal expansion. Meat packers, confectioners and soft drink manufacturers had fewer employees. Payrolls were generally higher except for grain-mill products and confectionery. Manufacturers of paper and glass food containers reported greater production. Increased employment and payrolls were noted in the paper, petroleum and stone, clay and glass industries.

War Industries

"In the metals and machinery group, which includes most of the war plants, employment increased 0.3% and payrolls 0.2%. Manufacturers of munitions, fire-control apparatus, scientific instruments and photographic materials hired more workers and reported higher payrolls. Steel mills were busier. Employment in the aircraft and shipbuilding industries increased slightly but payrolls were lower. Tank manufacturing continued to decrease. Tin can factories curtailed activity."

Result Of Treasury Bill Offerings

Secretary of the Treasury Morgenthau announced on June 14 that the tenders for $1,000,000,000 of 92-day Treasury bills to be dated June 16 and to mature Sept. 16, 1943, which were offered on June 11, 1943, were opened at the Federal Reserve Banks.

Details of the issue follow:

Total applied for, $1,405,213,000.

Total accepted, $1,000,540,000 (including $79,106,000 entered on a fixed-price basis at 99.905 and accepted in full).

Range of accepted bids:

High, 99.910, equivalent rate of discount approximately 0.352% per annum.

Low, 99.904; equivalent rate of discount approximately 0.376% per annum.

Average price, 99.905; equivalent rate of discount approximately 0.374% per annum.

(61% of the amount bid for at the low price was accepted.)

The weekly offering of bills was increased from $900,000,000 to $1,000,000,000 on June 10 in view of the increase in maturing issues from $700,000,000 to $800,000,000 and the Treasury's desire to continue its present policy of obtaining $200,000,000 weekly in "new money."

There was a maturity of $802,171,000 in bills on June 16.

As to the previous week's offering of $900,000,000 of 92-day bills, dated June 9 and to mature on Sept. 9, 1943, the Treasury disclosed the following results on June 7:

Total applied for—$1,437,153,000.

Total accepted — $909,267,000 (includes $88,245,000 entered on a fixed-price basis at 99.905 and accepted in full.)

Range of accepted bids:

High—99.913. Equivalent rate of discount approximately 0.340% per annum.

Low—99.904. Equivalent rate of discount approximately 0.373% per annum.

Average price—99.904+. Equivalent rate of discount approximately 0.374% per annum.

(52% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on June 9 in amount of $705,256,000.

Smaller Stores To Hold Southeastern Conference

A Southeastern Regional Wartime Conference of smaller stores will be held in Atlanta July 21 and 22, it is announced by Morris Thompson, Director of the Bureau of Smaller Stores of the National Retail Dry Goods Association. The meeting will be held during Atlanta Market Week, which is being conducted by the Atlanta Manufacturers and Distributors Association during the week of July 19.

This is the first meeting of its type to be conducted outside New York by the NRDGA, although the Smaller Stores group has conducted a number of highly successful regional meetings here.

The plan of regional meetings was developed as a special wartime measure to reduce transportation and housing demands and yet afford smaller store men the opportunity to hear important Government and trade speakers and to discuss their wartime problems, through the medium of discussion groups.

According to the preliminary draft of the program, the Southeastern Conference will be built around the four major subjects of most concern to smaller store men in wartime—Merchandise, Manpower, Regulation, and Promotion and Public Relations. Top-flight speakers from Government and from the trade will keynote each subject and the formal talks will be followed by discussion of the various phases of the problem.

Text Of Current Tax Payment Act Of 1943

(Continued from page 2289)

If the payroll period with respect to an employee is a daily payroll period or a miscellaneous payroll period

And the wages divided by the number of days in such period are—		And, (1) such person is a married person claiming none of personal exemption for withholding and has—									
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents
				Or, (2) such person is a married person claiming half of personal exemption for withholding and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
				Or, (3) such person is a single person and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
At least	But less than					Or, (4) such person is a married person claiming all of personal exemption for withholding and has—					
						No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
						Or, (5) such person is head of a family and has—					
						No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents
		The amount of tax to be withheld shall be the following amount multiplied by the number of days in such period									
$0	$1	$0.10									
1	2	.30	$0.15								
2	3	.50	.35	$0.15							
3	4	.70	.55	.35	$0.20	$0.05	$0.05	$0.05	$0.05	$0.05	$0.05
4	5	.90	.75	.55	.40	.20	.10	.10	.10	.10	.10
5	6	1.10	.95	.75	.60	.40	25	.10	.10	.10	.10
6	7	1.30	1.15	.95	.80	.60	45	.30	.15	.15	.15
7	8	1.50	1.35	1.15	1.00	.80	.65	.50	.30	.15	.15
8	9	1.70	1.55	1.35	1.20	1.00	.85	.70	.50	.35	.20
9	10	1.90	1.75	1.55	1.40	1.20	1.05	.90	.70	.55	.35
10	12	2.20	2.05	1.85	1.70	1.50	1.35	1.20	1.00	.85	.65
12	14	2.60	2.45	2.25	2.10	1.90	1.75	1.60	1.40	1.25	1.05
14	16	3.00	2.85	2.65	2.50	2.30	2.15	2.00	1.80	1.65	1.45
16	18	3.40	3.25	3.05	2.90	2.70	2.55	2.40	2.20	2.05	1.85
18	20	3.80	3.65	3.45	3.30	3.10	2.95	2.80	2.60	2.45	2.25
20	22	4.20	4.05	3.85	3.70	3.50	3.35	3.20	3.00	2.85	2.65
22	24	4.60	4.45	4.25	4.10	3.90	3.75	3.60	3.40	3.25	3.05
24	26	5.00	4.85	4.65	4.50	4.30	4.15	4.00	3.80	3.65	3.45
26	28	5.40	5.25	5.05	4.90	4.70	4.55	4.40	4.20	4.05	3.85
28	30	5.80	5.65	5.45	5.30	5.10	4.95	4.80	4.60	4.45	4.25
$30 or over		20% of the excess over $30 plus									
		$6.00	$5.85	$5.65	$5.50	$5.30	$5.15	$5.00	$4.80	$4.65	$4.45

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by $0.15 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the product of the median wage in the bracket in which the wages fall and the number of days in the period (or if the wages paid are $30 or over, of the excess of the wages) over the product of $1.70 and the number of days in the period, computed, in case such amount is not a multiple of $0.05, to the nearest multiple of $0.05.

"(2) If wages are paid with respect to a period which is not a payroll period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days (including Sundays and holidays) equal to the number of days in the period with respect to which such wages are paid.

"(3) In any case in which wages are paid by an employer without regard to any payroll period or other period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days (including Sundays and holidays) which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

"(4) In any case in which the period, or the time described in paragraph (3), with respect of any wages is less than one week, the Commissioner, under regulations prescribed by him with the approval of the Secretary, may authorize an employer to determine the amount to be deducted and withheld under the tables applicable in the case of a weekly payroll period, in which case the aggregate of the wages paid to the employee during the calendar week shall be considered the weekly wages.

"(5) If the wages exceed the highest wage bracket, in determining the amount to be deducted and withheld under this subsection, the wages may, at the election of the employer, be computed to the nearest dollar.

"(d) Tax Paid By Recipient—If the employer, in violation of the provisions of this subchapter, fails to deduct and withhold the tax under this subchapter, and thereafter the tax against which such tax may be credited is paid, the tax so required to be deducted and withheld shall not be collected from the employer; but this subsection shall in no case relieve the employer from liability for any penalties or additions to the tax otherwise applicable in respect of such failure to deduct and withhold.

"(e) Nondeductibility of Tax in Computing Net Income—The tax deducted and withheld under this subchapter shall not be allowed as a deduction either to the employer or to the recipient of the income in computing net income for the purpose of any tax on income imposed by Act of Congress.

"(f) Refunds or Credits—

"(1) Employers—Where there has been an overpayment of tax under this subchapter, refund or credit shall be made to the employer only to the extent that the amount of such overpayment was not deducted and withheld under this subchapter by the employer.

"(2) Employees—For refund or credit in cases of excessive withholding, see section 322 (a).

"(g) Included and Excluded Wages—If the remuneration paid by an employer to an employee for services performed during one-half or more of any payroll period of not more than thirty-one consecutive days constitutes wages, all the remuneration paid by such employer to such employee for such period shall be deemed to be wages; but if the remuneration paid by an employer to an employee for services performed during more than one-half of any such payroll period does not constitute wages, then none of the remuneration paid by such employer to such employee for such period shall be deemed to be wages.

"(h) Withholding Exemption Certificates—Every employee receiving wages shall furnish his employer a signed withholding exemption certificate relating to his status for the purpose of computing the withholding exemption, or if the employer exercises his election under section 1622 (c) (relating to wage bracket withholding), for the purpose of computing the amount to be deducted and withheld under such subsection. In case of a change of status, a new certificate shall be furnished not later than ten days after such change occurs. The certificate shall be in such form and contain such information as the Commissioner may, with the approval of the Secretary, by regulations prescribe. Such certificate—

"(1) If furnished after the date of commencement of employment with the employer by reason of a change of status, shall take effect with respect to the first payment of wages made on or after the first status determination date which occurs at least thirty days from the date on which such certificate is furnished to the employer, except that at the election of the employer such certificate may be made effective with respect to any previous payment of wages made on or after the date of the furnishing of such certificate. For the purposes of this paragraph the term 'status determination date,' means January 1 and July 1 of each year.

"(2) If furnished otherwise than by reason of a change of status, shall take effect as of the beginning of the first payroll period ending, or the first payment of wages made without regard to a payroll period, on or after the date on which such certificate is furnished to the employer.

A certificate which takes effect under this subsection shall continue in effect with respect to the employer until another such certificate furnished by the employee takes effect under the subsection. If no certificate is in effect under this subsection with respect to an employee, such employee shall be treated, for the purposes of the withholding exemption, or in case the employer exercises his election under section 1622 (c) (relating to wage bracket withholding), for the purpose of computing the amount to be deducted and withheld under such subsection, as a married person claiming none of the personal exemption for withholding and having no dependents.

"(i) Overlapping Pay Periods, and So Forth—If a payment of wages is made to an employee by an employer—

"(1) with respect to a payroll period or other period, any part of which is included in a payroll period or other period with respect to which wages are also paid to such employee by such employer, or

"(2) without regard to any payroll period or other period, but on or prior to the expiration of a payroll period or other period with respect to which wages are also paid to such employee by such employer, or

"(3) with respect to a period beginning in one and ending in another calendar year, or

"(4) through an agent, fiduciary, or other person who also has the control, receipt, custody, or disposal of, or pays, the wages payable by another employer to such employee,

the manner of withholding and the amount to be deducted and withheld under this subchapter shall be determined in accordance with regulations prescribed by the Commissioner with the approval of the Secretary under which the withholding exemption allowed to the employee in any calendar year shall approximate the withholding exemption allowable with respect to an annual payroll period.

"(j) Withholding on Basis of Average Wages—The Commissioner may, under regulations prescribed by him with the approval of the Secretary, authorize employers (1) to estimate the wages which will be paid to any employee in any quarter of the calendar year, (2) to determine the amount to be deducted and withheld upon each payment of wages to such employee during such quarter as if the appropriate average of the wages so estimated constituted the actual wages paid, and (3) to deduct and withhold upon any payment of wages to such employee during such quarter such amount as may be necessary to adjust the amount actually deducted and withheld upon the wages of such employee during such quarter to the amount required to be deducted and withheld during such quarter without regard to this subsection.

"SEC. 1623. Liability For Tax

"The employer shall be liable for the payment of the tax required to be deducted and withheld under this subchapter, and shall not be liable to any person for the amount of any such payment.

"SEC. 1624. Return and Payment by Governmental Employer

"If the employer is the United States, or a State, Territory, or political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing, the return of the amount deducted and withheld upon any wages may be made by any officer or employee of the United States, or of such State, Territory, or political subdivision, or of the District of Columbia, or of such agency or instrumentality, as the case may be, having control of the payment of such wages, or appropriately designated for that purpose.

"SEC. 1625. Receipts

"(a) Requirement—Every employer required to deduct and withhold a tax in respect of the wages of an employee shall furnish to each such employee in respect of his employment during the calendar year, on or before January 31 of the succeeding year, or, if his employment is terminated before the close of such calendar year, on the day on which the last payment of wages is made, a written statement showing the wages paid by the employer to such employee during such calendar year, and the amount of the tax deducted and withheld under this subchapter in respect of such wages.

"(b) Statements to Constitute Information Returns—The statements required to be furnished by this section in respect of any wages shall be furnished at such other times, shall contain such other information, and shall be in such form as the Commissioner, with the approval of the Secretary, may by regulations prescribe. A duplicate of such statement if made and filed in accordance with regulations prescribed by the Commissioner with the approval of the Secretary shall constitute the return required to be made in respect of such wages under section 147.

"(c) Extension of Time—The Commissioner, under such regulations as he may prescribe with the approval of the Secretary, may grant to any employer a reasonabl eextension of time (not in excess of thirty days) with respect to the statements required to be furnished under this section.

"SEC. 1626. Penalties

"(a) Penalties for Fraudulent Receipt or Failure to Furnish Receipt—In lieu of any other penalty provided by law (except the penalty provided by subsection (b) of this section), any person required under the provisions of section 1625 to furnish a receipt in respect of tax withheld pursuant to this subchapter who willfully furnishes a false or fraudulent receipt, or who willfully fails to furnish a receipt in the manner, at the time, and showing the information required under section 1625, or regulations prescribed thereunder, shall for each such failure, upon conviction thereof be fined not more than $1,000, or imprisoned for not more than one year, or both.

"(b) Additional Penalty—In addition to the penalty provided by subsection (a) of this section, any person required under the provisions of section 1625 to furnish a receipt in respect of tax withheld pursuant to this subchapter who wilfully furnishes a false or fraudulent receipt, or who wilfully fails to furnish a receipt in the manner, at the time, and showing the information required under section 1625, or regulations prescribed thereunder, shall for each such failure be subject to a civil penalty of not more than $50.

"(c) Failure of Employer to File Return or Pay Tax—In case of any failure to make and file return or pay the tax required by this subchapter, within the time prescribed by law or prescribed by the Commissioner in pursuance of law, unless it is shown that such failure is due to reasonable cause and not due to willful neglect, the addition to the tax shall not be less than $10.

"(d) Penalties in Respect of Withholding Exemption Certificates—Any individual required to supply information to his employer under section 1622 (h) who wilfully supplies false or fraudulent information, or who willfully fails to supply information thereunder which would require an increase in the tax to be withheld under section 1622, shall, in lieu of any penalty otherwise provided, upon conviction thereof, be fined not more than $500, or imprisoned for not more than one year, or both.

"SEC. 1627. Other Laws Applicable.

"All provisions of law, including penalties, applicable with respect to the tax imposed by section 1400 shall, insofar as applicable and not inconsistent with the provisions of this subchapter, be applicable with respect to the tax under this subchapter.

"SUBCHAPTER E—GENERAL PROVISIONS

"SEC 1630. Verification of Returns, Etc.

(a) Power of Commissioner to Require—The Commissioner, under regulations prescribed by him with the approval of the Secretary, may require that any return, statement, or other document required to be filed under this chapter shall contain or be verified by a written declaration that it is made under the penalties of perjury, and such declaration shall be in lieu of any oath otherwise required.

"(b) Penalties—Every person who willfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter, shall be guilty of a felony, and, upon conviction thereof, shall be subject to the penalties prescribed for perjury in section 125 of the Criminal Code.

"SEC. 1631. Use of Government Depositaries in Connection With Payment of Taxes

"The Secretary may authorize incorporated banks or trust companies which are depositaries or financial agents of the United States to receive any taxes under this chapter in such manner, at such times, and under such conditions as he may prescribe; and he shall prescribe the manner, times, and conditions under which the receipt of such taxes by such depositaries and financial agents is to be treated as payment of such taxes to the collectors.

"SEC. 1632. Acts To Be Performed By Agents.

"In case a fiduciary, agent or other person has the control, receipt, custody, or disposal of, or pays the wages of an employee or group of employees, employed by one or more employers, the Commissioner, under regulations prescribed by him with the approval of the Secretary, is authorized to designate such fiduciary, agent or other person to perform such acts as are required of employers under this chapter and as the Commissioner may specify. Except as may be otherwise prescribed by the Commissioner with the approval of the Secretary, all provisions of law (including penalties) applicable in respect of an employer shall be applicable to a fiduciary, agent or other person so designated but, except as so provided, the employer for whom such fiduciary, agent or other person acts shall remain subject to the provisions of law (including penalties) applicable in respect of employers."

(b) Technical Amendments—

(1) Amendment to Section 34—Section 34 of the Internal Revenue Code (cross reference) is amended by striking out "453, 454, and 466 (e)" and inserting in lieu thereof "453 and 454."

(2) Amendment to Section 322—Section 322 (f) of the Internal Revenue Code (cross reference) is amended to read as follows:

"(f) Tax Withheld at Source—For refund or credit in case of withholding agent, see section 143 (f). For refund or credit in case of employer required to deduct and withhold tax on wages, see section 1622 (f)."

(c) Expiration Date for Withholding at Source on Wages Under Subchapter D of Chapter 1—Section 476 of the Internal Revenue Code (prescribing the expiration date for the taxes imposed by Subchapter D) is amended to read as follows:

"SEC. 476. Expiration Date

"The tax imposed by Part I of this subchapter shall not apply with respect to any taxable year commencing after the date of cessation of hostilities in the present war. The tax imposed by Part II of such subchapter shall not apply with respect to any wages paid after June 30, 1943, unless paid during the calendar year 1943 with respect to a payroll period beginning on or before such date."

