

# The Commercial and FINANCIAL CHRONICLE

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## The Financial Situation

Sufficient time may not yet have elapsed to demonstrate whether the newly created Office of War Mobilization will be able to bring order out of the chaos now rampant in Washington, but if that organization is to make itself constructively effective it must do so in the very near future. Something in the nature of a crisis has developed in the management of the war effort, a crisis which appears to have spread to very nearly all Governmental activities.

### Congress in Rebellious Mood

For one thing, Congress is evidently in a rebellious mood. It is plainly determined to put an end to the larger part of the activities of the National Resources Planning Board. It may mete out the same fate, or something very similar, to the Office of War Information. The Administration, apparently with the newly appointed Director of War Mobilization in tactical charge, has apparently been obliged to make a "strategic withdrawal," if nothing more, in the matter of new tax legislation.

It remains to be seen what the President will do with the anti-strike labor legislation recently arriving at his office, and what the attitude of Congress will be should he veto it, as he is apparently being advised to do by many who heretofore have had great influence with him. Even more to the point, perhaps, it remains for the future to disclose what the effect of the legislation will be should he sign the bill. The OPA is far from popular on Capitol Hill, and legislation may yet emerge which would be most unwelcome to the Administration. The President has a real problem on his hands with Congress, and does not appear to be making progress either through Mr. Byrnes or otherwise in solving his difficulties there.

### Other Difficulties

But it is by no means merely in his relations with the legislative branch that the Administration's difficulties are to be found. It has managed to become embroiled in a long, troublesome and costly struggle with the coal miners—perhaps it would be more accurate to say with John L. (Continued on page 2382)

## Outlook For The Banks

### Roger W. Babson Sees Changes In Commercial Banking Policies

Inflation is witnessed by rising prices and an increased shortage of consumers goods. We have been in an inflationary period for some time. Signs point to further inflation. Inflation will affect all types of business and all individuals in varying degrees. In thinking, however, of one business with which nearly all of us are connected, I have felt that some explanation of what inflation might mean to the banks would be of interest to all. (Continued on page 2382)

in being a stockholder.

Banks have no inventory, buy no raw materials and manufacture no finished products. They have nothing to sell except service and, most important of all, they deal solely in dollars. Hence, theoretically, it makes no difference to the bank what the dollar is worth. It is worth 59 cents today; but if it goes down to 20 cents the banks would still be open, would function as usual, continue to receive dollar deposits and pay out dollars.

### Depositors Are Safe

As all Federal Reserve Member Banks and most other banks are also members of the Federal Deposit Insurance Corporation, deposits up to \$5,000 have, for some time, been insured by our Government. Depositors are thus well protected and bank failures for years have been at a minimum. I look for no increase in bank failures. However, some banks may consolidate or liquidate and in being a bank director or even



Roger W. Babson

Today there is little glory or profit in being a bank director or even

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## Private Industry's Production Record Answer To Advocates Of New Economic Order

### Irving Olds Declares American Industrial System Far From Moribund

The assertion that the production record of American business during the past two or three years "should be a complete answer to those critics, or advocates of a new economic order, who not so long ago advanced the notion that our industrial system is moribund and incapable of meeting the needs of the nation," was made by Irving S. Olds, Chairman of United States Steel Corp., on June 16.

Mr. Olds made this statement at a luncheon at the Waldorf-Astoria in New York on the occasion of a preview of a new motion picture, "To Each Other," showing activities of the Steel Corporation "in its effort to aid in bringing about complete victory at the earliest possible date."

Mr. Olds' remarks follow:

"On behalf of the directors and officers of United States Steel Corp., I should like to express our pleasure

and happiness over the presence

of so many at this luncheon. Your

being here today is encouraging

to us, as I am bold enough to as-

sume that it evidences a real in-

terest in the wartime activities of

the Steel Corporation.

"Three years ago this country

embarked upon an intensive na-

tional defense program. More than

18 months have gone by since that

black Pearl Harbor Sunday. All

of you are familiar with what has

subsequently transpired on land

and at sea.

"Perhaps, however, the question

can properly be asked: What has

American industry been doing

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distry has been and is now performing a wonderful job of production. The pressure exerted by our armed forces at the many battlefronts—which every day becomes greater and more powerful, and, we trust, more convincing to Hitler, Mussolini & Co.—traces directly back to the mines, factories and transportation facilities of the United States and to the efficient, hardworking and patriotic personnel, both management and (Continued on page 2386)



Irving S. Olds

## Dewey Urges State Governors To Solve Food Problem

### Proposes West Kill Pigs In Order To Free Corn For East's Dairies

Governor Thomas E. Dewey of New York declared on June 21 that the War Governors of the United States can, and will, meet the food problem of the country because the National Government still cannot, or will not, understand it.

Addressing the opening session of the annual Governors' Conference in Columbus, Ohio, Mr. Dewey said that the meat situation is "a jumble of paradoxes" and warned that the country has "a livestock population so vast that we never can support it and at the same time fulfill an obligation to help feed the starving survivors of a wrecked world."

He added that "right now in this country our meat animals are eating into the precious food reserves which must be increased if we are even to begin saving the under-nourished people of a rescued Europe."

Mr. Dewey, it was noted in United Press accounts, started a

controversy during the question period following his prepared speech when he advocated the "killing of little pigs so Eastern cows can have feed. But eat the pigs—don't plow them under."

The text of Mr. Dewey's address follows, according to Columbus advices to the New York "Herald Tribune":

"I am happy to find myself asked to talk here about the farm problems of the State of New York. Every one has thought of New York as a great industrial State. It is doubly gratifying that it should finally be recognized as also one of the great agricultural States. But I must recognize that, as a New Yorker coming to Ohio to talk about farm problems, I am carrying a good many coals to Newcastle."

"One of the most urgent problems facing us at the first of this year was the shortage of farm manpower. A group of farm leaders (Continued on page 2390)



Gov. Thos. E. Dewey

## From Washington

### Ahead Of The News

By CARLISLE BARGERON

Several months ago this correspondent wrote that the legislative branch of our government, armed with a mandate to recover its power over the Washington bureaucracy would run up against a tremendous propaganda in attempting to do it. That is what is happening today. Some of the very editors who were crying loudest for Congress to reassert itself are now complaining that it isn't asserting itself in the right way.

Over the radio, we hear from the propagandists that the Congress has gone crazy. It is all having its effect and some of the more rugged fellows in Congress are already weakening.