(d) Effective Date—The amendments made by subsections (a) and (b) shall take effect July 1, 1943, and shall be applicable to all wages paid on or after such date, except that such amendments shall not be applicable to wages paid during the calendar year 1943 with respect to a payroll period beginning before such date.

SEC. 3. Credit for Tax Withheld at Source

Section 35 of the Internal Revenue Code (relating to the credit for tax withheld on wages) is amended to read as follows:

"SEC. 35. Credit for Tax Withheld on Wages

"The amount deducted and withheld as tax under Subchapter D of Chapter 9 during any calendar year upon the wages of any individual shall be allowed as a credit to the recipient of the income against the tax imposed by this chapter for the taxable year beginning in such calendar year. If more than one taxable year begins in any such calendar year such amount shall be allowed as a credit against the tax for the last taxable year so beginning."

SEC. 4. Refunds

(a) Excessive Withholding, etc.—Section 322 (a) (2) of the Internal Revenue Code (relating to excessive withholding) is amended to read as follows:

"(2) Excessive Withholding—Where the amount of the tax withheld at the source under Part II of Subchapter D or Subchapter D of Chapter 9 exceeds the taxes imposed by this chapter against which the tax so withheld may be credited under section 35 or 466 (e), the amount of such excess shall be considered an overpayment.

"(3) Credits Against Estimated Tax—The Commissioner is authorized to prescribe, with the approval of the Secretary, regulations providing for the crediting against the estimated tax for any taxable year of the amount determined by the taxpayer or the Commissioner to be an overpayment of the tax for a preceding taxable year."

(b) Presumption as to Date of Payment—Section 322 (e) of the Internal Revenue Code (relating to presumption as to date of payment) is amended to read as follows:

"(e) Presumption as to Date of Payment—For the purposes of this section, any tax actually deducted and withheld at the source during any calendar year under Part II of Subchapter D or under Subchapter D of Chapter 9 shall, in respect of the receipient of the income, be deemed to have been paid by him not earlier than the fifteenth day of the third month following the close of his taxable year with respect to which such tax is allowable as a credit under section 35 or section 466 (e). For the purposes of this section, any amount paid as estimated tax for any taxable year shall be deemed to have been paid not earlier than the fifteenth day of the third month following the close of such taxable year."

(c) Delegation of Authority to Collectors to Make Refunds—Section 3770 (a) of the Internal Revenue Code (relating to authority to make refunds) is amended (1) by striking out "(4)" at the beginning of paragraph (4) and inserting in lieu thereof "(5)"; and (2) by inserting after paragraph (3) the following:

"(4) Delegation of Authority to Collectors to Make Refunds—The Commissioner is authorized to delegate, with the approval of the Secretary, to collectors any authority, duty, or function which the Commissioner is authorized or required to exercise or perform under paragraph (1), (2), or (3) of this subsection, or under section 322 or 1027, where the amount involved (exclusive of interest, penalties, additions to the tax, and additional amounts) does not exceed $1,000."

(d) Overpayments—Section 3770 of the Internal Revenue Code (relating to authority to make credits and refunds) is amended by inserting at the end thereof the following:

"(c) Rule Where No Tax Liability—An amount paid as tax shall not be considered not to constitute an overpayment solely by reason of the fact that there was no tax liability in respect of which such amount was paid."

(e) Cross-Reference—The last subsection of section 3771 of the Internal Revenue Code (relating to interest on overpayments) is amended to read as follows:

"(f) Estimated Tax and Tax Withheld at Source—For date of payment in respect of estimated tax and of tax withheld at source on wages, see section 322 (e)."

(f) Review of Allowance of Interest—Section 3790 of the Internal Revenue Code (prohibiting administrative review of Commissioner's decisions) is amended by inserting at the end thereof the following: "In the absence of fraud or mistake in mathematical calculation, the allowance or nonallowance by the Commissioner, of interest on any credit or refund under the internal revenue laws shall not, except as provided in Chapter 5, be subject to review by any other administrative or accounting officer, employee, or agent of the United States."

SEC. 5. Current Payment of Tax Not Withheld At Source

(a) In General—The Internal Revenue Code is amended by striking out sections 58, 59, and 60 and inserting in lieu thereof the following:

"Sec. 58. Declaration of Estimated Tax By Individuals.

"(a) Requirement of Declaration—Every individual (other than an estate or trust and other than a nonresident alien with respect to whose wages, as defined in section 1621 (a), withholding under Subchapter D of Chapter 9 is not made applicable) shall, at the time during the taxable year prescribed in subsection (d), make a declaration of his estimated tax for the taxable year if—

"(1) his gross income from wages (as defined in section 1621)

"(A) in case such individual is single or married but not living with husband or wife: can reasonably be expected to exceed $2,700 for the taxable year; or did exceed $2,700 for the preceding taxable year; or

"(B) in case such individual is married and living with husband or wife: can, when added to the gross income which can reasonably be expected to be received by such husband or wife from wages (as so defined), reasonably be expected to exceed $3,500 for the taxable year; or did when added to the gross income of such husband or wife from wages (as

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Coal Miners' Fines May Be Waived

Following an announcement on Thursday, June 10, that the coal miners would be fined $1 per day for the June 1 to June 5 work stoppage, Harold L. Ickes, Federal Operator of the coal mines, on Saturday, June 12, stated that these fines might be waived by mutual agreement with the operators, an Associated Press dispatch from Washington said. Thus the threat of a new coal strike largely has disappeared.

The dispatch further stated that most of the contracts provide a penalty of $1 per day for an absence from work without cause, but in some districts the penalty is $2. Mr. Ickes, in saying that the fines would be levied, contended that the contracts had been extended indefinitely by the War Labor Board, but the United Mine Workers of America contended that the working contracts were inoperative at the time of the walkout, and hence the miners cannot legally be fined.

The present strike truce will expire on Sunday, June 20.

Portal-to-Portal Pay Agreement Discarded

Associated Press dispatches from Washington on June 16 stated that The Central Pennsylvania Coal Producers Association and the Union on Tuesday of this week threw out their tentative agreement on $1.30 a day portal-to-portal pay, Charles O'Neill, President of the Association, stating that the Union refused to agree to the proposal of the producers that this payment of $1.30 a day should release the latter from all claims for such travel time prior to April 1, 1943 to which date the agreement would have been retroactive.

A decision by the National War Labor Board is now awaited as the next development on the issue.

'Tribute To Russia' Rally Planned In N. Y.

Joseph E. Davies, President Roosevelt's personal envoy to the Soviet Union, will speak at a "Tribute to Russia" meeting in Randall's Island Stadium, New York City, on June 27, it is announced by Allen Wardell, Chairman of the New York Committee of Russian War Relief. Mr. Davies returned to Washington, D. C., from his special mission on June 3, with Premier Stalin's reply to the President's letter.

The rally will culminate a nation-wide observance of "Tribute to Russia Week," being held from June 20 to June 27 as a salute to the Soviet people who, on June 22, enter their third year of war.

The Randall's Island rally is one of several score major meetings which will be held throughout the country during "Tribute to Russia Week" as America's tribute to the courage and achievements of the Soviet people. A special Russian War Relief committee consisting of Mrs. Franklin D. Roosevelt, Wendell Willkie, Bishop William T. Manning, Thomas W. Lamont, Thomas J. Watson, William Green, Philip Murray, A. F. Whitney, James G. Patton, Staton Griffis and Owen D. Young is directing the observance.

Mayor F. H. LaGuardia, Sidney Hillman, president of the Amalgamated Clothing Workers of America, and government and military leaders of the U.S. and the Soviet Union also will address the meeting. A pageant and entertainment will be presented.

Tickets, priced at 25 and 50 cents, may be obtained at Russian War Relief, 11 E. 35th St., and from the sixty local committee headquarters of Russian War Relief in the New York area.

NYSE Short Interest Higher On May 28

The New York Stock Exchange announced on June 12 that the short interest as of the close of business on the May 28 settlement date, as compiled from information obtained by the Stock Exchange from its members and member firms, was 980,047 shares, compared with 882,376 shares on April 30, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the May 28 settlement date, the total short interest in all odd-lot dealers' accounts was 33,589 shares, compared with 35,864 shares, on April 30.

The Exchange's announcement further said:

"Of the 1,234 individual stock issues listed on the Exchange on May 28, there were 61 issues in which a short interest of more than 5,000 shares existed, or in which a change in the short position of more than 2,000 shares occurred during the month.

"The number of issues in which a short interest was reported as of May 28, exclusive of odd-lot dealers' short positions, was 647 compared with 607 on April 30."

In the following tabulation is shown the short interest existing at the close of the last business day for each month for the last two years:

1941—	
April 30	510,969
May 29	496,892
June 30	478,859
July 31	487,169
Aug. 29	470,002
Sept. 30	486,912
Oct. 31	444,745
Nov. 28	453,244
Dec. 31	349,154
1942—	
Jan. 31	460,577
Feb. 27	489,223
Mar. 31	513,546
April 30	530,636
May 29	534,396
June 30	514,158
July 31	*517,422
Aug. 31	532,867
Sept. 30	548,365
Oct. 30	558,446
Nov. 30	551,053
Dec. 31	501,833
1943—	
Jan. 29	579,394
Feb. 26	663,750
Mar. 31	774,871
April 30	882,376
May 28	980,047

*Revised.

Clark Named Head Of N. Y. AIB Chapter

G. Russell Clark, Assistant Manager of the New York Clearing House, was elected President of New York Chapter, American Institute of Banking, at the recent annual meeting. Mr. Clark succeeds to the unexpired term of Everett J. Livesey, who joined the Navy.

Other officers elected for the coming year are:

First Vice President, James E. Robertson, Assistant Cashier of the Chase National Bank.

Second Vice President, Edgar C. Egerton, Vice President of the Seamen's Bank for Savings.

Treasurer, James Lyall, Personnel Director of the United States Trust Co.

Chief Counsel, John W. Boyle, Manager of the Brooklyn office of the Title Guarantee & Trust Co.

New members of the Board of Governors include Raymond C. Deering, Assistant Comptroller of the Manufacturers Trust Co.; Clinton W. Parker, Assistant Secretary of the Dime Savings Bank of Brooklyn, and Crawford Young, Trustee and Vice President of the Flatbush Savings Bank.

Nomination of these officers was noted in these columns of April 22, page 1502.

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so defined) for the preceding taxable year, exceed $3,500 for such preceding taxable year; or

"(2) his gross income from sources other than wages (as defined in section 1621)

"(A) in case such individual is single or married but not living with husband or wife: can reasonably be expected to exceed $100 for the taxable year and his gross income to be such as will require the making of a return for the taxable year under section 51; or did excede $100 for the preceding taxable year and such individual either was required to make a return under section 51 or 455 for such preceding taxable year or would have been so required if he had been single during the whole of such preceding taxable year; or

"(B) in case such individual is married and living with husband or wife: can, when added to the gross income which can reasonably be expected to be received by husband or wife from such sources, reasonably be expected to exceed $100 for the taxable year and the aggregate gross income of such husband and wife can reasonably be expected to be such as will require the making of a return under section 51 or 455; or did, when added to the gross income of such husband or wife from such sources for the preceding taxable year, exceed $100 for such preceding taxable year and such individual would have been required to make a return under section 51 or 455 for such preceding taxable year if he had been married and living with husband or wife during the whole of such preceding taxable year; or

"(3) in case such taxable year is the taxable year beginning in 1943, such individual was required to make a return under section 51 for the taxable year beginning in 1942, and his gross income from wages (as defined in section 1621) for such taxable year is greater than the gross income which can reasonably be expected to be received from wages for the taxable year beginning in 1943.

"(b) Contents of Declaration—In the declaration required under subsection (a) the individual shall state—

"(1) the amount which he estimates as the amount of tax under this chapter for the taxable year, without regard to any credits under sections 32, 35, and 466 (e);

"(2) the amount which he estimates as the credits for the taxable year under sections 32, 35, and 466 (e); and

"(3) the excess of the amount estimated under paragraph (1) over the amount estimated under paragraph (2), which excess for the purposes of this chapter shall be held and considered the estimated tax for the taxable year.

The declaration shall also contain such other information for the purposes of carrying out the provisions of this chapter as the Commissioner, with the approval of the Secretary, may by regulations prescribe, and shall contain or be verified by a written statement that it is made under the penalties of perjury.

"(c) Joint Declaration by Husband and Wife—In the case of a husband and wife living together, a single declaration under this section may be made by them jointly, in which case the liability with respect to the estimated tax shall be joint and several. No joint declaration may be made if either the husband or wife is a nonresident alien. If a joint declaration is made but a joint return is not made for the taxable year, the estimated tax for such year may be treated as the estimated tax of either the husband or the wife, or may be divided between them.

"(d) Time and Place for Filing—The declaration required under subsection (a) shall be filed on or before the fifteenth day of the third month of the taxable year, except that if the requirements of subsection (a) are first met after such date, the declaration shall be filed on or before the fifteenth day of the last month of the quarter of the taxable year in which such requirements are first met. An individual may make amendments or revisions of a declaration filed under this subsection, under regulations prescribed by the Commissioner with the approval of the Secretary. If so made, such amendments or revisions shall be filed on or before the fifteenth day of the last month of any quarter of the taxable year subsequent to that in which the declaration was filed and in which no previous amendments or revisions have been made or filed. Declarations and amendments and revisions thereof shall be filed with the Collector specified in section 53 (b) (1).

"(e) Extension of Time—The Commissioner may grant a reasonable extension of time for filing declarations and paying the estimated tax, under such rules and regulations as he shall prescribe with the approval of the Secretary. Except in the case of taxpayers who are abroad, no such extension shall be for more than six months.

"(f) Persons Under Disability—If the taxpayer is unable to make his own declaration, the declaration shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such taxpayer.

"(g) Signature Presumed Correct—The fact that an individual's name is signed to a filed declaration shall be prima facie evidence for all purposes that the declaration was actually signed by him.

"(h) Publicity of Declaration—For the purposes of section 55 (relating to publicity of returns), a declaration of estimated tax shall be held and considered a return under this chapter.

"SEC. 59. Payment of Estimated Tax

"(a) In General—The estimated tax shall be paid in four equal installments except that—

"(1) if the declaration is filed (otherwise than pursuant to an extension of time) after the fifteenth day of the third month of the taxable year, the estimated tax shall be paid in equal installments the number of which is equal to the number of quarters remaining in the taxable year (including the quarter in which the declaration is filed); and

"(2) if any amendment or revision of a declaration is filed, the remaining installments shall be ratably increased or decreased, as the case may be, to reflect the increase or decrease, as the case may be, in the estimated tax by reason of such amendment or revision; and

"(3) at the election of the individual, any installment of the estimated tax may be paid prior to the date prescribed for its payment.

One installment of the estimated tax shall be paid at the time of making the declaration, and an installment thereof shall be paid on the fifteenth day of the last month of each succeeding quarter of the taxable year. Payment of any installment of the estimated tax shall be considered payment on account of the tax for the taxable year.

"(b) Assessment—The estimated tax shall be assessed only to the extent paid.

"SEC. 60. Special Rules for Application of Sections 58 and 59.

"(a) Farmers—In the case of an individual whose estimated gross income from farming for the taxable year is at least 80 per centum of the total estimated gross income from all sources for the taxable year, in lieu of the time prescribed in section 58 (d), the declaration for the taxable year may be made at any time on or before the fifteenth day of the last month of the taxable year.

"(b) Application to Short Taxable Years—The application of sections 58, 59, and 294 (a) (3), (4), and (5) to taxable years of less than twelve months shall be as prescribed in regulations prescribed by the Commissioner with the approval of the Secretary.

"(c) Application to Taxable Years Beginning in 1943—If the taxable year is the calendar year 1943, the fifteenth day of September, 1943, shall be substituted for the fifteenth day of March for the purposes of section 58 (d). If the taxable year begins in 1943 after January 1, the date which shall be substituted for the fifteenth day of the third month of the taxable year for the purposes of section 58 (d) shall be prescribed by regulations prescribed by the Commissioner with the approval of the Secretary. In either case installments of the estimated tax for such taxable year payable after September 1, 1943, shall be ratably decreased to reflect the payments on account of a taxable year beginning in 1942 which are treated as payments on account of the estimated tax for a taxable year beginning in 1943."

(b) Additions to Tax—Section 294 (a) of the Internal Revenue Code (relating to additions to tax in case of nonpayment) is amended by inserting at the end thereof the following:

"(3) Failure to File Declaration of Estimated Tax—In the case of a failure to make and file a declaration of estimated tax within the time prescribed, there shall be added to the tax an amount equal to 10 per centum of the tax.

"(4) Failure to Pay Installment of Estimated Tax—In the case of the failure to pay an installment of the estimated tax within the time prescribed, there shall be added to the tax $2.50 or 2½ per centum of the tax, whichever is the greater, for each installment with respect to which such failure occurs.

"(5) Substantial Underestimate of Estimated Tax—If 80 per centum of the tax (determined without regard to the credits under sections 32, 35, and 466 (e)), in the case of individuals other than farmers exercising an election under section 60 (a), or 66⅔ per centum of such tax so determined in the case of such farmers, exceeds the estimated tax (increased by such credits), there shall be added to the tax an amount equal to such excess, or equal to 6 per centum of the amount by which such tax so determined exceeds the estimated tax so increased, whichever is the lesser. This paragraph shall not apply to the taxable year in which falls the death of the taxpayer."