The plain fact is that unless the current move against OPA by Congress is effective, and to a lesser extent its move against Elmer Davis and his OWI set-up, this country is in for some pretty rough going. Whether the blame is altogether his or not, Prentiss

Brown has shown that he can't straighten OPA out. The theorists and leftists who saturate the structure are determined to carry out their reforms. They are not primarily dealing with inflation. They are making an appeal to the housewife by claiming to be holding down prices, but their course is inevitably leading to inflation, or what will more likely come first, a complete breakdown in the civilian economy.

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## The Financial Situation

(Continued from first page)

Lewis. The activities of the OPA have grown more and more troublesome for long months past, until now the situation swirling about the head of that unfortunate organization is all but out of control. The consumer is bewildered, disgusted and acutely aware that the entire price control and rationing program has been badly conceived, poorly managed and needlessly irritating. Thoughtful students of public affairs are further aware, as the general public is becoming, that essential production is being seriously impaired, and that even more serious impairment is all but inevitable if something is not done to prevent it.

### The Food Situation

The food situation, which has long been little short of a national scandal, is now plainly and undeniably alarming. Moreover, matters appear to be growing worse instead of better. The prospect, so far as one may judge it, is for continuing deterioration unless and until drastic steps are taken to correct the situation. The War Food Administrator, brought from private business against his will only a short time ago, is up in arms. Rightly or wrongly, he is said to insist that he can not work effectively through the Office of War Mobilization but must report directly to the President and obtain his instructions from the White House. He, moreover, finds from experience that he can not be responsible for food production if someone else is to have carte blanche to do what he wishes about prices and other factors which bear directly upon production.

### A Hair of the Dog

Meanwhile, officials, according to Washington advices, are coming to the strange conclusion, if, indeed, they have not already come to it, that the remedy is to be found in applying a hair of the dog that did the biting. As so many have done before them, they have been engrossed and bewitched by what has been done in England, and now are reported to be seriously considering the formation of a giant Government monopoly of all critical food items, a system in which the Government would be the only buyer of these items from producers and the only seller to the trade. How the Administration can suppose that it could make such a system work effectively is a mystery when even now it is having great difficulty, according to its own admission, in obtaining what meat it wishes for the armed forces and lend-lease—so extensively is meat being diverted from the regular channels of distribution, chiefly to the so-called "black markets"—and when it is now succeeding chiefly in disrupting normal distribution of almost all types of products by its bungling interference with business.

But it is not only in the food field that the OPA is crumbling of its own weight. It is doubtless in the food markets that the public becomes most distressingly aware of the mismanagement of this bewildered and troublesome organization, but practically all groups engaged in the distribution of consumers' goods to the civilian population know well enough what a mess has been created in all lines. When, as is the fact, the small retailer, or the large one, for that matter, finds something like 675 OPA orders on his desk purporting to restrict, control and direct his daily operations, he rightly comes to the conclusion that the time has come to call a halt. He, moreover, probably, whether right or wrong, also comes to the conclusion that the time has come when he must either push most of these undecipherable rules aside and run his business as best he may, or else close his doors—and ordinarily he does not close his doors until obliged to do so.

### Dealings With the Public

Nor is this the full story. The faulty, preposterous, and deeply harmful, not to say dangerous, current methods of dealing with the civilian public are by no means confined to matters of supply. Civilian supply is, of course, of the utmost importance. Not only the morale but the health and endurance of the public is in large degree governed by the ability of the rank and file to obtain food, clothing and other necessities of life in reasonable quantities and without undue inconvenience and irritation. Yet there are a number of other matters of vital concern. One essential is that the man in the street be able to feel that his Government is dealing with him fairly, truthfully, and as considerately as the military situation permits. Another is that he have no reason to doubt that those entrusted with official responsibility are working together smoothly and with an eye single to the prosecution of the war.

### Confusion Worse Confounded

It is difficult for the ordinary man to convince himself that any of these essential conditions exist today. A situation in the coal industry, which should never have been per-

mitted to develop into what it now is, has been dealt with in such a way that it is impossible to avoid the suspicion that it is as much a titanic battle between two inveterate haters, John L. Lewis and the President, as anything else. The repercussions of this struggle, whatever its own denouement, will not end for a long while to come. The Office of War Information is another case in point. Here is an organization ostensibly charged with providing the public with all available information about the conduct of the war. In one degree or another it is performing that function, but its many other activities—and they are legion—are unfortunate, to say the least. And the confusion is not relieved when the Chairman of the War Production Board and the Under Secretary of State undertake to report to the people on the way war production is going, the one apparently confident that matters are proceeding well, the other that disaster awaits us.

Evidently a drastic and far-reaching corrective is rather more than urgently needed. Next week or next month may be almost too late.

## "The Heart Of The Matter"

"The heart of the matter is this: We need a reaffirmation, a rebirth of faith in the system of free enterprise. The greatest drawback to prosperity in the post-war era is the uncertainty of government's real attitude toward private enterprise. What we need is a clear affirmation, free from weasel words and mental reservations, of full faith and confidence in our free economic system as the only secure foundation of a free political system."

"The past record of American industry is overwhelmingly on the side of health and sanity. This is the popular verdict for which industry will continue to strive with the indispensable help of you editors. In any event, this is the story which industry will be able to lay before the forum of American public opinion if industry is not cut off from access to the public ear."

"Will we be allowed such a hearing? You begin to wonder when a member of the United States Supreme Court finds himself stressing the difficulties of preserving the democratic way of life. He cites 'the misuse and manipulation of modern devices, chain newspapers, cheap magazines, popular polls, the movies and the radio. In other words, 'misuse,' as he calls it, of all the media of opinion employed by a free people.'—Frederick C. Crawford, President of the N.A.M., to the Wartime Conference of the National Editorial Association.

We do indeed need a "rebirth of faith in the system of free enterprise."

And it must be a genuine faith—not meaningless and not infrequently half sincere professions—and really free enterprise—with out the sword of Damocles over its head.



F. C. Crawford

## The State Of Trade

Most industries reported increases for the week, with the exception of steel. The steel industry, plagued by a coke shortage from the cumulative effect of three major war-time coal strikes in seven weeks, began curtailment of operations simultaneously with the new work stoppage of the nation's 500,000 United Mine Workers' coal miners.

First hit by the coal shutdown, as miners again stood by their edict—"no contract, no work"—was the Republic Steel Corporation, which announced at Birmingham, Ala., that lack of coal from which coke is made, forced a 50% reduction in its Alabama coke production.

Commenting that "this is a lot more serious and is taking effect quicker than the second walkout early in June," a Carnegie-Illinois spokesman explained that the company's coal stockpile was "still materially reduced" because of the previous mine shutdowns.

Steel production in the United States is scheduled this week at 97.6% of rated capacity, equal to 1,690,100 net tons of ingots and castings, compared with 97.8% and output of 1,693,600 tons last week, the American Iron & Steel Institute reports.

For the week beginning June 21st, 1942, operations were on a basis of 98 per cent of then available capacity and output amounted to 1,664,600 net tons.

Production of electricity in the United States for the week ended June 12th, was 4,040,376,000 kilowatt hours, an increase of 16.7%, compared with the 1942 week, and comparing with output of 3,925,893,000 kilowatt hours in the preceding week, the Edison Electric Institute reports. In the latest week each geographical area showed a gain over last year, the largest being 28.4% in the Pacific

coast region. The Mid-Atlantic states showed a gain of 15.8%.

Consolidated Edison Co. of New York reports electric output in the week ended June 13th, was 186,100,000 kilowatt hours, an increase of 25.1% over the 1942 week. Local distribution increased 28.2%.

Car loadings of revenue freight for the week ended June 12th, totaled 834,486 cars, according to the Association of American Railroads. This was an increase of 186,911 cars over the preceding week this year, 21,851 cars more than the corresponding week in 1942 and 8,489 cars below the same period two years ago.

This total was 123.74% of average loadings for the corresponding week of the ten preceding years.

Department store sales on a country-wide basis were up 28% for the week ended June 12th, compared with the same week a year ago, according to the Federal Reserve Board.

Store sales were up 22% for the four weeks ended June 12th, compared with the same period a year ago.

Department store sales in New York City in the week ended June 19th, were 18% larger than in the corresponding week of last year, according to a preliminary report issued by the Federal Reserve Bank of New York.

In the previous week, ended June 12th, sales of this group of

stores were 32% above those of the like 1942 week.

Retail activity this week was improved in most quarters as considerable promotional space was devoted to Father's Day gifts and to summer household and apparel lines, according to the weekly review of Dun & Bradstreet, Inc. Although an unseasonal influx of buyers visited the markets to place orders for fall delivery, wholesale trade was spotty, Dun's said.

Dollar value of inventories of department stores in the 2nd Federal Reserve District at the end of May were 33% under the corresponding date of last year, according to a report issued by the New York Federal Reserve Bank. The drop in inventories of New York City department stores was 36%, and of apparel stores 17%.

Seasonal expansion of farm operations in April brought total United States employment to a new high of 60,900,000, according to the National Industrial Conference Board.

Nearly 900,000 of the 1,300,000 workers taken on during April went directly into farm work, while most of the other new recruits entered the armed forces. Total industrial employment declined by more than 160,000 during the month, while the increase in factory employment was the smallest recorded since Pearl Harbor.

Farm employment in April, despite an increase to 9,900,000, was about 250,000 lower than in the same month of 1942 and roughly 750,000 lower than in 1937-39. Hired farm workers numbered slightly more than 2,000,000, about 150,000 or 7% below the corresponding 1942 total. Farm family workers, including farm operators and their family members, doing work without wages, totaled 7,800,000 or nearly 100,000 less than in 1942.

## Woodruff Heads slate Of Mtg. Bankers Ass'n

Herold G. Woodruff, President of H. G. Woodruff, Inc., Detroit, has been named official nominee for President of the Mortgage Bankers Association of America to succeed Charles A. Mullenix of Cleveland, it was announced at the Spring meeting of the organization's executive committee held in Chicago, June 18. Nomination is tantamount to election which will take place at the Association's 30th annual business meeting this Fall in conjunction with a national wartime conference on mortgage problems. The announcement was made by Frederick P. Champ, former President of the Association and Chairman of the Nominating Committee.

Mr. Woodruff is a native of Michigan and has been in the mortgage banking and real estate business for more than 30 years. For seven years he was with the Peninsular State Bank and ten years with the Union Guardian Trust Co., one of the largest producers of mortgage loans in the Detroit area. He resigned as Vice President of this institution in 1933 and organized his own company which is a correspondent for several life insurance companies. He has been a member of the MBA Board of Governors since 1935 and has served on many of the Association's committees. In addition, he has served as National Membership Chairman, Regional Vice President and Vice President. He is a former President of the Detroit Mortgage Bankers Association, a member of the Michigan Bar and was an officer in World War I.

Nominations for seven regional Vice Presidents and seven members of the Board of Governors will be presented at the annual meeting this Fall.

## House Inquiry Hears Allegation That OPA Seeks Profits Control

The contention that confidential files of David Ginsburg, former General Counsel of the Office of Price Administration, have revealed that certain groups in the OPA have been seeking to bring American industry under governmental control by restricting profits rather than controlling prices, was attributed to Harold L. Allen, counsel for the special House Committee investigating the executive agencies on June 17, according to a Washington dispatch to the New York "Herald Tribune," which said:

Mr. Allen's statement, spread on the record of the committee, of which Representative Howard W. Smith, Democrat, of Virginia, is Chairman, was based on nine boxes of secret memoranda taken from the OPA by Mr. Ginsburg after he was drafted into the Army. They were obtained by committee subpoena from Mr. Ginsburg's home in Huntington, W. Va.

The "Herald Tribune" advised further said:

"Under the guise of war-time price control," said Mr. Allen's analysis of the documents, "the Office of Price Administration is seeking to bring the entire industrial system under bureaucratic control, by regulating not the prices of its products, but by controlling the sum of its profits, and by freezing them at the level earned by industry during the period 1936-39, irrespective of whether there has been an increase in the price of the manufactured commodity. There is no authority for such a policy in the price control act of January, 1942, or its amendments, the stabilization act of Oct. 2, 1942."

Formal reply of the OPA was promptly submitted, amounting to some measure of denial of the existence of such a policy, despite the circulation within the agency of the "confidential" memorandum before new regulations were issued after approval of the Oct. 2 act and promulgation of President Roosevelt's stabilization order designed to implement it. Henry Hart Jr., Deputy Counsel for the OPA, submitted the statement in behalf of Price Administrator Prentiss M. Brown, who took office long after the "policy" idea was formulated.

Although begging the question as to the "legal issue" of the authority at law for the OPA's present policy as it might affect profits, Mr. Hart submitted the following as an epitome of the program:

"The OPA has no program with respect to the reduction of profits as such. It has been granted no authority by Congress to control the profits of individual concerns. It has not been directed to do so by the President...."

"It should be pointed out that we are concerned only with industry-wide averages and with ceilings of general applicability. If an individual producer, selling under such a ceiling, can obtain a margin of profit which exceeds the industry's average, his own price will not be reduced. More than this the OPA will not reduce maximum prices where increased profits for an industry as a whole are clearly the consequence of improvements in efficiency in management."