(c) Penalties—Section 145 (a) of the Internal Revenue Code (relating to criminal penalties) is amended (1) by inserting after "return" wherever appearing therein the words "or declaration", and (2) by inserting before "tax" wherever appearing therein the words "estimated tax or".

(d) Payment by Installments—Section 56 (b) of the Internal Revenue Code (relating to installment payments) is amended by striking out "The" at the beginning thereof and inserting in lieu thereof "Except in the case of an individual (other than an estate or trust and other than a nonresident alien with respect to whose wages, as defined in section 1621 (a), withholding under Subchapter D of Chapter 9 is not made applicable), the".

(e) Date for Making Return by Certain Nonresident Aliens—

(1) Section 217 (a) of the Internal Revenue Code (relating to returns by nonresident aliens) is amended by inserting after "In the case of a nonresident alien individual" the following: "with respect to whose wages, as defined in section 1621 (a), withholding under Subchapter D of Chapter 9 is not made applicable,".

(2) Section 218 (a) of the Internal Revenue Code (relating to payment of tax by nonresident aliens) is amended by inserting after "In the case of a nonresident alien individual" the following: "with respect to whose wages, as defined in section 1621 (a), withholding under Subchapter D of Chapter 9 is not made applicable,".

(f) Taxable Years to Which Applicable—The amendments made by this section shall be effective with respect to taxable years beginning after December 31, 1942, except that section 294 (a) (5) of the Internal Revenue Code shall not be applicable to a taxable year beginning in 1943 in the case of an individual not required to make a declaration under section 58 of the Internal Revenue Code for such year.

SEC. 6. Relief From Double Payments in 1943

(a) Tax for 1942 Not Greater Than Tax for 1943—In case the tax imposed by Chapter 1 of the Internal Revenue Code upon any individual (other than an estate or trust and other than a nonresident alien not subject to the provisions of sections 58, 59, and 60 of such chapter) for the taxable year 1942 (determined without regard to this section, without regard to interest or additions to the tax, and without regard to credits against the tax for amounts withheld at source) is not greater than the tax for the taxable year 1943 (similarly determined), the liability of such individual for the tax imposed by such chapter for the taxable year 1942 shall be discharged as of September 1, 1943, except that interest and additions to such tax shall be collected at the same time and in the same manner as, and as a part of, the tax under such chapter for the taxable year 1943. In such case if the tax for the taxable year 1942 (determined without regard to this section and without regard to interest or additions to the tax) is more than $50, the tax under such chapter for the taxable year 1943 shall be increased by an amount equal to 25 per centum of the tax for the taxable year 1942 (so determined) or the excess of such tax (so determined) over $50, whichever is the lesser. This subsection shall not apply in any case in which the taxpayer is convicted of any criminal offense with respect to the tax for the taxable year 1942 or in which additions to the tax for such taxable year are applicable by reason of fraud.

(b) Tax for 1942 Greater Than Tax for 1943—In case the tax imposed by Chapter 1 of the Internal Revenue Code upon any individual (other than an estate or trust and other than a nonresident alien not subject to the provisions of sections 58, 59, and 60 of such chapter for the taxable year 1942 (determined without regard to this section, without regard to interest or additions to the tax, and without regard to credits against the tax for amounts withheld at source) is greater than the tax for the taxable year 1943 (similarly determined), the liability of such individual for the tax imposed by such chapter for the taxable year 1942 shall be discharged as of September 1, 1943, except that interest and additions to such tax shall be collected at the same time and in the same manner as, and as a part of, the tax under such chapter for the taxable year 1943. In such case the tax under such chapter for the taxable year 1943 shall be increased by—

(1) the amount by which the tax imposed by such chapter for the taxable year 1942 (determined without regard to this section and without regard to interest and additions to such tax) exceeds the tax imposed by such chapter for the taxable year 1943 (determined without regard to this section, without regard to interest and additions to such tax, and without regard to credits against such tax under section 466 (e) or under section 35 of such chapter), plus

(2) if the tax for the taxable year 1943 (determined without regard to this section, without regard to interest or additions to the tax, and without regard to credits against such tax under section 466 (e) or under section 35 of such chapter) is more than $50, an amount equal to 25 per centum of the tax for the taxable year 1943 (so determined) or the excess of such tax (so determined) over $50, whichever is the lesser. Such amount shall in no case exceed 25 per centum of the tax for the taxable year 1942 (determined without regard to this section and without regard to interest and additions to such tax) or the excess of such tax (so determined) over $50, whichever is the lesser.

This subsection shall not apply in any case in which the taxpayer is convicted of any criminal offense with respect to the tax for the taxable year 1942 or in which additions to the tax for such taxable year are applicable by reason of fraud. An individual who becomes subject to tax for the taxable year 1943 under this subsection shall be an individual required to make a return for the taxable year 1943 under section 51 of the Internal Revenue Code.

(c) Additional Increase in 1943 Tax Where Increased Income—

(1) Tax for 1942 Not Greater Than That for 1943—In the case of a taxpayer whose liability for the tax for the taxable year 1942 is discharged under subsection (a), and whose surtax net income for the base year plus $20,000 is less than that for the taxable year 1942, the tax imposed by Chapter 1 of the Internal Revenue Code for the taxable year 1943 shall be increased by the excess of 75 per centum of the tax imposed by such chapter for the taxable year 1942 (determined without regard to this section and without regard to interest and additions to the tax) over a tentative tax computed as if the portion of the surtax net income for the taxable year 1942 which is not greater than the sum of the surtax net income for the base year plus $20,000 constituted both the surtax net income for the taxable year 1942, and the net income for such taxable year after allowance of all credits against net income;

(2) Tax for 1942 Greater Than That for 1943—In the case of a taxpayer whose liability for the tax for the taxable year 1942 is discharged under subsection (b) and whose surtax net income for the base year plus $20,000 is less than that for the taxable year 1943, the tax imposed by Chapter 1 of the Internal Revenue Code for the taxable year 1943 shall be increased by the excess of 75 per centum of the tax imposed by such chapter for the taxable year 1943 (determined without regard to this section and without regard to interest and additions to the tax) over a tentative tax for the taxable year 1943 computed as if the portion of the surtax net income for such taxable year which is not greater than the sum of the surtax net income for the base year plus $20,000 constituted both the surtax net income for the taxable year 1943, and the net income for such taxable year after allowance of all credits against net income.

For the purposes of this subsection "base year" means any one of the taxable years 1937, 1938, 1939, or 1940, to be selected by the taxpayer.

(d) Rules for Application of Subsections (a), (b), and (c)—

(1) Application of Subsection (b) to Members of Armed Forces—If the taxpayer is in active service in the military or naval forces of the United States or any of the other United Nations at any time during the taxable year 1942 or 1943, the increase in the tax for the taxable year 1943 under subsection (b) (1) shall be reduced by an amount equal to the amount by which the tax for the taxable year 1942 (determined without regard to this section) is increased by reason of the inclusion in the net income for the taxable year 1942 of the amount of the earned net income (as defined in section 25 (a) (4)).

(2) Joint Returns—If the taxpayer either for the taxable year 1942 or for the taxable year 1943 makes a joint return with his spouse, the taxes of the spouses for the taxable year for which a joint return is not made shall be aggregated for the purposes of subsections (a), (b), and (c), and in case the taxable year for which a joint return is not made is the taxable year 1943, the liability for the increase in the tax for the taxable year 1943 under subsections (b) and (c), shall be joint and several.

(3) Foreign Tax Credit and Application of Sections 105, 106, and 107—The credit against the tax imposed by Chapter 1 of the Internal Revenue Code for the taxable year 1943 allowed by section 31 of such chapter (relating to taxes of foreign countries and of possessions of the United States), shall be determined without regard to subsections (a), (b), and (c). Sections 105, 106, and 107 of such chapter (relating to limitations on tax, shall be applied without regard to subsections (a), (b), and (c).

(4) Section 107 Income Attributed to Base Year—That portion of the compensation which is received or accrued in the taxable year 1942 (if the tax for such year is not greater than that for the taxable year 1943), or in the taxable year 1943 (if the tax for such year is less than that for the taxable year 1942), and which under section 107 of the Internal Revenue Code is attributed to the base year, shall for the purposes of subsection (c) be excluded in computing the surtax net income for the taxable year 1942 or 1943, as the case may be, and be included in computing the surtax net income for the base year.

(5) Partnership Business Formerly Operated as Corporation—If, during the base year of any individual, such individual was a shareholder in a corporation and if substantially all of the assets of such corporation were at any time prior to May 1, 1943, acquired by such individual or a partnership of which he is a partner pursuant to the complete liquidation of such corporation, and if at all times after such liquidation up to and including the taxable year 1942 (if subsection (a) is applicable) or the taxable year 1943 (if subsection (b) is applicable) the trade or business of such corporation was carried on by such individual or partnership, for the purpose of subsection (c) such individual may compute his surtax net income for the base year as if the earnings and profits of the corporation for the taxable year ending with or within the base year had all been distributed as dividends at the end of such taxable year. If the interest of such individual in the partnership is proportionately less than his interest in the corporation, his distributive share of such dividends shall for the purposes of this paragraph be adjusted to reflect such difference.

(6) Certain Portions of Increase in 1943 Tax Not Part of Estimated Tax—The amount by which the tax for the taxable year 1943 is increased under subsection (a), (b) (2), or (c) shall not be considered to be a part of the tax for such taxable year for the purposes of sections 58, 59, 60, and 294 (a) (3), (4), and (5) of the Internal Revenue Code.

(7) Taxpayer Dying in Taxable Year 1942—If the individual dies during the taxable year 1942, subsections (a), (b), and (c) shall not apply.

(e) Extension of Time for Payment of Portions of Increase in 1943 Tax—

(1) Twenty-five per Centum Increase Under Subsection (a) or (b)—At the election of the taxpayer, made under regulations prescribed by the Commissioner with the approval of the Secretary, the Commissioner shall, except as hereinafter provided extend the time for the payment of the portion of the tax for the taxable year 1943 equal to one-half of the amount of the 25 per centum increase therein under subsection (a) or (b) (2) for the taxable year 1943, in which case such portion shall be paid on or before the fifteenth day of the fifteenth month following the close of the taxable year. The Commissioner may condition the extension upon the furnishing by the taxpayer of a bond in such amount, not exceeding the amount with respect to which the extension applies, with such surety or sureties, as the Commissioner deems necessary, conditioned upon the payment of such amount in accordance with the terms of the extension. If such amount is not paid on or before the date on which it is payable, it shall be paid upon notice and demand from the Collector. If such amount is not paid on or before the date on which it is payable, there shall be collected, as a part of the tax, interest on such amount at the rate of 6 per centum per annum for the period beginning with the date on which such amount is payable and ending with the date on which it is paid.

(2) Increase Under Subsection (C)—At the election of the taxpayer, made under regulations prescribed by the Commissioner with the approval of the Secretary, the Commissioner shall, except as hereinafter provided, extend the time for the payment of the portion of the tax for the taxable year 1943 equal to the increase therein under subsection (C), in which case such portion shall be paid in four equal annual installments, the first of which shall be paid on the fifteenth day of the fifteenth month following the close of the taxable year, and of the remaining installments one of which shall be paid on the last day of each succeeding twelve-month period, except that any installment may be paid prior to the date prescribed for its payment. The Commissioner may condition the extension upon the furnishing by the taxpayer of a bond in such amount, not exceeding the amount of such increase, with such surety or sureties as the Commissioner deems necessary, conditioned upon the payment of such amount in accordance with the terms of this extension. If the time for the payment of such portion is extended, there shall be collected, as a part of the tax, interest on each installment at the rate of 4 per centum per annum for the period beginning with the date prescribed for the payment of the tax for such taxable year and ending with the date on which such installment is paid or the date on which it is payable, whichever is the earlier. If any installment is not paid on or before the date on which it is payable, it and the remaining installments shall be paid upon notice and demand from the Collector. If any installment is not paid on or before the date on which it is payable, there shall be collected, as part of the tax, interest on such installment at the rate of 6 per centum per annum for the period beginning with the date on which such installment is payable and ending with the date on which it is paid.

(f) Treatment of Payments on Account of 1942 Tax—Any payment (other than interest and additions to the tax) made on account of the tax imposed by Chapter 1 of the Internal Revenue Code for the taxable year 1942 upon a taxpayer whose liability for such tax is discharged under subsection (a) or (b) shall be considered as payment on account of the estimated tax for the taxable year 1943. In the case of any extension of time for the payment of such tax granted by the Commissioner prior to September 1, 1943, payment of the portion thereof which if such extension had not been granted would have been payable under section 56 (b) prior to such date shall be made nothwithstanding subsection (a) or (b), but the foregoing provisions of this subsection shall apply to any such payment. In case the taxpayer becomes delinquent, prior to September 1, 1943, in the payment of such tax or any installment thereof, subsection (a) or (b) shall not relieve the taxpayer of his liability for the tax, but the foregoing provisions of this subsection shall be applicable to payment of such liability. If any payment on account of the tax imposed by such chapter for the taxable year 1942 is made pursuant to a joint return made by husband and wife for such taxable year, and such payment is considered as a payment on account of the estimated tax for the taxable year 1943, such payment may be treated as a payment on account of the estimated tax of either the husband or the wife for such taxable year or may be divided between them.

(g) Use of Term "Taxable Year"—For the purposes of this section the terms "taxable year 1937", taxable year 1938", "taxable year 1939", "taxable year 1940", "taxable year 1942", and "taxable year

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"B" & "C" Gasoline Coupons Again Cut

The value of all "B" and "C" gasoline coupons in the Northeastern States now under a ban on non-essential driving were cut from three gallons to two and one-half gallons effective at 12:01 a.m. on June 2. These coupons are used chiefly for occupational driving. Basic "A" coupons were unchanged and remain worth three gallons.

Prentiss M. Brown, OPA administrator, the announcement said, took this action after being informed by Petroleum Administrator Harold L. Ickes and Donald M. Nelson, Chairman of the War Production Board, that the allocation of gasoline for East Coast civilian use in June must be reduced from a previously scheduled 356,000 barrels a day to 326,-000 barrels a day.

To assure that consumption will be held within the available supply announced by the Petroleum Administrator, Mr. Brown announced that it will also be necessary to:

1. Direct War Price and Rationing Boards to deny applications for additional rations of gasoline to restore mileage lost as a result of the new cut.

2. Revoke present provisions allowing special rations of up to five gallons to service men on furlough in the area affected by the cut.

3. Deny supplemental rations to applicants living within a reasonable walking distance of their work, regardless of car pools and lack of other means of transportation. Exceptions will be made only to take into account physical disability, or the necessity to transport heavy equipment, such as tools.

"Two months ago the basic A rations were cut in half in 17 Eastern States in order that a greater part of the available supply of gasoline might be diverted to spring farm use," said Mr. Brown. "This left car owners a scant ration allowing only 90 miles a month to meet family and personal emergencies.

"About the same time War Price and Rationing Boards began a close review of supplemental B and C rations to make sure that they were tailored closely to the applicant's needs.

"On May 20, a ban on all non-essential driving in the Northeastern critical shortage area was ordered with vigorous enforcement provisions to keep gasoline supplies from being dissipated by pleasure seekers.

"On May 23, OPA, at the request of the Office of Defense Transportation, took action which in effect cut the operation of commercial vehicles—trucks, buses and taxis—by 40%.

"In previous coupon cuts car owners have been given the opportunity of applying for additional rations to restore occupational mileage they lost because of the cut in coupon value. Obviously, this procedure cannot be followed this time, since to save the additional 30,000 barrels a day there must be a reduction in occupational driving."

Mr. Brown stated that the cut in B and C rations would not be made effective in the Southeastern States where basic A rations were cut March 22—North Carolina, South Carolina, Georgia and Florida—pending an investigation of gasoline supplies by the Petroleum Administration for War.

The new measures announced on June 1 will be effective in 12 States, eight eastern counties of West Virginia and the District of Columbia. The States are: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland and Virginia.

Text Of Current Tax Payment Act Of 1943

(Continued from page 2293)

1943" mean, respectively, the taxable year beginning in 1937, 1938, 1939, 1940, 1942, and 1943, respectively; and "taxable year" as applied to the taxable year 1942 or 1943 shall not include any period of less than twelve months unless occasioned by the death of the taxpayer or unless there is no taxable year of twelve months beginning in such calendar year.

(h) Regulations—This section shall be applied in accordance with regulations prescribed by the Commissioner with the approval of the Secretary.

SEC. 7. Additional Allowance for Members of Armed Forces

(a) In General—Section 22 (b) (13 of the Internal Revenue Code (relating to additional allowance for military and naval personnel in computing net income) is amended to read as follows:

"(13) Additional Allowance for Military and Naval Personnel—In the case of compensataion received during any taxable year and before the termination of the present war as proclaimed by the President, by a member of the military or naval forces of the United States for active service in such forces during such war, or by a citizen or resident of the United States who is a member of the military or naval forces of any of the other United Nations for active service in such forces during such war, so much of such compensation as does not exceed $1,500."

(b) Effective Date—The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1942.

SEC. 8. Abatement of Tax for Members of Armed Forces Upon Death

Chapter 1 of the Internal Revenue Code is amended by inserting after section 404 the following new supplement:

"Supplement U—Abatement of Tax for Members of Armed Forces Upon Death

"SEC. 421. Abatement of Tax for Members of Armed Forces Upon Death

"In the case of any individual who dies on or after December 7, 1941, while in active service as a member of the military or naval forces of the United States or of any of the other United Nations and prior to the termination of the present war as proclaimed by the President, the tax imposed by this chapter shall not apply with respect to the taxable year in which falls the date of his death, and the tax under this chapter and under the corresponding title of each prior revenue law for preceding taxable years which is unpaid at the date of his death (including interest, additions to the tax, and additional amounts) shall not be assessed, and if assessed the assessment shall be abated, and if collected shall be credited or refunded as an overpayment."

SEC. 9 Assistant Commissioners

Subchapter B of Chapter 39 of the Internal Revenue Code is amended to read as follows:

"SUBCHAPTER B—ASSISTANT COMMISSIONERS

"SEC. 3905. Appointment.

"There shall be in the Bureau of Internal Revenue two Assistant Commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate.

"SEC. 3906. Duties.

"The Assistant Commissioners shall perform such duties as may be prescribed by the Commissioner or required by law."

SEC. 10. Extension of Time in Connection with Release of Powers of Appointment

Section 403 (d) (3) of the Revenue Act of 1942 is amended by striking out "July 1, 1943" wherever it appears and inserting in lieu thereof "March 1, 1944"; and section 452 (c) of the Revenue Act of 1942 is amended to read as follows:

"(c) Release Before March 1, 1944—

"(1) A release of a power to appoint before March 1, 1944, shall not be deemed a transfer of property by the individual possessing such power.

"(2) This subsection shall apply to all calendar years prior to 1944 and to that part of the calendar year 1944 prior to March 1, 1944."

Approved June 9, 1943, 7 p. m., E. War Time.

Hecht Urges Govt. To Stimulate Buying Of Bonds From People's Current Income

(Continued from first page)

growing part of the total assets of banks. The old Treasury slogan of 1918, 'Borrow and Buy,' has been changed to 'Save and Buy,' and it is to be hoped that this campaign will result in a much greater distribution of bonds to the general public and consequent smaller reliance on subscription by banks."

As to the danger of inflation, Mr. Hecht asserted:

"With this enormous increase in the purchasing power of the masses it is inevitable that the demand for consumers goods should greatly exceed the supply and that the price level in spite of the Government's effort to hold it down should rise. This condition in turn carries with it great danger of inflation against which bankers have warned the people for the past several years. There are still too many who do not appreciate the seriousness of this tendency, but who on the contrary are inclined to believe that a reasonable amount of inflation would be a good thing because salaries and wages would go up, security values would rise and previously incurred debt could more easily be paid up with inflated money. People who hold such views just do not appreciate the tragic consequences suffered by the people of several European countries after the last war when the volume of their currencies went skyrocketing and the purchasing power of their money all but disappeared. Fortunately, our Government officials are aware of this danger and they have done a great deal towards controlling the upward tendency of prices. It is a most difficult task, and the most that can be said at this time is that while the authorities have not actually stopped the price increase, they have at least slowed it down considerably and seem to have it under control. To accomplish this the Office of Price Administration has had to do many things which have been very unpopular because the effect has been to seriously curtail our economic freedom and to reduce the amount of goods we can buy.

"The inability to buy the goods they want has induced millions of war workers to carry in their pockets a much larger amount of currency than usual, with the result that total currency in circulation which in 1913 was $3,365,000,000, in 1920 $5,332,000,000 and in 1939 $7,200,000,000 is now at an all-time high of $17,000,000,000. It should be added, however, that this phenomenal total of currency in circulation is undoubtedly due to one other factor which has nothing to do with the great purchasing power of the masses. I refer to the fear which has been created in the minds of many bank depositors and would-be depositors by the talk that the Government may resort to some form of 'compulsory saving' which by many has been erroneously interpreted as a threat that the Government may 'freeze' all bank accounts."

With respect to the post-war period, Mr. Hecht expressed his opinion that the predicted depression can be averted and that "as a nation we shall be able to go forward to greater achievements and new social gains."

He qualified his remarks of post-war prosperity, however, by the statement that this will be possible "only if we shall have a rebirth of true American initiative and free enterprise and get relief from the innumerable Government controls which are admittedly necessary in wartime but extremely distasteful to our business leaders under normal conditions." He added:

"No doubt we shall have to accept in this post-war world many economic changes that may not be to our liking, but I believe that opportunities for the young men will be just as great in America as ever before, and that 'capitalism' and 'free enterprise' will not perish from the economic life of our country."

Mr. Hecht further declared:

"Certainly there can be no doubt that when peace comes we shall emerge with our industrial machinery geared to an all-time high, with more skilled labor available than ever before in our history, and with a financial foundation so sound as to readily absorb the shock of the transition from a wartime to a peacetime economy. History shows that after every national calamity our people benefited by the lessons of the hardships they suffered and went forward to greater national achievement. An enormous amount of postponed work will have to be done which should readily absorb the labor released from the war industries and from the military services. New dwellings, new furniture, new gas stoves, new ice boxes, new automobiles, new highways and innuemerable other things will be needed and the wheels of American industry should be kept turning at full speed for a long period to supply these demands. Other countries, desolated by war, will also need our goods for their rehabilitation, and while it is not possible to discuss here the proper means of financing this new export movement there is no doubt that necessary provisions will be made for it when the victorious Allies sit around the peace table.

"The greatest problem will be to carry out this transition with sufficient skill and speed so as to avoid even temporary unemployment on any large scale. If we can maintain the income of the wage earners there is no doubt that the pent-up demand for consumer goods will be enormous and will furnish the basis for real prosperity as fast as our efforts can be turned from the creation of instruments of destruction back to the channels of constructive production."

From Washington

(Continued from first page)

you are going to take it on that basis, the country was for inflation. Except that that is no way to take it, because Leon and his crowd were doing a lot about everything, but very little about inflation. Well, Leon's got a job, but he's unhappy; he's not in the headlines, business men are not cowering before him any more.

Prentiss Brown, who was to give the crazy OPA a democratic touch, is through. Oh, there'll probably always be an OPA as there will always be an England, but his authority to ration, to fix prices on foodstuffs is by way of being transferred to Chester Davis. We likely won't be any better off then than we were before.

The Washington bureaucracy is getting so mixed up that no one knows which way to turn. The Congress in an effort to beat its way back and recover its standing, to get a hold over the Bureaucrats, gets lost in the undertaking. Determined to show its strength over John L. Lewis, a petty endeavor, it strengthens the authority of the National Labor Relations Board which is the most contemptuous bureaucracy of them all, and in so doing the Congress strengthens the Board in its determination to create chaos in the Pacific Coast shipyards, which Congress is utterly against, of course.

This situation could not have come about, manifestly, were it not for the fact that the people have lost something. They have lost the ability to govern themselves. We cry out, over here, these day, for "strong" men. Our editors cry for them. They keep crying for "strong" men, notwithstanding that every "strong" man so far has flopped, has turned out to be just another human being after all, a man who could not resist the appeal of the headlines, a man who made a jackass out of himself trying to be a "strong" man. But the editors, presumably feeling that they are "strong" men themselves, keep on insisting on "strong" men. They do this irrespective of the fact that Washington today has got the greatest compounding of "strong" men that the world has ever known.

When you see this succession of "strong" men here, though, the inescapable conclusion seems to be, that there is one "strong" man who stands out over everything: well, as a matter of fact, three "strong" men: FD, Winnie and Joe. It's amazing how we've come to call them by their first names.

The other night Mrs. Roosevelt appeared on the platform with a young reporter. At the conclusion she congratulated him on his speech and asked if she might not drop him by his paper. It so happens that he was traveling with a young girl reporter who had been sent to "cover" the event of the two of them speaking. He explained this but when he told the girl reporter about it, she was very crestfallen because she was willing to leave her car where it was for a ride with Mrs. Roosevelt. The speaker-reporter ran back and told Mrs. R. that it was a mistake, he didn't have a car and would be glad to ride with her. So he and his associate rode with Mrs. R. She was very entertaining. She told them anecdotes about F. D. and Winnie. She knows them both. They are both very interesting fellows, and Mrs. R. is having a wonderful time associating with them.

Subsidy Payments On 4 Canned Vegetables

Subsidizing of vegetable packers, to compensate them for proposed wage increases pending before the War Labor Board, was authorized on June 11 by the Office of Economic Stabilization.

In Associated Press advices from Washington June 11, the following was reported:

The vegetable subsidy authorized by Fred M. Vinson, new Director of Stabilization, was the first to compensate for proposed wage increases. Previously ordered subsidies—for meat, butter, gasoline and metals—have been based on increased costs of materials or transportation, or the encouragement of production.

Vinson based his authorization on an interpretation of President Roosevelt's "hold-the-line" order of April 8, 1943. He said that prices of canned green peas, snap beans, sweet corn, tomatoes and other primary tomato products had been stabilized under a previous agreement.

Under this, the Commodity Credit Corporation agreed in January to buy the raw vegetables from growers at market prices and resell them at a loss so that the higher current price of raw vegetables would not cause any increase in the price of canned vegetables.

Now, cannery workers are asking increased wages and Vinson said that if the board granted the increased wages, the price stabilization of the vegetables would be upset and he was acting therefore to forestall "higher consumer prices for essential cost of living items—a result inconsistent with the hold-the-line program."

Unofficial estimates of the cost of the possible wage subsidy, to be paid by Commodity Credit Corporation, were approximately $5,000,000 a year. The previous Commodity Credit commitment to subsidize the raw vegetables had been estimated to cost $25,000,000 a year.

Mr. Vinson excepted from the wage subsidy canned vegetables sold to the Government for the military service or lend-lease, and ruled that any price increase resulting from wage boosts will have to be paid by the Government agencies which buy canned vegetables.

The action applied to only the four classes of canned vegetables, and Vinson, in a statement, said:

"For minor vegetables, which are not essential cost-of-living items, approved increased raw material costs and approved wage-rate increases will, where necessary to assure the processors the margins required by law, be reflected in higher ceiling prices."

Mr. Vinson also made it plain that the only wage increases that would be considered in subsidy payments were ones which may be approved by the War Labor Board. It was understood, moreover, that Vinson probably will study the profits of the canning companies at present compared with previous years to determine whether they should absorb part of wage increases.

Mr. Vinson described the action as one of "a series of steps which will be taken by various governmental agencies to insure an adequate supply of processed vegetables."

"The program," he continued, "will maintain fair and equitable returns for the canning industry, at the same time preventing increases in the consumer prices of essential cost-of-living items."

Civil Engineering Construction $69,644,000 For Week

Civil engineering construction volume in continental U. S. totals $69,644,000 for the week. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 82% lower than the total for the corresponding week in 1942, and compares with $106,873,000 reported for the holiday-shortened preceding week by "Engineering News-Record" on June 10, which went on to say:

Private construction is 52% higher than in the week last year, but this gain is more than offset by the 84% decline in public work. Federal construction is 86% lower than a year ago, and state and municipal work is down 14%.

The current week's construction brings 1943 volume to $1,668,-276,000, an average of $72,534,000 for each of the 22 weeks. On the weekly average basis, 1943 volume is 62% below the $4,590,785,000 reported for the 23-week period in 1942. Private construction, $213,-022,000, is 31% lower than a year ago; and public work, $1,455,254,000, is down 64% when adjusted for the difference in the number of weeks.

Civil engineering volumes in continental U. S. for the 1942 week, last week, and the current week are:

	June 11, 1942 (five days)	June 3, 1943 (four days)	June 10 1943 (five days)
Total U. S. Construction	$379,458,000	$106,873,000	$69,644,000
Private Construction	5,869,000	54,323,000	8,933,000
Public Construction	373,589,000	52,550,000	60,711,000
State and Municipal	10,962,000	4,296,000	9,445,000
Federal	362,627,000	48,254,000	51,266,000

In the classified construction groups, gains over last week are reported in sewerage, bridges, commercial buildings, earthwork and drainage, streets and roads, and unclassified construction. Increases over a year ago are in industrial and commercial buildings, and earthwork and drainage. Subtotals for the week in each class of construction are: waterworks, $1,052,000; sewerage, $871,000; bridges, $350,000; industrial buildings, $2,564,000; commercial building and large-scale private housing, $6,039,000; public buildings, $35,918,000; earthwork and drainage, $2,503,000; streets and roads, $7,176,000; and unclassified construction, $13,171,000.

New capital for construction purposes for the week totals $687,000, and is made up entirely of state and municipal bond sales. New construction financing for the year to date, $493,400,000, compares with $6,870,550,000 for 23-week period last year.

OPA Ration Coupon Verification Plan Unsound, Says ABA

The procedure ordered by the Office of Price Administration for the verification by banks of the contents of envelopes containing ration coupons deposited in the ration coupon accounts in banks was characterized by the American Bankers Association as unsound in a protest recently filed with OPA Administrator Prentiss Brown by W. L. Hemingway, President of the A. B. A. and in a bulletin sent to all banks by the A. B. A. Ration Banking Committee.

In his letter to OPA Administrator Brown, Mr. Hemingway said: "In our opinion this procedure is definitely unsound and the forwarding of these instructions may seriously affect the continued smooth operation of the ration banking program." The announcement of the A. B. A. on June 7 stated that the protest and bulletin were occasioned by instructions sent to the banks by Mr. Brown over the objections of the Ration Banking Committee of the A. B. A., which OPA instructions direct the banks to count the contents of a minimum of 3% of the envelopes deposited hereafter containing up to 500 coupons.

The bulletin points out that under the plan set up for the ration coupon banking system it was agreed that the only function the banks were to perform consisted of the "accounting and bookkeeping functions relating to ration evidences." It adds:

"It was also understood to be a basic part of the procedure that coupons would be deposited on gummed sheets, the operating procedure was approved by the Ration Banking Committee on that basis and the banks for the most part found the handling of deposits of coupons on gummed sheets practical. This method provided considerable control over the validity of coupons deposited and lent itself to reasonably accurate verification of such deposits."

Referring to the substitution of envelopes for gummed sheets the bulletin characterizes the "unexpected change in the basic procedure so soon after the start of ration banking" as the "most disturbing single factor in the operation of the plan." From the advices from the A. B. A. we also quote:

"It [the bulletin] points out that the order of the OPA will intensify the manpower problem of the banks, that the reporting of errors on the part of customers to the OPA instead of the depositors will create customer relations problems, that the checking of such a small percentage of the envelopes will be insufficient for the building up of enough case evidence to use against violators, that any test check that could be made would be inadequate to provide protection against fraud and gross irregularities, that loosely controlled and inadequately safeguarded operations are contrary to sound banking principles and that if at a later date it should be found that fraud had been practiced generally the banks might be blamed for it because of having agreed to participate in an inadequate verification procedure.

"The bulletin states that the Ration Banking Committee has discussed the problem with the OPA and made various suggestions of alternative plans that would provide sound procedure and satisfactory control. In addition, it avers its conviction that a suitable plan could be developed within a reasonable time and states that it requested the OPA to withhold its new instructions pending further study.

"In its bulletin the committee declares its recognition of the rationing program as essential to the war effort and its belief that the banks have an important part to play in it. But it adds: "We feel strongly that the verification procedure now ordered by the Office of Price Administration is unsound and we do not endorse it in any way."

Financial Firms Give To Greater N. Y. Fund

Pierpont V. Davis, Chairman of the Finance Section in the current campaign of The Greater New York Fund, has reported that of the first 255 contributions collected by his group from corporations and firms, 79 represented organizations which had never supported the Fund before. These newcomers included 57 firm members of the New York Stock Exchange, 17 investment banks, four casualty and surety companies and one life insurance company.

The first 255 contributions total $568,072. The total for all contributions raised by the Finance Section as of May 30 when the last complete tabulation was made, was $670,031. The latter amount is approximately 70% of the $966,996 which is the Section's goal. One of the new Fund contributors, a life insurance company, gave $15,000, Mr. Davis pointed out.

"The response that the financial and insurance community is making to this sixth campaign and second wartime appeal of The Greater New York Fund is most encouraging," Mr. Davis added.

The Fund appeals once a year to business firms and employee groups to help support 406 affiliated, voluntary hospitals, health and welfare agencies. The minimum goal of this campaign is $4,500,000.

Colby Elected AIB Head

At the wartime conference of the American Institute of Banking, held in Chicago on June 10, David L. Colby, Assistant Vice-President of the Boatmen's National Bank of St. Louis, was elected as its President. He served as Vice-President in the year just closed and was advanced to succeed David E. Simms, Acting Manager of the Salt Lake City branch of the Federal Reserve Bank of San Francisco. William C. Way, Trust Officer of the Central National Bank of Cleveland, was named Vice-President to succeed Mr. Colby.

Four members were elected to the Executive Council. They are: Floyd L. Geyer, Junior Vice-President of California Bank, Los Angeles; S. J. Kryzsko, Assistant Cashier and Assistant Trust Officer, Winona National & Savings Bank, Winona, Minn.; Albert O. Werner, Assistant Cashier, Industrial National Bank of Detroit, Mich., and T. S. Wiggins, Assistant Vice-President, National Bank of Commerce, Memphis, Tenn.