Mr. Hart insisted that the scheme had been referred to "inaccurately" as a policy on profits control when it was only a "necessary element" in the price-control program designed to prevent inflation.

Explaining how the Ginsburg files came into Committee's possession after OPA officials had first professed to be unaware of their whereabouts, Mr. Allen said he discovered the program for bureaucratic control of industry in a file marked "profits." Memoranda in this file were marked "strictly confidential" and "confidential for office use only."

"The Ginsburg files," continued Mr. Allen, "show the OPA distorting the intent and purposes of

Congress, as expressed in the price control act, using the price-fixing mechanism to control profits and redistribute them instead of using them to prevent inflation. This it does, even where prices have neither risen nor threatened to rise, and where there is no danger of any inflationary run-away."

In some cases, the action taken and proposed by the OPA, Mr. Allen told the Committee, will actually contribute to inflation by diverting large sums of money out of tax sources into "the inflationary stream of homeless purchasing power."

"The confidential policy-making OPA memoranda and correspondence established a criterion of unreasonableness and exorbitance in profits solely on the basis of the uncontrolled discretion or whim of the Price Administrator," Mr. Allen asserted....

After the confidential documents had been examined, Mr. Allen said that the OPA had been called upon to explain its current price policy in so far as it pertained to the regulation of industrial or business profits.

**Lead Stocks And Output Decline**

Because of manpower shortages and other factors, the nation faces a decline in domestic lead production, the War Production Board revealed on June 18.

The optimism of the recent past has suddenly been replaced by a feeling of concern over domestic production following the revelation of changing conditions. At a Lead Industry Advisory Committee meeting held in Washington on June 17, problems created by labor shortages, shipping restrictions and other production hindrances were discussed.

The WPB further added: "A large lead stockpile which, it appeared, would remain constant is being dug into at an accelerated rate. This stockpile had been increasing in volume for some time, but since the end of March or the early part of April it has begun to dwindle. In addition, domestic production has already declined substantially, one mine reporting a 12% drop in the last 60 days.

"The existence of these conditions, while not alarming at this time, accentuated the denial of a recent rumor that lead mines were to be closed because of oversupply.

"While this nation has ample supplies of lead on hand and in production to meet all current and foreseeable military requirements as well as essential civilian needs, conditions are variable and an accelerated decline in production might change the picture drastically since the United States is far from self-sufficient. Large quantities of lead must be imported, principally from Mexico, and current receipts might be increased if shipping permits.

"Though lead supplies are getting tighter, that does not mean that it should not be substituted for more critical metals, since various adjustments could be made in order that lead be made available for the most essential purposes of war production."

WPB officials agreed that a false impression had arisen concerning the plentifulness of lead and again emphasized the necessity for stepped-up domestic production.

## Aldrich To Address Russia Tribute Rally

Winthrop W. Aldrich, President of the National War Fund, will speak at a "Tribute to Russia" meeting in Randall's Island Stadium, New York City, on Sunday afternoon (June 27) it was announced by Allen Wardwell, Chairman of the New York Committee of Russian War Relief. Mr. Aldrich is Chairman of the Chase National of New York. Joseph E. Davies, President Roosevelt's personal envoy to Premier Stalin of the U.S.S.R., Mayor F. H. LaGuardia and Sidney Hillman, president of the Amalgamated Clothing Workers of America, also will speak. A pageant and entertainment will be presented.

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, entered their third year of war. 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, Stanton Griffis and Owen D. Young is directing the observance.

Previous reference to this rally appeared in our June 17 issue, page 2291.

## Paul Denies That He Is Engaged In Tax Service

Randolph E. Paul, General Counsel for the Treasury Department, in denying a charge made in the House that he was a party to a tax service soliciting subscriptions from banks, issued the following statement on June 15:

"It was charged today on the floor of the House that circulars have recently been distributed soliciting subscriptions from banks to a Tax Service published by Randolph Paul, the General Counsel for the Treasury Department and Jacob Mertens, Jr. This charge was followed by a criticism of me as a 'high Treasury official engaged in such an enterprise.'

"I have no financial or other interest in 'Coordinators' Cyclopedic Tax Service' the publication referred to, on the circular of which my name appears and the use of my name in the circular was completely unauthorized. A number of years ago—a long time before entering the Government service in December, 1941—I made arrangements with Mr. Mertens and Callaghan & Co. to withdraw from further participation in Paul and Mertens' Law of Federal Income Taxation, originally published by Callaghan & Company in 1934. Under my arrangement any further revision of this set of volumes was not to use my name, and the twelve volume 'Law of Federal Income Taxation' published by Callaghan & Co. used only the name of Mr. Mertens. Since that time, I have had no relation with that publication or any service derived from it."

Reporting Mr. Davis as replying to Representative Starnes (D-Ala) who it is said told the House on June 18 that this country needed no Paul Joseph Goebbels or Virginio Gayda. Associated Press accounts from Washington June 19 quoted Mr. Davis

## President Congratulates Governors On Aid Given By States In War Effort

President Roosevelt, in a message to the 35th annual Governor's Conference at Columbus, Ohio, on June 21 congratulated them "on the job already done" and said he was looking forward confidently to even closer cooperation as the nation, the states and the localities "press on to victory."

The President also said that the time in which the Conference meets "is critical in that everything that we have developed, as follows:

"There is quite a difference between me and Goebbels, as Mr. Starnes would discover if he read the order by which President Roosevelt created OWI, or followed our activities," Mr. Davis remarked. "For one thing, Dr. Goebbels doesn't have to go to the Reichstag for his appropriation."

He (Davis) said that Senator McKellar (D-Tenn.) had agreed to let the OWI be heard by the Senate Appropriations Committee in defense of the domestic appropriation before it acts on the OWI budget.

Mr. Davis told questioners that it would cost a great deal more if every Government agency maintained a full information division, particularly in the field whereas the OWI's field service handles the information job for all Government offices in each city. Some arrangement also would have to be made, he said, to furnish the overseas branch, or its successor, with domestic news, a job now handled largely by the domestic branch.

Director Davis is a reserve officer in the Navy, and it was indicated he would offer himself to the Navy if the OWI folds up.

"The Navy has next call on me," he said.

The director said he wouldn't attempt to estimate how much politics was contained in the House action and would not attempt to analyze the motives behind the House vote.

"Our \$8,800,000 budget was what we thought we would need for next year," he said, "we did not pad that budget."

The request was reduced to \$5,500,000 and then eliminated by the House.

The action does not impair the OWI's foreign propaganda program, for which the House approved \$28,972,504.