NYSE Borrowings Lower

The New York Stock Exchange announced on June 7 that the total of money borrowed as reported by Stock Exchange member firms as of May 29 totaled $620,703,562, a decrease of $106,-379,894 from the revised April 30 aggregate of $727,083,456. The following is the Stock Exchange's announcement:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges; (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, $197,-064,147; (2) on all other collateral, $423,639,415; reported by New York Stock Exchange member firms as of the close of business May 29, 1943, aggregated, $620,-703,562.

The total of money borrowed, compiled on the same basis, as of the close of business April 30, 1943, as shown in the revised release dated June 4, 1943, was (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, $362,043,810; (2) on all other collateral, $365,-039,646; total, $727,083,456.

OPA Roll-Back Program Only Way To Hold The Line, Humphries Declares

Warning that price control, and the stability of the whole nation as well, is now at the crossroads, Don H. Humphries, Assistant Economic Advisor of the Office of Price Administration, defended on June 6 the current OPA program to have the Government assume the cost of rolling back prices as the only effective way to hold-the-line firmly against inflation.

In a talk before the United Retail, Wholesale and Department Store Employees (CIO) at the Hotel Astor in New York City, Mr. Humphries said that this Government subsidy is justifiable since it will pay for itself many times over "by avoiding the pyramiding of price, cost and wage adjustments that would otherwise cumulate into a vicious spiral." He estimated that the program will cost the Government between $350,000,000 and $500,000,000 a year, but that it will cut the consumers annual food budget directly by $470,000,000. Mr. Humphries added:

"The indirect savings are several times greater for, in the absence of a roll-back, wages will go up pushing prices still higher. The Government will spend somewhere in the neighborhood of $100,000,-000,000 this year. A 1% increase in prices that Government must pay will increase its expenditures by $1,000,000,000. Much of the war production is, in the last analysis, on a cost-plus basis. By preventing wage and price increases, the estimated savings to the Government of $725,000,000 is conservative."

Mr. Humphries further declared:

"The basic standard for wage adjustments was established by the War Labor Board in the 'Little Steel Formula' which limited the increase in wage rates since Jan. 1, 1941 to the increase in the cost of living between that date and May 1942, (which amounted to 15%). This wage stabilization was predicated upon the Government's program to stabilize the cost of living at May 1942 levels. Since that time, however, the cost of living has continued to rise. In April of this year, it was 23% above the January 1941 level and at the present, it is estimated to be almost 25% above that level. This represents an increase of about 10% since May 1942 when we first attempted stabilization, and about 7% since September where the Stabilization Act expressly directs that prices be held.

"If the 25% increase in the cost of living is compared with the 15% adjustment permitted by the 'Little Steel Formula,' it is difficult to see how this situation can stand. This is particularly true when it is recalled that the cost of living index understates the actual rise in living costs because of quality deterioration and violations of ceiling prices. Moreover, almost 7% of the rise in cost of living has occurred since September where the Act (of Oct. 5) directs that prices and wages be stabilized. It is in the light of these facts that I say: We are at the crossroads. Even moderate increases in the cost of living are no longer tolerable. Either we hold prices or prices run away.

"Unless the commitment to stabilize at the Sept. 15 level is made good, it is difficult to see how a general wage revision can be avoided. But here is the rub. A general upward wage revision even for the whole of American workers will not enable them to buy any more food. That is determined by what we can produce and by the needs of our armed forces and Allies. Higher wages will not enable us to buy any more clothing. Those supplies are limited by material, facilities, and manpower. We cannot buy more housing, for that is also limited by war requirements. Nor will higher wages provide any more doctors for civilian medical care. A general wage increase will, however, add enormously to the billions of dollars that have nowhere to go. Higher wages will force higher prices both by raising costs and by increasing the purchasing power under conditions where supplies cannot be, similarly, increased.

"Farmers, too, will enter the picture. If the prices that farmers pay go up, all ceilings on farm products and foods must, by law, be similarly raised. If wages and food prices chase each other, they will go up and up and up. We can easily have a further price rise of 50% in a single year. But this process cannot possibly create more goods. Quite the contrary, it will impair production and hamper the war effort.

"To prevent such a disaster requires a tough program and a comprehensive one. We can no longer get by with expedients and stop-gaps.

"It is for this reason that the Office of Price Administration proposes a program which will hold the line. It is the only program that will hold the line. It involves (1) retail pricing in dollars and cents by communities; and (2) a roll-back in prices toward the September levels.

"Some prices, such as those of fresh vegetables, can be rolled back because they are grossly inflated. The retail price of spinach has increased 81%, lettuce 63%, green beans 26%, and cabbage 180% in the past year.

"In order to restore the September prices called for in the Act, which directed that both prices and wages be held at those levels, the Government is assuming the cost of rolling back the retail price of meat, butter and coffee by 10%. A government subsidy is justifiable only if it will pay for itself many times over. This one will pay for itself many times over by avoiding the pyramiding of price, cost and wage adjustments that would otherwise cumulate into a vicious spiral."

Bill Of Rights Society

James W. Gerard, former Ambassador to Germany, was elected President of the newly-chartered Bill of Rights Commemorative Society, which held its first meeting at the Union Club, in New York City, on May 11.

The New York "Sun," in reporting this, said:

"The Society was founded to perpetuate the principles of freedom of the press, of speech, of assembly, of religion and of the other liberties embodied in the Constitution.

"Its purposes include the maintenance of historic shrines and the conduct of a national educational campaign to inform the public, and particularly school children, of their historic liberties under the Bill of Rights. Other officers elected were:

"Vice-Presidents—Frederic R. Coudert Jr., attorney; Messmore Kendall, President-General of the Sons of the American Revolution; Frank E. Gannett, publisher, and Mrs. Victor Morawetz; Treasurer, Frank K. Houston, President of the Chemical Bank & Trust Co.; Secretary, Lyon Boston, attorney; Executive Committee, the officers and Judge Albert Conway of the Court of Appeals; DeLancey Kountze, Chairman of Devoe & Reynolds, and Gardner Osborn, Director of the Federal Hall Museum.

"Mme. Chiang Kai-shek and President Roosevelt were elected the first honorary members of the Society."

Wholesale Commodity Index Declined 0.1% During Week Ended June 5, Says Labor Dept.

The U. S. Department of Labor announced on June 10 that weakening prices for fresh fruits and vegetables brought the Bureau of Labor Statistics' comprehensive index prices in primary markets down 0.1% during the first week of June. The all-commodity index dropped to 103.9% of the 1926 average, slightly below the peak level of the preceding week.

The Department's announcement further said:

"Farm products and foods. Average prices for farm products dropped 0.3% during the week largely because of sharp declines for potatoes, citrus fruits, cotton, wheat, and rye. Prices were higher for barley, corn, oats, eggs, apples, and onions. Notwithstanding the decrease farm products are over 1% higher than at this time last month and nearly 20% higher than for the first week of June a year ago.

"The decline of 1.2% in prices for fruits and vegetables also accounted for a decrease of 0.1% in the foods group index. Higher prices were reported for butter, rye, flour, and pickled cod fish. Average prices for foods are 1% above the early May level and 11% higher than at this time last year.

"Industrial commodities. There were comparatively few changes in industrial commodity markets during the week. Anthracite declined fractionally while bituminous coal in some areas advanced. Minor price increases were reported for some types of lumber, particularly maple flooring and pine boards, while quotations were lower for southern pine dimension, spruce and redwood lumber. Rosin and turpentine continued to advance.

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 8, 1943 and June 6, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

Commodity groups—	6-5 1943	5-29 1943	5-22 1943	5-8 1943	6-6 1942	Percentage changes to June 5, 1943 from— 5-29 1943	5-8 1943	6-6 1942
All commodities	*103.9	*104.0	*103.8	*103.7	98.7	—0.1	+0.2	+ 5.3
Farm products	*126.3	*126.7	*125.8	*124.8	105.6	—0.3	+1.2	+19.6
Foods	110.6	110.7	110.3	109.4	99.7	—0.1	+1.1	+10.9
Hides and leather products	118.4	118.4	118.4	118.4	118.8	0	0	— 0.3
Textile products	96.9	96.9	96.9	96.9	97.2	0	0	— 0.3
Fuel and lighting materials	81.4	81.3	81.3	81.6	78.9	+0.1	—0.2	+ 3.2
Metals and metal products	*103 9	*103.9	*103.9	*103.9	104.0	0	0	— 0.1
Building materials	110.4	110.3	110.3	110.4	109.0	+0.1	0	+ 0.5
Chemicals and allied products	100.2	100.2	100.2	100.2	97.2	0	0	+ 3.1
Housefurnishing goods	104.2	104.2	104.2	104.2	104.5	0	0	— 0.3
Miscellaneous commodities	91.7	91.7	91.7	91.4	90.0	0	+0.3	+ 1.9
Raw materials	*114.1	*114.3	*113.8	*113.2	100.4	—0.2	+0.8	+13.6
Semimanufactured articles	92.9	92.9	92.9	92.9	92.7	0	0	+ 0.2
Manufactured products	*100.9	*100.9	*100.9	*101.0	98.9	0	—0.1	+ 2.0
All commodities other than farm products	*99.1	*99.1	*99.1	*99.1	97.2	0	0	+ 2.0
All commodities other than farm products and foods	*96.9	*96.9	*96.9	*96.9	95.9	0	0	+ 1.0

*Preliminary.

Bank Debits For Month Of May

The Board of Governors of the Federal Reserve System issued on June 9 its usual monthly summary of "bank debits," which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS
(In millions of dollars)

Federal Reserve District—	May 1943	May 1942	—3 Months Ended— May 1943	May 1942
Boston	3,053	2,763	10,306	8,424
New York	25,889	18,800	79,654	55,328
Philadelphia	2,837	2,489	9,460	7,618
Cleveland	4,046	3,568	13,061	10,695
Richmond	2,126	2,007	6,967	5,986
Atlanta	1,959	1,681	6,071	4,964
Chicago	8,736	7,530	29,483	22,822
St. Louis	1,965	1,768	5,809	4,854
Minneapolis	1,086	858	3,523	2,658
Kansas City	2,000	1,558	6,360	4,614
Dallas	1,599	1,281	5,086	3,806
San Francisco	5,411	4,038	16,914	12,346
†Total, 274 centers	60,708	48,342	192,693	144,116
*New York City	23,916	16,985	73,464	50,064
*140 other centers	32,115	27,241	103,974	81,456
†133 other centers	4,676	4,116	15,255	12,596

*Included in the national series covering 141 centers, available beginning in 1919

†Excluding centers for which figures were not collected by the Board before May, 1942.

Non-Ferrous Metals—Lower Freight Rate Reduces Cost Of Antimony—Lead In Demand

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 10, stated: "That a lower freight rate on shipments of antimony into the New York market will soon be recognized by all concerned was indicated last week when sellers billed consumers for freight at $14.85 per ton, plus the 3% tax, instead of the former rate of $18.48, plus tax. This, in effect, lowered the cost of obtaining antimony in New York about one-fifth of a cent a pound. The question of lifting the price paid to Bolivian producers for tin concentrate sold to Metals Reserve was discussed in Washington during the week. Bolivian authorities hope to raise the price level 10c. a pound to 70c., f.o.b. South American ports. In major non-ferrous metals, increased buying of lead featured trading." The publication further went on to say:

Copper

In spite of the fact that some government officials still view the copper situation as "most critical," tight control over distribution under CMP has eased the market so far as producers are concerned. Tension among sellers to obtain necessary supplies has almost disappeared in recent months. The price of copper to domestic consumers continues on the basis of 12c., Valley.

WPB has ordered the major cable companies to ship a definite amount of copper cable into regular warehouses each month. This step was taken to forestall any possible shortages in either emergency or regular production requirement for cable in the mining industry. The first directive covers Nos. 1, 2, 4, and 6 single-conductor locomotive cable, same sizes for parallel duplex mining machine cable, and two-conductor concentric mining machine cable.

Lead

Demand for domestic lead for July shipment increased last week, and activity is expected to continue at a good rate until the industry gets set for next month's allocation of foreign metal. June needs of consumers have been covered to the extent of slightly more than 85%, with July at 30%. The price situation in lead was unchanged.

Zinc

To clear up any uncertainty that may have existed concerning the purchase of zinc without allocation, WPB has amended Order M-11 as follows:

"Any person may ship, sell and deliver zinc, remelt zinc or zinc scrap to the Metals Reserve Co., without an allocation certificate, preference ratting or any specific authority from the War Production Board, provided, however, that such material is purchased for the sole purpose of stock-piling or redistribution."

With preliminary work on June deliveries out of the way, the market appeared to be inactive last week. The price situation remains unchanged.

Antimony

Though the freight-rate situation on shipments of antimony into the New York area has not yet been clarified, metal sold during the last week on the basis of the lowest rate named, and the leading producer intends to book business at the reduced level "until further notice." For 99½% antimony, the ex warehouse New York price on lots of 5 tons but less than a carload has been lowered to 15.839c. per pound, against the former quotation of 16.049c. This figure is arrived at by calculating the freight per 224-lb. case at $1.88. The bulk New York equivalent ($14.85 plus 3% tax for freight) is quotable at 15.265c. per pound, carload lots.

Tin

Bolivia exported the equivalent of 3,059 metric tons of tin contained in concentrates during April, which compares with 3,646 tons in March, and 3,244 tons in April last year. Exports for the first four months of 1943 amounted to 13,367 tons of tin contained in concentrates, which contrasts with 13,155 tons in the same period last year. Patino accounted for almost half of the total exported in the Jan.-April period of the current year.

"Grade A" or Straits quality tin continues at 52c. a pound. Shipment prices on Straits quality metal were nominally as follows:

	June	July	Aug.
June 3	52.000	52.000	52.000
June 4	52.000	52.000	52.000
June 5	52.000	52.000	52.000
June 7	52.000	52.000	52.000
June 8	52.000	52.000	52.000
June 9	52.000	52.000	52.000

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

Cadmium

About 90% of the cadmium consumed at the present time is going into plating. The remainder is being allocated for bearings, pigments, solders, and various alloys, producers were told at a recent meeting of the Cadmium Industry Advisory Committee of WPB. Sales of cadmium have declined in volume, reflecting pressure on consumers to reduce inventories to two or three months' requirements. Under ordinary conditions, it was revealed, consumers' inventories are sufficient to cover from eight to twelve months' needs. As soon as the inventory position has been corrected, buying should increase appreciably, WPB holds. The price situation in cadmium remains unchanged.

Quicksilver

Supplies of quicksilver appear to be ample, nothwithstanding heavy war demands for the metal. With the price structure more or less frozen under prevailing conditions (floor and ceiling prices), quotations here continued last week at $196@$198 per flask.

Silver

The compliance division of WPB is investigating uses to which silver is being put, indicating that the conservation order limiting consumption in non-essentials may not be understood in some directions. Investigators will examine records of some 217 companies manufacturing silver products.

The London market for silver was unchanged last week at 23½d. The New York Official held at 44¾c., and the Treasury's price continued at 35c.

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.

W. R. Burgess Heads Unified NY War Bond Sales Organization

Secretary of the Treasury Morgenthau, announced on June 7 that the "unification" of New York's bond sales organization is nearly complete. The State War Savings Staff, which has been in operation here since May 1941, has been merged, along with the State's membership of the Second Federal Reserve District Victory Fund Committee, into the War Finance Committee for the State of New York, which will guide the work of volunteer workers previously affiliated with both merged groups. The Treasury announcement further said:

"Mr. Morgenthau announced that he has appointed W. Randolph Burgess, Vice Chairman of the Board of the National City Bank and formerly Vice President of the Federal Reserve Bank of New York, as Chairman of New York's new War Finance Committee.

"Other officers of the new committee will include Bayard Pope as Vice Chairman and Nevil Ford as Executive Manager. Mr. Pope is Chairman of the Marine Midland Corporation and for the past year has been Chairman of the War Savings Staff Executive Committee, while Mr. Ford has been on leave of absence from the First Boston Corporation, where he is a Vice President and Director, to act as Administrator of the New York War Savings Staff.

"A 'working committee,' being set up by the Secretary of the Treasury and the officers of the new War Finance Committee, will consist of aproximately 40 people representing business, labor, banking, women's interests and other groups. Telegrams to these representatives in all sections of the State were sent on June 7 by Secretary Morgenthau, who said the complete committee would be announced in a few days.

"New York is on the first States to be set up under the new plan which calls for merging the Victory Fund Committees and War Savings Staff under the leadership of a single state chairman.

"We decided upon this plan," Secretary Morgenthau said, "after long consideration and consultation with State and district leaders of the War Savings Staffs and Victory Committees. One objective of this new arrangement is to enable us to reach into the mass market and get more bonds into the hands of more and more people. We believe that under this arrangement we will be able to increase the number of volunteer workers upon whose shoulders squarely rests results of our bond drives. We believe also that the State set-up will facilitate our work with labor groups, who are playing a most vital part in bond promotions not only in payroll savings but in continuous selling and special drives."

Following the general plan set by national War Week leaders, the New York State Committee will operate under three broad divisions. The Banking and Investment division will be in charge of the sale of bonds to customers of banks and financial institutions, and will function with the help of a Banking and Investment Advisory Committee under the chairmanship of W. C. Potter, Chairman of the Executive Committee of the Guaranty Trust Co. The Industrial Division, which will have charge of Payroll Savings, will be directed by Jack Stevens, President of J. P. Stevens Co., who has been in charge of this work in New York for the past year. A third division will be set up to handle general community activities, and the director of this division will be announced shortly.

In announcing the new organization, the Secretary expressed his apreciation for the work done in the Second War Loan Drive by Allan Sproul, President of the Federal Reserve Bank of New York, who headed the Second Federal Reserve District Victory Fund Committee, and the successful Second War Loan, and to Richard C. Patterson, Jr., who for two years has headed the War Savings Staff.

"Mr. Sproul," the Secretary said, "will work closely with the new Committee and as President of the Federal Reserve Bank of New York, the Treasury's fiscal agent, he will be in charge of security sales to government bond dealers, commercial banks, mutual savings banks and insurance companies." Mr. Morgenthau further stated:

"Mr. Patterson, who has served his country well since the very beginning of New York's bond selling group is returning to his business. He organized the New York War Savings Staff and as its executive and administrative head made it outstanding among the 48 State Organizations. I am happy to say that he has agreed to continue to give us the benefit of his advice and experience.

"The new organization will carry on the work of the merged groups without interruption, and will start immediately to make plans for the continuing sale of war bonds and for the Third War Loan, scheduled to start in September. We believe that we can expect greater success than ever before, because we are now putting into practice what we have learned from the two previous war loan drives."

Mr. Burgess assumed his new duties on June 8, and he has said that he will announce further details of the organization in a few days. Mr. Patterson has been on leave from his executive post with the Radio-Keith-Orpheum Corp.

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES†
(Based on Average Yields)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corpo-rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus
Jun 15	120.03	110.52	118.60	116.02	111.07	97.78	102.13	113.50	116.22
14	119.99	110.34	118.60	115.82	111.07	97.62	102.13	113.50	116.22
12	119.99	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41
11	119.99	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41
10	119.99	110.34	118.40	116.02	111.07	97.62	102.13	113.31	116.02
9	120.02	110.34	118.40	116.02	111.07	97.78	102.13	113.50	116.22
8	120.07	110.34	118.40	115.82	111.07	97.62	102.13	113.31	116.02
7	120.03	110.34	118.40	115.82	111.07	97.94	102.30	113.50	116.02
5	119.93	110.34	118.40	116.02	111.07	97.78	102.30	113.50	116.02
4	119.92	110.34	118.40	115.82	111.07	97.78	102.30	113.50	116.02
3	119.89	110.34	118.40	115.82	110.88	97.78	102.30	113.31	116.02
2	119.85	110.34	118.40	115.82	110.88	97.78	102.30	113.31	115.82
1	119.82	110.34	118.40	115.82	110.88	97.78	102.30	113.31	115.82
May 28	119.82	110.34	118.20	115.82	110.88	97.78	102.30	131.31	115.82
21	119.44	110.15	118.20	115.82	110.70	97.47	101.97	113.12	115.82
14	119.27	109.97	118.00	115.63	110.70	97.47	101.80	113.12	115.82
7	119.03	109.79	118.00	115.43	110.52	97.16	101.47	112.93	115.82
Apr. 30	118.36	109.79	118.00	115.43	110.34	97.00	101.31	113.12	115.63
22	118.22	109.60	118.00	115.43	110.34	96.69	100.98	113.12	115.82
16	118.06	109.60	117.80	115.43	110.52	96.38	100.81	112.93	115.63
9	117.48	109.60	117.80	115.43	110.52	96.69	100.98	113.12	115.63
Mar. 26	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
19	116.86	109.42	117.60	115.43	110.52	95.92	100.32	113.12	115.63
12	116.87	109.24	117.60	115.43	110.34	95.77	100.16	112.93	115.43
5	116.97	109.42	117.80	115.43	110.34	95.77	100.16	113.12	115.43
Feb 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
High 1943	120.07	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago June 15, 1942	118.36	106.21	116.02	112.93	107.44	91.19	95.62	110.88	113.50
2 Years ago June 14, 1941	118.97	106.92	117.60	114.08	107.44	91.34	96.85	111.25	113.70

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

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corpo-rate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus
Jun 15	1.86	3.14	2.72	2.85	3.11	3.89	3.62	2.98	2.84
14	1.87	3.15	2.72	2.86	3.11	3.90	3.62	2.98	2.84
12	1.87	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
11	1.87	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
10	1.87	3.15	2.73	2.85	3.11	3.90	3.62	2.99	2.85
9	1.86	3.15	2.73	2.85	3.11	3.89	3.62	2.98	2.84
8	1.86	3.15	2.73	2.86	3.11	3.90	3.62	2.99	2.85
7	1.86	3.15	2.73	2.86	3.11	3.88	3.61	2.98	2.85
5	1.87	3.15	2.73	2.85	3.11	3.89	3.61	2.98	2.85
4	1.87	3.15	2.73	2.86	3.11	3.89	3.61	2.98	2.85
3	1.87	3.15	2.73	2.86	3.12	3.89	3.61	2.99	2.85
2	1.87	3.15	2.73	2.86	3.12	3.89	3.61	2.99	2.86
1	1.88	3.15	2.73	2.86	3.12	3.89	3.61	2.99	2.86
May 28	1.88	3.15	2.74	2.86	3.12	3.89	3.61	2.99	2.86
21	1.90	3.16	2.74	2.86	3.13	3.91	3.63	3.00	2.86
14	1.92	3.17	2.75	2.87	3.13	3.91	3.64	3.00	2.86
7	1.93	3.18	2.75	2.88	3.14	3.93	3.66	3.01	2.86
Apr. 30	1.98	3.18	2.75	2.88	3.15	3.94	3.67	3.00	2.87
22	1.99	3.19	2.75	2.88	3.15	3.96	3.69	3.00	2.86
16	2.00	3.19	2.76	2.88	3.14	3.98	3.70	3.01	2.87
9	2.04	3.19	2.76	2.89	3.14	3.96	3.69	3.00	2.87
Mar. 26	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
19	2.07	3.20	2.77	2.88	3.14	4.01	3.73	3.00	2.87
12	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.01	2.88
5	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.00	2.88
Feb 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.86	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago June 15, 1942	1.94	3.38	2.85	3.01	3.31	4.33	4.03	3.12	2.98
2 Years ago June 14, 1941	1.89	3.34	2.77	2.95	3.31	4.32	3.95	3.10	2.97

*These prices are computed from average yields on the basis of one "typical" bono (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

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

Electric Output For Week Ended June 12, 1943, Shows 16.7% 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 12, 1943, was approximately 4,040,376,000 kwh., compared with 3,463,528,000 kwh. in the corresponding week last year, an increase of 16.7%. The output for the week ended June 5, 1943, was 16.4% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— June 12	June 5	May 29	May 22
New England	7.7	5.0	12.2	9.3
Middle Atlantic	15.8	14.6	20.2	16.3
Central Industrial	13.2	11.8	16.4	16.7
West Central	10.3	10.7	11.2	11.4
Southern States	20.2	21.3	22.4	17.8
Rocky Mountain	11.8	19.2	15.9	16.4
Pacific Coast	28.4	28.6	33.4	31.9
Total United States	16.7	16.4	20.1	18.1

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
Mar 6	3,946.630	3,392,121	+16.3	3,004,639	1,538,452	1,702,570
Mar 13	3,944,679	3,357,444	+17.5	2.983,591	1,537,747	1,687,229
Mar 20	3,946,836	3,357,032	+17.6	2,983,048	1,514,553	1,683,262
Mar 27	3,928,170	3,345,502	+17.4	2,975,407	1,480,208	1,679,589
Apr 3	3,889,858	3.348,608	+16.2	2,959,646	1,465,076	1,633.291
Apr 10	3.882,467	3,320,858	+16.9	2,905,581	1,480,738	1.696.543
Apr 17	3,916,794	3,307,700	+18.4	2,897,307	1,469,810	1,709,331
Apr 24	3,925,175	3,273,190	+19.9	2,950,448	1,454,505	1,699,822
May 1	3,866,721	3,304,602	+17.0	2,944,906	1,429,032	1,688,434
May 8	3,903,723	3,365,208	+16.0	3,003,921	1,436,928	1,698,942
May 15	3,969,161	3,356,921	+18.2	3,011,345	1,435,731	1,704,426
May 22	3,992,250	3,379,985	+18.1	3,040,029	1,425,151	1,705,460
May 29	3,990,040	3,322,651	+20.1	2,954,647	1,381,452	1,615,085
Jun 5	3,925,893	3,372,374	+16.4	3,076,323	1,435,471	1,689,925
Jun 12	4,040,376	3,463,528	+16.7	3,101,291	1,441,532	1,699,227
Jun 19		3,433,711		3,091,672	1,440,541	1,702,501
Jun 26		3,457,024		3,156,825	1,456,961	1,723,428

Daily Average Crude Oil Production For Week Ended June 5, 1943 Declined 37,350 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended June 5, 1943 was 3,932,950 barrels, a decrease of 37,350 barrels from the preceding week, and 285,950 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of June, 1943. The current figure, however, is 331,450 barrels per day more than in the corresponding week of last year. Daily production for the four weeks ended June 5, 1943 averaged 3,973,350 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 3,662,000 barrels of crude oil daily and produced 10,632,000 barrels of gasoline; 1,437,000 barrels of kerosine; 3,063,000 barrels of distillate fuel oil, and 7,505,000 barrels of residual fuel oil during the week ended June 5, 1943; and had in storage at the end of that week 82,205,000 barrels of gasoline; 6,495,000 barrels of kerosine; 32,577,000 barrels of distallate fuels, and 67,210,000 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. Recommen-dations June	*State Allow-ables Begin. June 1	Actual Production Week Ended June 5, 1943	Change from Previous Week	4 Weeks Ended June 5 1943	Week Ended June 6, 1942
Oklahoma	373,500	373,500	†328,750	+ 5,500	323,250	380,200
Kansas	300,000	300,000	†271,050	—28,400	296,900	218,300
Nebraska	2,400	------	†2,150	+ 100	2,100	3,950
Panhandle Texas			90,400	— 700	90,950	87,000
North Texas			131,800	+ 50	131,800	149,500
West Texas			228,300	+ 1,550	227,150	207,100
East Central Texas			123,750	— 550	124,150	78,600
East Texas			336,200	— 3,100	338,500	368,650
Southwest Texas			209,950	— 4,050	213,000	142,900
Coastal Texas			378,800	+ 3,600	376,100	241,800
Total Texas	1,602,000	‡1,603,709	1,499,200	— 3,200	1,501,650	1,275,550
North Louisiana			85,500	— 1,550	86,700	87,150
Coastal Louisiana			246,550	—14,500	257,450	215,750
Total Louisiana	330,800	350,550	332,050	—16,050	344,150	302,900
Arkansas	72,800	75,043	73,000	+ 100	72,650	73,200
Mississippi	50,000		54,200	+ 200	54,250	84,250
Illinois	246,200		212,800	+ 1,250	213,650	293,650
Indiana	15,500		11,350	— 2,300	13,100	22,200
Eastern (not incl. Ill. Ind., Ky.)	88,400		78,250	— 1,450	79,400	84,450
Kentucky	23,100		22,200	+ 250	22,250	11,600
Michigan	58,900		57,900	— 3,800	59,050	65,500
Wyoming	97,000		92,900	+ 800	92,650	93,800
Montana	22,300		20,900	----	20,700	21,800
Colorado	7,000		6,950	+ 300	6,750	6,900
New Mexico	105,700	105,700	96,800	— 50	96,900	54,550
Total East of Calif.	3,395,600		3,160,450	—46,750	3,199,400	2,992,800
California	823,300	§823,300	772,500	+ 9,400	773,950	608,700
Total United States	4,218,900		3,932,950	—37,350	3,973,350	3,601,500

*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 proration. 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 March, 1943, as follows: Oklahoma, 27,700; Kansas, 5,600; Texas, 105,800; Louisiana, 20,400; Arkansas, 2,500; Illinois, 10,600; Eastern (not including Illinois, Indiana or Kentucky), 9,700; Kentucky, 3,500; Michigan, 100; Wyoming, 2,200; Montana, 300; New Mexico, 5,500; California, 43,400.

†Oklahoma, Kansas, Nebraska figures are for week ended 7 a.m., June 3, 1943.

‡This is the net basic allowable as of June 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 14 days, the entire state was ordered shut down for 10 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 10 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JUNE 5, 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 Poten-tial Rate	% Re-porting	Crude Runs to Stills Daily Average	% Op-erated	§Gasoline Production at Re-fineries Includ. Natural Blended	‡Stocks Finished and Un-finished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Re-sidual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,708	69.9	5,040	32,696	13,780	11,340
Appalachian	177	84.8	155	87.6	421	2,430	873	485
Ind., Ill., Ky.	824	85.2	696	84.5	2,357	18,372	4,254	3,135
Okla., Kans., Mo.	416	80.1	314	75.5	1,003	6,356	1,742	1,566
Rocky Mountain	147	49.0	83	56.5	263	1,872	329	585
California	817	89.9	706	86.4	1,548	20,479	11,599	50,099
Tot. U. S. B. of M. basis June 5, 1943	4,825	86.2	3,662	75.9	10,632	†82,205	32,577	67,210
Tot. U. S. B. of M. basis May 29, 1943	4,825	86.2	3,679	76.2	10,656	83,937	32,274	67,682
U. S. Bur. of Mines basis June 6, 1942			3,462		10,285	93,192	30,604	79,806

*At the request of the Petroleum Administration for War. †Finished, 71,745,000 barrels; unfinished, 10,460,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,437,000 barrels of kerosine, 3,063,000 barrels of gas oil and distillate fuel oil and 7,505,000 barrels of residual fuel oil produced in the week ended June 5, 1943, whch compares with 1,450,000 barrels, 3,798,000 barrels and 7,672,000 barrels, respectively, in the preceding week and 7,505,000 barrels, 7,672,000 barrels and 6,723,000 barrels, respectively, in the week ended June 6, 1942.

Note—Stocks of kerosine amounted to 6,495,000 barrels at June 5, 1943, as against 5,936,000 barrels a week earlier and 8,610,000 barrels a year before.

Auburn Gets Embassy Post

H. W. Auburn, formerly Assistant Vice-President and European Representative of the Manufacturers Trust Co., New York, has been appointed a First Secretary of the British Embassy in Washington, D. C. Mr. Auburn was in charge of Manufacturers Trust Company's representative office in London from 1937 to late 1940, since which time he has been on leave of absence from the bank and has been connected with the British Embassy in Washington.

Idle Copper Scrap Bonus Dropped

The War Production Board on June 11 announced that as of Aug. 1, 1943, it would terminate its present practice of paying prices substantially above the current scrap price level for copper stocks, unusable in their present forms, which have been made idle as a result of WPB conservation orders and which are required for remelting for war use.

The Government will continue to pay the present higher-than-scrap prices, under the copper recovery program, for certain materials reported to the WPB up to and including July 31 and purchased for remelting. These higher-than-scrap prices will not, however, be offered for materials which have been the basis of any claims on the Government for compensation or damages arising out of termination or modification of Government contracts. Only reports postmarked before midnight of July 31 will be considered as reported on that date.

Holders of idle inventories of copper and copper-base alloys which cannot be used in their present forms and which are reported on and after Aug. 1 will be directed to sell such materials at scrap prices.

The new procedure, effective Aug. 1, was adopted because of the virtual completion of the change from a peacetime to a wartime economy and because of the general cleaning out of the inventories resulting from that change.

Idle materials which can be used in their present forms will continue to be redistributed, as at present, through direct transactions between owners and purchasers, at negotiated prices, the WPB stated.

Under the WPB Copper Recovery Program, purchases for the Government have been made by Copper Recovery Corporation, agent for Metals Reserve Co., a Federal corporation.

U. S. Lumber Mission In Britain For Study

A four-man mission from the United States has arrived in Great Britain to discuss matters of common interest regarding the control and production of timber, it was disclosed in London on June 7.

Members of the mission are David Winton, head of the pulp and paper division of the War Production Board; George Trayer, head of the products division of the Forest Service; George Thompson, representing the plywood and veneer section of the WPB and Thorward W. Carlson, head of the materials and containers division of the Forest Products Laboratory.

The delegation plans to visit the principal centers of production.

Paper Increases Price

The Lawrence (Mass.) "Evening Tribune" has increased the price of the paper from three to four cents. The step was taken, the paper said, because of "rising production costs, increased taxes and declining advertising due to war conditions."

Moody's Daily Commodity Index

Tuesday, June 8	244.8
Wednesday, June 9	244.4
Thursday, June 10	245.0
Friday, June 11	245.3
Saturday, June 12	245.2
Monday, June 14	245.0
Tuesday, June 15	244.6
Two weeks ago, June 1	246.0
Month ago, May 15	244.2
Year ago, June 15	228.0
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, April 1	249.8
Low, Jan. 2	240.2

Trading On New York Exchanges

The Securities and Exchange Commission made public on June 12 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended May 29, 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 29 (in round-lot transactions) totaled 2,113,855 shares, which amount was 15.30% of the total transactions on the Exchange of 6,907,110 shares. This compares with member trading during the week ended May 22 of 2,270,055 shares, or 16.94% of total trading of 6,700,480 shares. On the New York Curb Exchange, member trading during the week ended May 29 amounted to 423,695 shares, or 12.90% of the total volume of that Exchange of 1,641,885 shares; during the May 22 week trading for the account of Curb members of 496,655 shares was 13.95% of total trading of 1,779,725 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 29, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	112,040	
‡Other sales	6,795,070	
Total sales	6,907,110	
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	575,880	
Short sales	68,000	
‡Other sales	471,510	
Total sales	539,510	8.07
2. Other transactions initiated on the floor—		
Total purchases	312,620	
Short sales	12,600	
‡Other sales	268,160	
Total sales	280,760	4.30
3. Other transactions initiated off the floor—		
Total purchases	171,105	
Short sales	15,000	
‡Other sales	218,980	
Total sales	233,980	2.93
4. Total—		
Total purchases	1,059,605	
Short sales	95,600	
‡Other sales	958,650	
Total sales	1,054,250	15.30

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

WEEK ENDED MAY 29, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	9,635	
‡Other sales	1,632,250	
Total sales	1,641,885	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	115,630	
Short sales	8,160	
‡Other sales	122,725	
Total sales	130,885	7.51
2. Other transactions initiated on the floor—		
Total purchases	37.380	
Short sales	200	
‡Other sales	40,550	
Total sales	40,750	2.38
3. Other transactions initiated off the floor—		
Total purchases	29,720	
Short sales	100	
‡Other sales	69,230	
Total sales	69,330	3.01
4. Total—		
Total purchases	182,730	
Short sales	8,460	
‡Other sales	232,505	
Total sales	240,965	12.90
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	60,507	
Total purchases	60,507	
Total sales	45,099	

*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."