Republicans voted almost solidly for Mr. Starnes's motion to scuttle the domestic bureau. The lineup was 160 Republicans, 55 Democrats and three minor party members for the motion, and 108 Democrats, five Republicans and one minor party member against it.

Representative Cannon (D-Mo.), chairman of the Appropriations Committee, said that the action would wipe out all wartime co-ordination of news releases for the radio and the press and eliminate the motion picture program.

The OWI employs approximately 1,500 persons in its domestic bureau and around 3,000 in the overseas branch.

The current appropriation expires June 30.

## Davis To Quit OWI If Domestic Branch Ends

Elmer Davis, Director of the Office of War Information, said on June 19 that if the Senate concurs in the House action to eliminate the domestic branch of the OWI, there would be no OWI and he would no longer be its director.

Mr. Davis told his press conference according to the Associated Press, that "this was a combination overseas and domestic job that I was called down to do. If the Senate concurs in the House view, that job is ended. It will be the job of somebody else to take care of whatever they choose to do in foreign information."

The House voted 218 to 114 on June 18 to eliminate from the war agencies appropriation bill a \$5,500,000 item for the OWI's domestic branch. The \$28,900,000 for foreign operations was left intact.

Reporting Mr. Davis as replying to Representative Starnes (D-Ala) who it is said told the House on June 18 that this country needed no Paul Joseph Goebbels or Virginio Gayda. Associated Press accounts from Washington June 19 quoted Mr. Davis

Neal Dow Becker, President of the Intertype Corporation, was re-elected President of the Commerce and Industry Association of New York for a one-year term at the annual meeting of the Board of Directors on June 14.

Other officers, also re-elected for one year, were: Stephen F. Voorhees of Voorhees, Walker, Foley & Smith, Vice-President; Thomas S. Holden, President F. W. Dodge Corporation, Vice-President; Jeremiah D. Maguire, President Federation Bank & Trust Co., Vice-President; Samuel D. Leidesdorf, S. D. Leidesdorf & Co., Treasurer, and Thomas Jefferson Miley, Secretary.



W. W. Aldrich

## Post-War Period One Of Greatest Expansion For Independent Merchants, Says O'Neill Of NAM

### Urge Protection From Over-Regulation

"The post-war period is going to be a period of the greatest expansion in independent merchandising in the history of the country," it was declared on June 21 at Cincinnati by William P. O'Neill, Vice-Chairman of the National Association of Manufacturers Committee on Corporation Peacetime Planning. Mr. O'Neill, who is also President of the General Tire & Rubber Co. of Akron, Ohio, went on to say that "opportunities for the men returning from the war to build an independent business of their own will be greater than they ever have been."

"But," he added, "plans must be made now to protect the small business man from over-regulation. He must be assured that after he builds a business he will be allowed the necessary freedom to operate it. By this I do not mean that the inefficient merchant should be protected, but rather that the competent fellow, in business for himself, be given safeguards which will permit him to make his business pay a profit."

Mr. O'Neill spoke before the Southern Ohio Post-War Conference of the National Association of Manufacturers; others who addressed the conference were Dr. Gustav Egloff, and Wilfred Sykes, and reference to their remarks appears further below.

Besides the portions given above from Mr. O'Neill's address which dealt with "Company and Community Post-War Opportunities and Responsibilities," he also had the following to say:

"Over the last ten years our tire dealers have made more money than ever before in their history. Yet young men hesitate to enter business today. A fear has grown up that independent businesses are doomed to failure because of the competition of chain stores or company stores.

"But the record shows differently. Our dealers, with competition from company owned stores, have prospered more than they did before that competition arose.

"The opportunities for independent merchants after the war are going to be greater than they ever have been before. There will be new products, new materials, new systems of merchandising.

"American merchandising methods are as important a part of the American way of life as American mass production. If merchandising had not created the demand mass production could not have existed.

"There are many economic theorists who do not realize this. They talk of the dangers of the machine age. They do not know that American merchandising has led the way in our free enterprise system.

"For every man that is employed in the manufacture of an American item of merchandise, eight are employed servicing or selling that item. This means that every time we develop a new article we create employment for eight times as many men as it takes to manufacture that article.

"For years America has led all the world in manufacturing. Our standard of living has been far above that of any other country. That condition has existed because we have been able to build articles which added to the comfort or convenience of our people. We have created demands for radio and washing machines and deep freeze units, and automobiles.

"We have made it possible for most of our people to have these conveniences because of our merchandising methods. Our high wages, topping those of any other country, have created markets unheard of in Europe.

"But with all these advances—with all this progress—we haven't seen anything compared to what we shall see when the war is over.

"War always accelerates scientific development. Because of the type of war we are fighting, that acceleration is faster today than it has been in any previous war.

"Plastics never before dreamed of have been created by our chemists in search of synthetic rubbers. Searching for war materials, scientists have stumbled upon valuable peace time products. Short cuts in manufacture have been found. Research for planes has resulted in light, strong materials for which there will be a hundred peacetime uses.

"Distribution methods have been revolutionized and the post-war methods of merchandising will be entirely unlike those of pre-war days.

"So the young man returning from war with a small amount of capital to invest will find many opportunities to enter business for himself. He will find Americans demanding new products for their homes, for their automobiles, for their recreation.

"He will find that science has created for him new things to sell and merchandising has created a demand for these articles. He will find that the country's chemists have produced materials from which to fashion these new products.

"For our country's chemists have left those of competitor nations far behind. Germany may well lose the war in chemistry. When World War I began Germany had 98% of the nation's chemical dye business. Today we have 98%.

"The reason is that Germany is no longer a free enterprise country. In those days it was, and all men had a chance to put their brains to work.

"With the advent of Hitler and state socialism the brains of all but a few men were scrapped. Hitler announced that only the master race could continue research . . . only the master race could function in any capacity in Germany.

"The common misconception is that Hitler exiled Jews only. Quite the contrary is true. He chased from his new order Jew and Dane, Frenchman and Dutchman, Englishman and American. He permitted only his so-called pure Aryans to stay.

"This was the deathknell for German scientific advance. By this one order he limited the brains he could call upon to carry out his plans.

"We have always led Germany in the manufacture of tires and rubber goods. We have not always led them in chemistry. Germany has been playing with synthetic rubber since the first World War. Germany has had a need for synthetic rubber since that war began. Her chemists have been working night and day toward a 100% synthetic truck tire. The most they have been able to reach is 65%. Already we are making 70% truck tires. Before the end of the year we will be making tires at least 90% synthetic. All our tire plants are turning out 100% American rubber tires today.