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 June 5, 1943, is estimated at 3,050,000 net tons, the lowest figure recorded for any week since that ended April 26, 1941, when output for the country amounted to 1,612,000 tons. Production in the preceding week totaled 11,940,000 tons, and in the corresponding week of last year 11,034,000 tons. The decrease in output was due to the coal strike which started on June 1 and lasted for five days. For the present year to June 5, soft coal production was 1.7% 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 June 5 was 137,000 tons, a decrease of 1,215,000 tons from the preceding week. When compared with the output in the corresponding week of last year, there was a decrease of 905,000 tons.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended June 5 showed a decrease of 16,100 tons when compared with the output for the week ended May 29. The quantity of coke from beehive ovens decreased 104.900 tons during the same period.

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

(Data for Pennsylvania anthracite from Weekly Anthracite and Beehive Coke Report of the Bureau of Mines; data for crude petroleum computed from weekly statistics of American Petroleum Institute.)

(In Net Tons—000 Omitted.)

	Week Ended			January 1 to Date		
Bituminous coal and lignite—	June 5 1943	†May 29 1943	June 6 1942	‡June 5 1943	June 6 1942	June 5 1937
Total, incl. mine fuel	3,050	11,940	11,034	252,711	248,428	198,749
Daily average	526	1,990	1,839	1,910	1,875	1,513
*Crude Petroleum— Coal equivalent of weekly output	6,300	6,360	5,769	139,663	136,913	120,779

*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		
Penn. anthracite—	§June 5 1943	May 29 1943	June 6 1942	June 5 1943	June 6 1942	June 8 1929
*Total, incl. coll. fuel	137,000	1,352,000	1,042,000	26,166,000	25,427,000	31,812,000
†Commercial production	132,000	1,298,000	¶1,000,000	25,120,000	¶24,410,000	29,522,000
Beehive coke— United States total	61,900	166,800	155,700	3,446,500	3,543,500	2,890,300
By-product coke— United States total	1,202,600	1,218,700	1,198,300	27,183,600	26,391,900	‡

*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.)

	Week Ended					May
State—	May 29 1943	May 22 1943	May 30 1942	May 31 1941	May 29 1937	Avge. ¶1923
Alabama	404	404	399	329	290	398
Alaska	6	6	5	4	2	**
Arkansas and Oklahoma	48	50	70	15	17	66
Colorado	147	159	132	75	96	168
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,082	1,340	1,159	848	563	1,292
Indiana	459	441	360	374	261	394
Iowa	46	38	36	41	26	89
Kansas and Missouri	143	81	140	74	84	131
Kentucky—Eastern	1,005	971	1,012	934	783	679
Kentucky—Western	266	278	255	120	121	183
Maryland	39	39	39	31	17	47
Michigan	5	6	5	1	1	12
Montana (bituminous and lignite)	81	77	49	43	34	42
New Mexico	33	32	32	18	27	57
North and South Dakota (lignite)	26	23	24	16	16	**14
Ohio	723	699	634	498	460	860
Pennsylvania (bituminous)	3,130	2,865	2,743	2,516	2,011	3,578
Tennessee	139	133	156	140	110	121
Texas (bituminous and lignite)	2	5	5	5	16	22
Utah	115	134	97	49	31	74
Virginia	428	409	420	388	258	250
Washington	27	28	38	28	32	44
*West Virginia—Southern	2,390	2,294	2,276	2,281	1,749	1,380
†West Virginia—Northern	1,032	937	842	710	526	862
Wyoming	162	164	129	88	67	110
‡Other Western States	1	1	††	††	††	**5
Total bituminous and lignite	11,940	11,615	11,058	9.627	7,598	10,878
§Pennsylvania anthracite	1,352	1,261	813	1,082	1,176	1,932
Total all coal	13,292	12.876	11,871	10,709	8,774	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.

Steel Operations To Be Increased—Controls Over Inventories and Scheduling Tightening

"Temperatures have been rising during the past 10 days in the steel industry," the "Iron Age" states in its issue of today (June 17), further adding in substance: "James F. Byrnes, Director of the Office of War Mobilization, hardly had settled in his new office when he expressed the view that greater steel production is imperative because of the speed of the war program. Down the line passed the order for action. Soon telegrams from C. E. Wilson of WPB began arriving at steel company offices asking for much data.

"Somehow, 1,000,000 more tons of ignots must be produced in third quarter of this year, said Mr. Byrnes, and in fourth quarter an extra 1,000,000 tons must be made. It was found allotments of rolled steel under CMP for third quarter were around 1,000,000 tons in excess of probable rollings. The greater production will consist mostly of carbon steel.

"The farm equipment industry already has been allocated an increased allotment of 300,000 tons of carbon steel and the railroads, Lend-Lease and other accounts are expected to benefit.

"To help attain the new goal, the steel industry's expansion program will be given fullest priority assistance, which it has not always had previously. Controls over inventories and scheduling will be tightened; alloy steel production in open hearth furnaces probably will be cut back, and allotments which are said to total around 17,400,000 tons of rolled steel may be trimmed.

"Possessing vast ingot making capacity, which it has operated at close to 100% for many months, the steel industry has been impeded by insufficient blooming mill capacity, annealing furnaces, hot topping equipment and other processing facilities. As to the expansion program which the industry has been pushing as vigorously as possible in the face of obstacles, completion dates of full facilities have been sheer guess work. Blowers for blast furnaces, cranes, various auxiliary equipment have been particularly difficult to obtain, through no fault of the makers. The possibilities of shortages of coke and manpower have lurked ominously in the background recently.

"The advent of warm weather invariably means production losses sometimes as much as four to seven per cent in some steel plants, due to the effect of the heat upon the workers' efficiency.

"Adding emphasis to the new campaign for more steel, were figures cited last week at Detroit by Mr. Wilson, Vice Chairman of WPB, who said arms schedules call for an increase in total production of 24.5% next year as against 1943. The monthly average in 1944 also is slated to be above the peak in 1943. Output in aircraft in 1943 will double 1942 in its volume, he said, while tonnage is slated to nearly triple that of 1942. Tank program reductions, he said, were reduced because 'an ally requiring large quantities' has developed its own production."

The American Iron and Steel Institute on June 14 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 97.8% of capacity for the week beginning June 14, compared with 97.5% one week ago, 98.6% one month ago and 98.3% one year ago. This represents an increase of 0.3 point or 0.3% from the preceding week. The operating rate for the week beginning June 14 is equivalent to 1,693,600 tons of steel ingots and castings, compared to 1,688,400 tons one week ago, 1,707,400 tons one month ago, and 1,669,700 tons one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets, stated in part as follows: "An important factor in the tightening situation in steel delivery may be found in increased shipment of semifinished material abroad.

"Present indications are third quarter movement will be the heaviest in more than a year, in sharp contrast with last fall when tonnage accumulated at ports was offered for sale and orders on mill books were canceled. Since then the quantity moved under lend-lease has been small, until late February when it started to increase.

"Deliveries on current steel orders are receding steadily in spite of practically capacity production.

"Scrap supply is sufficient for current needs and deliveries in the Midwest have returned to normal after recent floods subsided. In general melters are able to lay down some reserves but backlogs have not been accumulated to the usual degree.

"Steel ingot and castings production in May was third largest for any month in the history of the industry, at 7,545,379 net tons, an increase over April but short of the all-time record in March. A feature of May production was the third consecutive high mark in electric furnace ingots, which were produced at 102.9% of rated capacity.

"Relief for the agricultural implement industry is afforded by allocation of 300,000 tons of carbon steel for third quarter and 200,000 tons each quarter from Oct. 1 to July 1.

"Tin plate demand is increasing and producers expect third quarter operations will be at the limit of their quotas. While some tonnage is required for ordnance most current output is for canmaking, one large producer estimating that for third quarter 97% of his production will be for that purpose. Labor shortage is being encountered as many workers left for other employment during the slack period. Production now is at about 65% of capacity."

Revenue Freight Car Loadings During Week Ended June 5, 1943 Show Holiday Drop

Loading of revenue freight for the week ended June 5, 1943 totaled 667,575 cars, the Association of American Railroads announced on June 10. This was a decrease below the corresponding week of 1942 of 187,144 cars, or 21.9%, and a decrease below the same week in 1941, of 185,365 cars or 21.7%. Both 1942 and 1941 did not include holiday.

Loading of revenue freight for the week of June 5 which included a Holiday, decreased 184,943 cars, or 21.7% below the preceding week.

Miscellaneous freight loading totaled 357,092 cars, a decrease of 25,705 cars below the preceding week, and a decrease of 28,264 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 90,933 cars, a decrease of 7,442 cars below the preceding week, and a decrease of 6,654 cars below the corresponding week in 1942.

Coal loading amounted to 41,277 cars, a decrease of 131,154 cars below the preceding week, and a decrease of 122,488 cars below the corresponding week in 1942.

Grain and grain products loading totaled 38,404 cars, a decrease of 4,998 cars below the preceding week, but an increase of 2,533 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of June 5 totaled 24,904 cars, a decrease of 4,082 cars below the preceding week but an increase of 1,493 cars above the corresponding week in 1942.

Live stock loading amounted to 12,106 cars, a decrease of 1,458 cars below the preceding week, and a decrease of 378 cars below the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of June 5, totaled 8,874 cars, a decrease of 783 cars below the preceding week, and a decrease of 306 cars below the corresponding week in 1942.

Forest products loading totaled 41,688 cars, a decrease of 2,445 cars below the preceding week and a decrease of 11,631 cars below the corresponding week in 1942.

Ore loading amounted to 74,655 cars, a decrease of 8,249 cars below the preceding week and a decrease of 17,798 cars below the corresponding week in 1942.

Coke loading amounted to 11,420 cars, a decrease of 3,492 cars corresponding week in 1942.

below the preceding week, and a decrease of 2,434 cars below the

All districts reported decreases compared with the corresponding weeks in 1942, and 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
5 weeks of May	4,149,703	4,170,548	4,160,060
Week of June 5	667,575	854,689	852,940
Total	17,613,451	18,532,435	17,193,615

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 5, 1943. During this period only 18 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED JUNE 5

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	229	427	603	1,366	1,319
Bangor & Aroostook	748	1,356	1,647	340	266
Boston & Maine	5,968	6,124	8,650	13,218	15,655
Chicago, Indianapolis & Louisville	1,180	1,306	1,307	1,979	1,915
Central Indiana	32	23	19	48	61
Central Vermont	983	1,044	1,423	2,487	2,008
Delaware & Hudson	2,854	6,129	7,114	11,378	12,308
Delaware, Lackawanna & Western	5,304	7,694	10,180	11,315	9,598
Detroit & Mackinac	290	329	359	71	116
Detroit, Toledo & Ironton	1,536	1,703	2,874	1,014	1,079
Detroit & Toledo Shore Line	258	280	395	2,283	2,581
Erie	10,300	14,932	15,858	17,019	16,146
Grand Trunk Western	3,492	3,405	6,351	8,038	7,211
Lehigh & Hudson River	153	204	260	2,577	3,852
Lehigh & New England	785	1,621	2,385	1,356	1,819
Lehigh Valley	5,596	8,891	10,644	13,953	11,551
Maine Central	2,069	2,181	3,308	2,014	3,157
Monongahela	1,492	6,367	5,799	404	355
Montour	536	2,504	2,186	130	28
New York Central Lines	43,540	46,673	52,237	44,989	53,084
N. Y., N. H. & Hartford	9,002	10,035	12,270	17,373	20,305
New York, Ontario & Western	1,026	1,051	1,253	2,032	2,930
New York, Chicago & St. Louis	7,114	7,616	6,693	14,339	15,165
N. Y., Susquehanna & Western	505	553	529	2,209	1,232
Pittsburgh & Lake Erie	6,203	7,724	8,116	6,968	9,287
Pere Marquette	4,989	5,369	7,341	6,255	6,092
Pittsburg & Shawmut	361	718	650	21	31
Pittsburg, Shawmut & North	224	331	359	191	269
Pittsburgh & West Virginia	461	1,098	1,217	3,237	2,826
Rutland	313	310	572	935	925
Wabash	3,980	5,119	5,863	11,739	12,879
Wheeling & Lake Erie	4,174	5,351	5,994	4,862	4,529
Total	125,702	158,468	184,436	206,140	220,579
Allegheny District—					
Akron, Canton & Youngstown	695	635	696	994	980
Baltimore & Ohio	28,455	43,308	40,353	28,963	28,198
Bessemer & Lake Erie	4,563	7,479	7,280	1,840	1,967
Buffalo Creek & Gauley	279	288	267	2	3
Cambria & Indiana	236	1,935	2,023	5	6
Central R. R. of New Jersey	5,191	6,863	8,181	20,624	16,739
Cornwall	602	633	672	45	66
Cumberland & Pennsylvania	55	290	334	9	17
Ligonier Valley	97	118	110	22	44
Long Island	1,004	1,054	737	3,674	3,428
Penn-Reading Seashore Lines	1,527	1,673	1,640	3,076	2,634
Pennsylvania System	65,269	82,184	86,379	56,666	62,109
Reading Co.	10,578	14,143	18,790	26,101	28,551
Union (Pittsburgh)	19,829	20,963	18,612	6,805	8,321
Western Maryland	2,244	4,112	4,159	11,496	13,536
Total	140,624	185,678	190,233	160,322	166,599
Pocahontas District—					
Chesapeake & Ohio	10,608	29,236	29,039	11,304	13,272
Norfolk & Western	8,331	23,135	23,542	6,866	6,393
Virginian	1,202	4,799	4,515	2,020	2,208
Total	20,141	57,170	57,096	20,190	21,873
Southern District—					
Alabama, Tennessee & Northern	280	395	331	267	379
Atl. & W. P.—W. R. R. of Ala.	663	737	777	2,687	2,380
Atlanta, Birmingham & Coast	691	757	745	1,343	1,006
Atlantic Coast Line	13,437	12,877	11,573	10,934	8,274
Central of Georgia	3,745	3,609	4,470	5,365	3,905
Charleston & Western Carolina	539	474	659	1,655	1,508
Clinchfield	1,580	1,703	1,735	2,138	2,743
Columbus & Greenville	324	295	389	157	191
Durham & Southern	102	136	193	535	1,177
Florida East Coast	2,187	741	518	1,750	746
Gainesville Midland	38	40	39	108	180
Georgia	1,134	1,311	1,255	3,196	2,826
Georgia & Florida	377	399	394	516	458
Gulf, Mobile & Ohio	3,359	4,459	4,029	4,561	4,428
Illinois Central System	21,175	26,269	22,606	19,689	13,918
Louisville & Nashville	15,547	26,574	27,343	12,451	9,858
Macon, Dublin & Savannah	209	132	204	728	802
Mississippi Central	195	187	176	435	534
Nashville, Chattanooga & St. L.	2,992	3,822	3,292	5,021	4,131
Norfolk Southern	1,118	1,564	1,181	1,788	1,958
Piedmont Northern	383	329	469	1,101	1,171
Richmond, Fred. & Potomac	319	536	438	11,876	11,167
Seaboard Air Line	11,225	12,594	11,279	8,045	8,860
Southern System	19,607	23,777	26,530	24,498	22,526
Tennessee Central	501	611	575	982	1,084
Winston-Salem Southbound	113	94	142	791	845
Total	101,840	124,422	121,342	122,617	107,055
Northwestern District—					
Chicago & North Western	17,269	21,421	21,963	12,479	12,786
Chicago Great Western	2,149	2,371	2,723	2,911	2,968
Chicago, Milw., St. P. & Pac.	15,061	18,315	21,236	9,295	9,488
Chicago, St. Paul, Minn. & Omaha	2,595	3,353	4,124	3,759	3,197
Duluth, Missabe & Iron Range	24,449	28,715	22,622	286	364
Duluth, South Shore & Atlantic	892	1,340	1,081	609	576
Elgin, Joliet & Eastern	8,275	9,983	10,492	10,093	10,027
Ft. Dodge, Des Moines & South	380	517	591	73	125
Great Northern	23,130	27,276	22,610	6,693	5,255
Green Bay & Western	364	566	572	607	616
Lake Superior & Ishpeming	2,096	3,147	2,896	39	49
Minneapolis & St. Louis	1,288	1,753	1,919	2,043	2,629
Minn., St. Paul & S. S. M.	5,658	7,911	7,499	2,861	3,400
Spokane International	9,181	11,961	8,928	5,528	5,265
Northern Pacific	131	181	339	795	584
Spokane, Portland & Seattle	*2,689	2,806	2,776	*3,495	2,827
Total	115,607	141,616	132,371	61,566	60,156
Central Western District—					
Atch., Top. & Santa Fe System	21,358	22,359	23,005	11,629	10,231
Alton	2,335	3,134	3,459	4,621	4,509
Bingham & Garfield	554	636	608	91	106
Chicago, Burlington & Quincy	12,775	16,614	16,005	12,056	11,687
Chicago & Illinois Midland	668	2,446	2,590	662	880
Chicago, Rock Island & Pacific	10,454	11,795	12,781	12,972	9,620
Chicago & Eastern Illinois	1,692	1,991	2,671	5,369	3,399
Colorado & Southern	580	724	644	2,023	1,723
Denver & Rio Grande Western	1,661	2,806	2,106	6,139	4,730
Denver & Salt Lake	240	608	235	8	8
Fort Worth & Denver City	1,022	1,127	1,221	2,380	1,020
Illinois Terminal	1,324	1,831	1,959	1,408	2,401
Missouri-Illinois	683	1,559	1,059	237	491
Nevada Northern	1,997	1,981	2,009	91	110
North Western Pacific	1,048	1,080	942	696	491
Peoria & Pekin Union	1	1	10	0	0
Southern Pacific (Pacific)	29,190	29,619	28,655	14,794	8,676
Toledo, Peoria & Western	323	236	436	1,887	1,551
Union Pacific System	11,795	12,483	13,421	16,567	11,748
Utah	90	560	265	5	5
Western Pacific	1,814	2,036	1,677	3,801	3,494
Total	101,604	115,626	115,758	97,436	76,880
Southwestern District—					
Burlington-Rock Island	851	211	174	266	154
Gulf Coast Lines	5,169	5,547	3,122	2,435	3,141
International-Great Northern	2,290	3,143	2,020	3,460	2,773
Kansas, Oklahoma & Gulf	295	326	248	594	1,302
Kansas City Southern	5,010	5,445	2,333	3,070	2,688
Louisiana & Arkansas	3,332	3,978	1,954	3,245	2,366
Litchfield & Madison	259	388	307	1,175	1,059
Midland Valley	284	630	450	234	240
Missouri & Arkansas	181	125	170	502	365
Missouri-Kansas-Texas Lines	5,794	6,082	4,294	5,138	4,637
Missouri Pacific	12,259	18,439	14,571	19,179	19,276
Quanah Acme & Pacific	50	80	131	176	209
St. Louis-San Francisco	6,126	8,330	7,718	11,785	6,514
St. Louis Southwestern	2,850	3,140	2,614	6,231	6,092
Texas & New Orleans	*12,939	10,812	7,435	*4,510	4,337
Texas & Pacific	4,220	4,887	3,980	7,888	6,977
Wichita Falls & Southern	117	111	168	48	51
Weatherford M. W. & N. W.	31	35	15	21	21
Total	62,057	71,709	51,704	69,957	62,202

*Previous week's figure.

Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1943—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
Mar. 6	175,178	147,830	480,802	93	89
Mar. 13	166,885	146,062	498,927	93	89
Mar. 20	155,116	149,096	504,414	92	90
Mar. 27	139,911	150,754	488,197	95	90
Apr. 3	172,412	153,030	511,220	95	90
Apr. 10	153,260	153,006	510,784	95	91
Apr. 17	164,805	152,494	515,700	96	92
Apr. 24	159,231	155,163	517,473	97	92
May 1	147,212	135,924	525,287	89	92
May 8	165,871	153,934	522,336	96	92
May 15	177,968	151,653	561,571	96	93
May 22	142,673	152,960	548,911	96	93
May 29	151,308	150,504	545,673	95	93
Jun. 5	168,051	141,337	565,291	92	93

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

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on June 12 a summary for the week ended June 5 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 June 5, 1943

	Total for Week
Odd-Lot Sales by Dealers: (Customers' purchases)	
Number of Orders	19,245
Number of Shares	559,785
Dollar Value	19,855,697
Odd-Lot Purchases by Dealers—	
(Customers' Sales)	
Number of Orders:	
Customers' short sales	101
*Customers' other sales	18,897
Customers' total sales	18,998
Number of Shares:	
Customers' short sales	2,219
*Customers' other sales	504,453
Customers' total sales	506,672
Dollar value	15,602,216
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	90
†Other sales	129,990
Total sales	130,080
Round-Lot Purchases by Dealers—	
Number of shares	172,490

*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."

Lumber Movement Week Ended June 5, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 461 mills reporting to the National Lumber Trade Barometer exceeded production by 7.6% for the week ended June 5, 1943. In the same week new orders of these mills were 15.6% less than production. Unfilled order files in the reporting mills amounted to 102% of stocks. For reporting softwood mills, unfilled order are equivalent to 39 days' production at the current rate, and gross stocks are equivalent to 35 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 13.3%; orders by 16.8%.

Compared to the average corresponding week of 1935-39 production of reporting mills was 30.6% greater; shipments were 43.2% greater, and orders were 54.2% greater.

Paraguayan Pres. Visits US

President Roosevelt on June 9 welcomed to the White House President Higinio Morinigo of Paraguay, who is in the United States for an official visit. A formal dinner was given for him in the evening and he was an overnight guest at the White House.

In identical addresses before both branches of Congress on June 10, President Morinigo reaffirmed his nation's alherence to the cause of the United States and the United Nations "in the greatest tragedy which the imagination has conceived and which history has recorded in all time."

"Paraguay has kept and will continue to keep faithfully and honorably all her international pledges," the Paraguayan chief executive told Congress.

President Morinigo left Washington on June 13 for a tour of war plants in Detroit and Buffalo, after which he will visit New York City.

Items About Banks, Trust Companies

S. Sloan Colt, President of Bankers Trust Co., New York City, announced June 14 that the Board of Directors of the Company, at a meeting held that day, voted to transfer $25,000,000 from undivided profits to the surplus account, to transfer $7,000,000 from general reserve to undivided profits, and to write down the book value of its banking premises by $2,000,000. As a result of these transfers surplus is increased to $75,000,000, making a total of $100,000,000 of capital and surplus, and it is estimated that the total capital funds as of June 30, 1943, including undivided profits, will be in excess of $122,000,000.

"We were glad to take this action," said Mr. Colt, "at the meeting of the Board of Directors which is held each year on June 13, the anniversary of the birth of Henry P. Davison, founder of Bankers Trust Company, and as marking the progress of the bank in the 40th year of its operation.

"This follows the policy of fitting the capital structure of the bank to present and prospective requirements of its customers. It is in line with the determination of the banks of the country to do their utmost to assist in the nation's maximum war effort, and at the same time to be in a position to play the fullest possible part in meeting postwar conditions."

The Board also made the following changes in the official staff of the company: R. C. Morris, J. A. Stahl and H. E. Whitney, Assistant Vice-President, were elected Vice-Presidents, and R. W. Hemminger, C. C. Lloyd, K. H. McDowell and A. E. Scott were elected Assistant Trust Officers.

The Manufacturers Trust Co., New York City, is distributing a pamphlet on the "Pay-As-You-Go-Tax Law" which contains the text of the law, with an explanation of the various provisions, as well as charts and tables showing the application of the new taxes.

The Central Savings Bank, New York City, has announced a change in its manner of interest-dividend payment, effective July 1. Interest-dividend payments will be semi-annual, credited as at the close of business Dec. 31 and June 30, instead of quarterly as heretofore.

Deposits made during a semi-annual period will be entitled to dividends computed from the first of the month following the deposit if not withdrawn until the last three business days of the semi-annual period.

The Marine Midland Trust Co., New York City, announces the election of H. Raymond De Mott, B. Robert Rand and H. Everett Smith as Assistant Treasurers. Mr. De Mott is in the real estate department; Mr. Rand at the 45th Street office, and Mr. Smith in the credit department.

Austin S. Igleheart, Executive Vice-President of the General Foods Corp., has been elected a Director of the Chase National Bank of New York. He is also a Director of the Borden Co. and the Chicago & Eastern Illinois Railroad and First Vice-President of the Grocery Manufacturers of America.

David M. Keiser, President of the Cuban-American Sugar Co., Guantanamo Sugar Co. and Geo. E. Keiser & Co., Inc., sugar brokers, has been elected a Director of the Grace National Bank of New York.

Announcement has been made by the National City Bank of New York that the Board of Directors of the bank has approved and authorized the addition to surplus account of $7,500,000, increasing this account from $77,500,000 to $85,000,000. The announcement from the bank June 10 said:

"This resulted principally from the receipt by the bank from the City Company of New York, Inc. (in dissolution) of the proceeds of the recent sale by the company of its stock holdings in the West Indies Sugar Corp."

Robert A. Barnet, President of the Irving Savings Bank of New York announces the election of John Tiebout, Jr., as a member of the Board of Trustees of the bank. Mr. Tiebout is President and Treasurer of W. & J. Tiebout, Inc., one of the largest marine equipment firms in New York which was established in 1853, just two years after the bank opened its doors for business.

Edward D. Rhame, Cashier of the People's National Bank, Lynbrook, Long Island, has been elected President of the Nassau County Chapter of the American Institute of Banking. Advices from Lynbrook, L. I., June 5 to the New York "Times" said:

"Others who will take office on July 1 are: John Colquhoun of the Bank of Rockville Centre Trust Co., First Vice-President; Marie Waidman of the Peninsula National Bank of Cedarhurst, Second Vice-President; Arnold Conklin of the West Hempstead National Bank, Third Vice-President; Alfred Batten of the Babylon National Bank, Treasurer, and Florence Noon of the First National Bank and Trust Co. of Freeport, Council."

James F. Dwyer, President of the Rondout National Bank, Kingston, N. Y., died on June 8 at his home in Kingston. He was 84 years old. Mr. Dwyer was also President of Dwyer Lighterage, Inc.

The Federal Reserve Bank of New York made known on June 11 that the Farmers Bank of Springville, N. Y., has been admitted to membership in the Federal Reserve System. The new member-bank, formed in 1902 as a successor to a private bank founded in 1883, brings to an even 300 the number of member-banks in the Second Federal Reserve District.

Edward H. Harris of the Home Savings Bank of Boston was elected President of the Savings Bank Forum at the annual meeting at the Boston City Club on June 8. He succeeds Fred N. Holdsworth of the Worcester County Institution for Savings. Other officers elected, according to the Boston "Herald," were: Elmer J. Thomas, Palmer Savings Bank, first Vice-President; Kendell S. Estes, Plymouth Five Cent Savings Bank, Second Vice-President; Dean E. Story, Worcester Mechanics Savings Bank, Secretary, and Frank R. Petty, Andover Savings Bank, Treasurer.

H. Edward Wolff of Elizabeth, N. J., has been elected President of the New Jersey Savings and Loan League, succeeding Edward J. Fyfe. Ferdinand Trostell of Guttenberg was named Vice-President, and Arthur F. Smethurst of Newark was elected Treasurer.

Siegfried E. Guggenheim, Vice-President of the Tradesmens National Bank & Trust Co., Philadelphia, died on June 8 at his home in Elkins Park, a suburb of Philadelphia, after a brief illness.

Mr. Guggenheim, who was 55 years old, was also President and Director of the Philadelphia Metals Works. Stating that he had been with the bank since 1906, special advices June 8 to the New York "Times" from Philadelphia said:

"He was born in Lahr, Baden.

"He was a Director of the Bankers Association for Foreign Trade and a member of the Foreign Trade Committee."

The Directors of the Mellon National Bank of Pittsburgh have added $2,500,000 to surplus, increasing that item to $32,500,000. The capital is $7,500,000, which now gives the bank a capital and surplus of $40,000,000.

The Union Trust Co., Washington, D. C., announces the promotion of S. William Miller from Treasurer to Vice-President. G. Elmer Flather, Senior Assistant Treasurer, was made Treasurer and Harry F. Harding was moved up to Mr. Flather's former post.

M. J. Fleming, President of Federal Reserve Bank of Cleveland, announced on June 11 the admission of the Lindsey Banking Co., Lindsey, Ohio, to membership in the Federal Reserve System. The bank was organized in 1906 as the German Banking Co., the title being changed to its present name in 1918. Total deposits of the institution at the present time are approximately $450,000. E. S. Loose is President of the company.

Simpler Wording For Our National Laws Urged By Heimann Of Credit Men's Group

Urging a return to simpler forms in legislative enactments, Henry H. Heimann, Executive Manager-on-leave of the National Association of Credit Men, points out in the Association's Monthly Business Review released June 15 that "the present labyrinth of laws, regulations, agencies and bureaus is such that the average citizen is completely bewildered.

"This," he says, "is a dangerous state of mind. Business men strain at every point for production in the war effort; professional men are on duty long hours to meet the civilian needs; farmers are hard at work long hours in the fields to bring about increased production; laboring men are working overtime; and other groups are so busy they cannot take the time to keep abreast of developments."

Mr. Heimann points out that the average man in the street does not even now know the actual outline of our new tax law and how it will affect him.

"Certainly this condition of mind is not conducive toward the building of an informed and educated citizenship," he says. "In some way people from all walks of life will have to assume a part in the responsibilities for making our public representatives understand that laws that are simple and clearly understood are more readily acceptable and more easily administered; that most laws can be drafted with easily understood sentences and that only the details need be altered from time to time to meet new situations."

The present situation with OPA in its efforts to reduce food prices was also pointed to by Mr. Heimann as an example of how a lack of simplicity and directness often leaves the public in a bewildered and unenlightened state which works against full cooperation. On this point, Mr. Heimann said:

"The Office of Price Administration was started quite late and its acceptance of certain fundamental principles of price control has been too long deferred. It is questionable whether anyone or any group in the present situation could do an efficient job.

"Isn't it an almost impossible job to control inflation through price ceilings unless you can effectively exercise control over wages, another factor vitally affecting prices? It is only natural, therefore, for OPA to make a public display of price control through the announcement of new price ceilings from time to time. This can be little more than superficial treatment. The fault for such an ineffective program does not rest with the OPA. On the contrary, it is taking the only action it can take in view of the limitations of its control.

"However, this does not mean that our fullest cooperation should not be given to the officials; quite the contrary. It is most essential that civilians economize to meet our stupendous war task. We must accept as a fact that there will be trials and errors, but we must cooperate in every possible way. Only by doing this can the OPA, partially at least, accomplish its objectives and anything it does accomplish is to the good. For the threat of inflation is more serious day by day. To meet it head-on requires prompt and courageous action. Such action by Government officials will be of little avail unless it is supported by a united citizenship."

Increasing Savings Assures War Funds

Saving by the individual provides fundamental reason for confidence in financing the war effort, said John W. Sandstedt, Executive Secretary of the National Association of Mutual Savings Banks, who addressed on June 15 the Savings Bank Management Conference at Andover, Mass., held under auspices of the Savings Banks Association of Massachusetts.

"It is not an exaggeration to say that a larger part of the current pay envelope is being converted into savings capital than ever before," Mr. Sandstedt added. "Educational programs carried on by the Government and the great thrift agencies of the United States are bringing to the people a better realization of what saving means for the future. We recently have witnessed two remarkable Victory Bond drives in which more than $30,000,000,000 were made available to the Government. Although this money largely came from the treasuries of fiduciary institutions, it originated in the pay envelopes of the nation and we may be sure that those same faithful pay envelopes will contribute an increasing share to victory.

"At the end of 1942, according to the Federal Reserve Board, total bank deposits, exclusive of inter-bank deposits, amounted to $88,000,000,000 and economists estimate the figure now to be in excess of $100,000,000,000, with the prospect reaching $150,000,000,000 before the end of the war. Likewise, we face the possibility of a public debt of between $250,000,000,000 and $300,000,000,000.

"Turning to the matter of national income, it is expected that income payments to the American people during 1943 will approximate $135,000,000,000. Federal, State and local personal taxes will absorb about $15,000,000,000, leaving $120,000,000,000. However, available goods and services are estimated to absorb $75,000,000,000 of value, leaving $45,000,000,000 of purchasing power in the hands of the public. Based upon these figures, prospects for savings never have been better, and the opportunities for mutual savings banks, leaders in the thrift movement 126 years, are unparalleled."

Supreme Court Upholds Excess Wheat Penalty

The United States Supreme Court reaffirmed on June 7 the constitutionality of legislation imposing a 49-cent-a-bushel penalty on wheat produced in excess of Agricultural Adjustment Agency quotas and either sold or consumed by the grower.

In Associated Press, Washington advices, the following was reported:

In a one-sentence order the court affirmed a decision by the District of Columbia Court of Appeals on a new challenge of the legislation brought by Representative L. William Lemke, Republican, of North Dakota, as attorney for a group of farmers in Ohio, Pennsylvania, Michigan and Kansas.

The Court of Appeals decision dismissing the new suit was affirmed by the high tribunal "on the authority of" a previous ruling sustaining the penalty.

Mr. Lemke contended that the Supreme Court, in a unanimous opinion last Nov. 9, had not held the legislation constitutional but had merely ruled that Roscoe C. Filburn, of Montgomery County, Ohio, who challenged the penalty, was in no position to complain because he had accepted benefits under the act.

In the new legislation Mr. Lemke contended his clients had not received benefits under the act.

The Supreme Court's previous decision was noted in these columns of Nov. 26, page 1894.

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