"Our chemists today are way ahead of the competition in rubber chemistry and drawing farther away all the time. This is equally true in all organic chemistry. It is true because we draw on all of our brain power, rather than on 10% of it.

"It is true because America is a conglomeration of races. The blending of those races in a background of free enterprise has created ambition and opportunity to develop talents fully.

"From the battle fronts of this

war come stories of the superiority of American planes and guns and tanks. Germany had been planning on war for ten years, but after our scientists went to work we caught and passed them in the production of war materials.

"Our mechanical genius is greater than theirs because here every man with mechanical ability has a chance to display that ability. In Germany this opportunity does not exist.

"With the ending of the war, all this war time development will be channeled into peacetime pursuits. The great advances of war chemistry and war engineering will be turned to building a new America—an America with greater opportunities for the young men than ever before. It will be an America of new horizons of living. It will be an America with a living standard never before approached. It will be an America of free enterprise for a free people, maintaining freedom to operate our American institutions. It will be the America we are fighting to keep free."

Dr. Egloff, who is Director of Research of the Universal Oil Products Co. of Chicago, and President of the American Institute of Chemists, discussed "Post-War Values of Technology" at the conference; an abstract of his address follows:

"The motorist of the future instead of buying a new set of tires for his car may buy a new car for his tires, in the opinion of Dr. Egloff.

"The tires of the future, and the not distant future, will have a minimum life of 100,000 miles. This is because they will be made of synthetic rubber, designed by man to meet exact specifications and produced from American petroleum in American refineries. There will be literally thousands of different synthetic rubbers on the market in the peacetime to come, each one serving its best function, not the least of which will be tires for every requirement. Synthetic rubber is here to stay and fulfill our every need.

"However, the new metals and alloys, and new techniques of using them will also make the car far more durable than have been the models of the past, so it may become a race against time between cars and tires.

"There is a danger inherent in this," Dr. Egloff warns; "that is, things may last too long. Our invention and technique will advance so fast that today's models may be hopelessly outdated tomorrow. People who refuse to discard what they have because it is not worn out," he explains, "will deprive themselves of much greater benefits they could gain by adopting the new—benefits that will outweigh the expense of replacing the old.

"It will be the job of industry to convert promptly from a war to a peace economy and to turn out newer and better articles for public consumption as rapidly as possible.

"The speaker pointed out that the spur of war has speeded up research so that more has been accomplished in the past two years than had been achieved in 50 pre-war years. In the speaker's opinion, the greatest developments are to come in the field of airplane and automobile production, which in turn are dependent on the production of suitable fuels and lubricants by the petroleum industry, which has advanced by giant strides since the beginning of the war, and is still increasing.

"It was pointed out that one obstacle to the greater use of airplanes has been the lack of a sufficient quantity of the most efficient fuel. Such fuel now will be present in great abundance.

"Materials of construction which were cited as having been discovered, developed, or greatly improved since the beginning of the war include magnesium, alum-

inum and their alloys, plastics, plywood and glass.

The development of the synthetic rubber industry in the war is showing us how to make ourselves independent of foreign sources of supply and to make rubber available at low cost for a vast number of uses to which it has not yet been applied. As examples of this are cited a thorough cushioning of railroad cars, better insulation of train bodies and the silencing of unnecessary noises from many sources.

"Free Enterprise In the Post-War World" was the subject of the address delivered at the Conference by Mr. Sykes, who is Vice-President and Chairman of the Post-War Committee, National Association of Manufacturers, and President of Inland Steel Co. of Chicago. His address follows in full:

"Not so long ago we had to argue for any sort of post-war planning. When we first thought about it privately, our patriotism was suspected. The war had to be won first. And when we began to talk about post-war in public, as the earliest planners in the field, we almost had to apologize for our forethought.

"But now look at the field. The latest survey shows the number of organizations and groups earnestly rearranging the post-war world is approaching 200. And that number takes no account of the fact that each government bureau in Washington carries within it a subsection devoted to the future of its own particular activity. Probably the only really free competitive enterprise at present is the making of post-war plans.

"The National Association of Manufacturers was in the field of post-war planning even before there was a war—through its Committee on Long-range Economic Problems, which had been active since 1936. It became the Post-Defense Committee early in 1940 and became the Post-War Committee early in 1942. We have been keeping ahead of the changing situation.

#### We Have Plenty of Planning

"We find ourselves in a throng of post-war planning groups, many of them undertaking on short notice to overhaul the entire economic system.

"They proclaim that now is the time—that the golden opportunity for change is during the upset attending the conversion of 70% of enterprise to wartime production and its eventual reconversion to some sort of enterprise in peacetime.

"Too many of them assume that our past faults lie in our institutions, not in the fallible human judgment with which we conduct them. They bristle with startling and controversial proposals.

"As we digest the views of our contemporaneous post-war planners, we learn for instance that some think moderate inflation would be desirable to keep everyone happy—however deluded. Others would make all the basic industries into public utilities under government regulation. Earnest and apparently patriotic men have no hesitation in proposing a complete renovation of the Constitution, because conflicts between the executive and legislative branches have often deadlocked this otherwise dynamic country.

"Many groups take a spontaneous directive from Stuart Chase, whose 'Goals for America' published by the Twentieth Century Foundation, declares we are undergoing an economic, political and social evolution, so accelerated by the war, that it takes on revolutionary proportions.

"In this vein, we learn from planning groups that the great contribution of capitalism to modern society was mass production. It has failed miserably, we are told, in mass distribution. Other-

wise there would have been no poverty in the midst of plenty. Therefore we are to have a planned and controlled economy after the war as during it, and perhaps even more so. The traditional American system of free enterprise is to pass into history. The doctrine of economic freedom is an anachronism. The collectivist solution is at hand.

"Thurman Arnold, who used to go about as the Government's trust-buster until the President appointed him to be a Judge of the Federal Circuit Court of Appeals, addressed the New York Rotary Club on the subject, three weeks ago. According to this latest correspondence from the industrial revolutionary front, the greatest era of development this country has even known will be ushered in when vested capitalistic interests are ushered out—when management has no responsibility for anything but paying for the risks and conducting certain ceremonial functions about products, quantities and prices—subject to collectivist veto. Labor is to be represented on the board of directors. Government is to become a partner in the business.

"Elsewhere we are told we have evolved into a restricted as well as a collectivist economy. There are no more economic frontiers over which we can pioneer. We are warned that we can never hope to reemploy the 15,000,000 men who will come back from the wars and out of the war plants.

"We are told enthusiastically that the post-war provision which will save the soldiers from selling apples in the streets and save the unemployed from raking leaves in the parks, will be public works vaster than any earlier civilization has seen. We are to prepare to rebuild cities, tame watersheds, conserve forests, restore grasslands, unify our transportation systems by land and water and air, build civic centers, libraries, museums, laboratories, universities, encourage the fine arts. Isn't this wasteful, we ask. We are told: No more than war.

"All these proposals are plausibly presented to the public by men who honestly believe in them. To determine the extent of public interest, the NAM had the Psychological Corporation make a study. The finding was that 92% of persons of all wage groups were now in favor of immediate planning for the post-war world, without waiting until the war is won.

"In the uncertainty which the conflicting planners have produced, however, the public has come to the quick and easy solution of public works. The same opinion study shows 61% were in favor of the immediate preparation of a vast public works program, so that they might continue in their present jobs or something as good.

#### The Test Is Intention

"If we follow all this post-war thinking carefully enough, we are sure to encounter all the issues. We may be almost swamped by them, but we discover the importance of a fundamental test: What is the intention of each plan?

"In various plans we find the same set of problems may be met by democratic or authoritarian solutions. They have been so met, in fact, in democratic, fascist or communistic countries, and the solutions all work in some fashion.

"The question is: Which solution do you prefer?

"Certainly it would be unrealistic to say the communist and fascist systems have no vigor. The Germans and the Russians would have a great deal to say about that in their mutual opinions of each other in the second year of their war. And it might be interesting to ask either Germans or Russians what they think of the way we have been able to throw our own weight.

"In a general way, I think the

most important evidence of intention is whether the planners propose a centralized economy or a decentralized one. In some of the plans there is not yet enough evidence to identify them.

#### We Want Free Enterprise

"As to our own plans, let there be no mistake about our intention. If you need any evidence, you will get it later when I set out our approach to decentralization. Quite simply: We are for free competitive enterprise.

"Now many of you may be surprised that I should think it necessary to proclaim this. Haven't we always been for free competitive enterprise? Yes, but there has been a profound change in our circumstances: we no longer have free competitive enterprise; and we are told we may never have it again. We will have to go into the court of public opinion, and of Government action, to get it back.

"To justify restoration of the system of free competitive enterprise we have two main arguments. One is that we come into court with clean hands—see our war achievement. The other argument will be the effectiveness of our post-war planning.

"There can be no question of the effectiveness of the managers of free enterprise when the war broke on us and our major competitor became Hitler, with Tojo as a subsidiary. The effectiveness with which free competitive enterprise accommodated itself to the situation, did not come out of Washington. It was brought to Washington by the top-notch private business men whom the Government called in from their competitive occupations. And when the last shot is fired, the business men of this country will feel entitled by their performance to go back to the job of producing through free enterprise the goods and services which this country needs. That's one of the things we think we are fighting for.

#### What the NAM Is Doing In Post-War Planning; the Committee Set-up; How It Works

"Now we of the National Association of Manufacturers believe that we can not depend on others for the post-war plans which will bring about this return to free enterprise.

"We are glad enough to cooperate with others who appear to be going the same way, but we can not turn our responsibility over to them. When we plan in the NAM, it is more than an exercise of the social imagination or a display of philosophic economics. Our plans are not suggestions for others to work out.

"What distinguishes the post-war planning of the NAM from all others is that we are the men who have to make some plans work.

"For that reason our Post-war Committee is composed of a hundred men, representing manufacturing members throughout the United States. Their function is to stimulate and guide industry to formulate post-war plans for free enterprise, and to work to have them understood and accepted. They must be understood and accepted first by industry itself, and then by government and by the public—meaning anyone who makes goods or grows food or moves them along to the ultimate consumer, which is still the public.

"Let me indicate some of the problems being studied in our committee.

"One is the impact of the demobilized troops on the employment situation, while war plants representing 70% of industry are at various stages of reconversion to peacetime uses.

"Another is the circumstances under which wartime controls—of payrolls, manpower, prices, materials, credit, etc.—should be

taken off. Also the disposition of more than \$12,000,000,000 of government owned plants and manufacturing facilities, and surpluses of more than \$4,000,000,000 of inventory and goods. Also, the termination of government contracts of which the current outstanding total is \$75,000,000,000. Obviously these factors will have a tremendous effect on the working system, if not practically handled.

"In its planning sessions the Post-war Committee of NAM presents an impressive spectacle of corporate thinking. By that I don't mean corporation thinking, but organized thinking intended to add up to a realistic policy—not just a parade of intelligence.

"These sessions are attended not by the second assistant to some remote executive, but by the heads of enterprises, large and small, chosen to give a country-wide section of American enterprise. They are willing and they spend days discussing differences of opinion in the belief that a problem adequately stated is already half solved.

"Some of the most important industrialists of the country have said to me that they came away from these meetings having learned more about enterprise than they ever thought they had still to learn.

"We are protected from any one's half-baked ideas by the fact that our membership is so diverse in manufacturers, and the management which represents them has usually worked its way from the bottom to the top. Most of us have. That is one of the best ways to understand an enterprise. And if you don't understand it, you can't manage it.

"One of the warning facts that our committee demonstrate emphatically by contrast is that so many planners, in and out of government, lack this solid know-how of experience. But they have no hesitation in their brain-trusting for enterprise.

#### Why These Regional Meetings?

"Our own brain-trusting leads naturally to the decentralized approach to post-war planning. It is represented by the series of regional post-war conferences, of which this is the first.

"We come to it in the recognition that any piece of national post-war planning can be given meaning only by the discussion which makes it regional, and by the application to which it comes regionally.

"Consequently we believe the future of free enterprise does not rest entirely in the hands of national committees—even our own—but in the regional membership which can be induced to plan, each industry cooperating with other industries locally and with their communities.

"What we hope to start out of these regional conferences is a great number of plans that fit each company and community practically and to get a better knowledge of the principles which the system has found good. That is the way our free enterprise system has run in the past, and brought us so far. That is the way we believe it must run in the future, if we are to get any farther.

#### What Is This Free Enterprise, And Who Else Wants It?

"Now we have been talking a great deal about the free enterprise system—so much that our Post-War Committee found during the past year that it would be wise to attempt to write down just what we meant by free enterprise.

"As planners, we come to this attempt because we find some of our industrialists still dislike the word 'planning.' In the least form of their dislike, they incline to dispose of the whole matter by saying the National Association of Manufacturers is just another

planner. In extremes of dislike, they consider 'planning' is associated with the substitution of government decree for private initiative, in accordance with a plan for each individual espoused and enforced by the Government.

"The National Association of Manufacturers is still engaged on a formulation of the nature of the free enterprise which we plan to have, which will satisfy all of us; but meanwhile I should like to list the essential advantages of free enterprise, in my own version, as one who sat in or presided at many of our discussions on the subject.

"We found it wise to attempt to identify free enterprise clearly because we found that the principles of the system, on which we could now unanimously agree as self-evidently good, have been the victims of all-too-recent violence at the hands of government, of labor and even of ourselves.

"Before we get into that, let me say I am considering the free enterprise system as the whole system by which we propose to make a post-war living—whether we live by a farm or by a factory, by marketing, or by serving those who do.

"Too much confusion has been caused in our own minds, and in the public mind by thinking of enterprise only as management. The enterprise which I am defining is manned as a whole by owners, by management, and by labor—all working for hire, whether you call it dividends, salary or wages.

"Together they utilize men and materials. If you wish, you may add money, although that is in its soundest sense only the shadow of the operations of men on materials. Without men and materials backing it, the movement of money is only shadow boxing.

"Now don't think I've left out government, the public, the consumer. Taken together with owners, management and labor, all overlapping and cross-compounding, all these words serve only to identify different aspects of the same people. They all have to earn a living under whatever system prevails in the place where they live.

"And that brings us to free enterprise.

"When I list five essential advantages which should be characteristic of the free enterprise system, you will recognize in each of them how much violence they have suffered.

"Free enterprise offers to the public:

"1. Steady employment of men, materials and money.

"2. Pay for owners, management and labor based on performance.

"3. Not only more of the accustomed goods, but better goods and goods we have never had before, due to technological advances—as when the automobile, the airplane, the radio first appeared on the scene.

"4. Fair prices which will move these goods into a rising standard of living. When technological improvements make it possible to use less labor or less material for a unit of goods, the price of that unit must come down so that more of the goods may be sold to the advantage of everybody in the system of plenty.

"5. An opportunity for the American public to profit from the part of their pay which they have saved. They may do it by direct investment for dividends; or by entrusting it to a savings bank or insurance company, which invests it for them and returns them interest.

"Now under this free enterprise system which the Post-War Committee of the NAM is preparing to identify substantially by the five advantages I have listed above, there are certain principal functions to which various post-war planners propose to do more or less violence. It is essential that these functions be understood by

ownership, management, labor and government, in their mutual relationships.

"The function of ownership is to put its savings into free enterprise, taking the risk of losing but hoping for reward. Quite often, ownership loses its shirt. But when it wins out, it feels entitled to pick up its winnings. It may all seem fair enough in those terms, yet earnest men are arguing that this freedom of investment had better be brought under close restraint, for its own good as well as for the common good.

"Next, the function of management in the free enterprise system is to compete freely in the production of goods and to price them freely. This competition to sell goods, in our judgment, stimulates research and yields more new products, giving the consumers more for their dollars than any other system. The public should understand this, no less than management.

"It is a risky business, moreover, because the public decides what it likes and refuses the rest; and the goods must be priced so that the public can and will buy. This requires constant planning and accommodation to the changing economic situation—not only with regard to the competitive process but also with regard to the prosperity of the system as a whole. Manufacturers for instance cannot be prosperous while the farmers are being impoverished. We rise and fall together.

"Mistaken judgment by management, which is not necessarily bad judgement, may result in losses, even failures which close an enterprise and leave management out of a job. Some time ago, and in some minds not so long ago, it was thought management could avoid this risk by substituting monopolistic practices for competition, and substituting price fixing for the free movement of prices. Experience has taught all of us better. And when the Post-War Committee of the NAM calls for a clearer statement of the anti-trust laws and their intelligent enforcement, it is not just a pious expression for public consumption. It represents the mature and unanimous judgment of the committee—and it is one of the things we want.

"Labor, which is a man working for a living just like management, is distinguished from management by labor itself in an opinion survey published by Fortune magazine last February. In that survey, factory workers were offered a choice of three different kinds of job. Fifty-five per cent picked "a job that pays quite a low income but that you are sure of keeping." 27% chose "a job that pays a good income, but that you have a fifty-fifty chance of losing." And finally 15% would take "a job that pays an extremely high income if you make the grade, but in which you lost almost everything if you don't make it."

"There you have a labor lineup in favor of security in its current earnings. The final 15% who were willing to gamble on their ability are the working men who take the long-term view and eventually become management by natural selection. That's the way most of us got up here at the risk table. We wanted it so.

"Since labor has chosen its own role and left us to choose ours as management, I wish they would let management be management. Our Post-War Committee feels that labor should let us pay more to those who do more and let us install machinery which increases a man's productivity. For the more goods we produce per man the more goods we will have to divide per man. This is another of the economic truths the public should understand and emphasize.

"Incidentally, it brings us to what is wrong with the public works panacea. Government jobs

do not create goods. They just equip a large number of people with money which the government takes by taxation or borrowing from those who do create the goods. These government workers then go out and take up their money's worth of goods. Public works are just a share-the-goods scheme.

"Labor seems to be recognizing a few of these truths, and showing healthy signs of coming of age economically. William Green, President of the A. F. of L., recently declared his 6,500,000 union members were willing "to join hands with industry in a fight for freedom of business enterprise."

"The CIO is not far behind in its expressed recognition that free enterprise might provide a better deal than the Government.

"I am not so sure they mean exactly the same thing as we do by free enterprise, however, and that is one of the values of setting our meaning out.

"The labor unions have recently been shocked by highly centralized orders on jobs and wages which outrage their sense of practicality. And they have been shocked by what a hostile Congress can do.

"Labor is discovering that an administration which seemed to be a special policeman for labor can turn into its jailor. We discovered that, independently, in the depression and thereafter. And now a stronger labor policy, propelled by public understanding of events, is apparently being shaped in Congress.

"As to government and free enterprise, there is a tremendous importance in setting out just what we think the function of government should be. I think it is essential that government should understand it as well as the public. The NAM has often been damned out for being consistently against the Government. We are not against the Government. We are against the mistakes and trespasses which this and other administrations have made. Some of the administrations were Republican, let me say; and some of the mistakes were policies which we ourselves mistakenly approved until we found out where they led. If you are speaking of the American Government in its proper sense, as something conforming to the Constitution of the United States, then you will get no more enthusiastic affirmation anywhere among the American public than in the Post-War Committee of the NAM, that the Constitution is the best device yet found for reconciling government by the majority with the rights of individuals.

"Now, what is our conception of the duties of government to the free enterprise system? Fundamentally, it is not to dominate enterprise except in a national emergency. And after the national emergency, it is the duty of government immediately to set enterprise free. The normal domestic powers of government are police powers. It should set up and enforce rules for fair competition and free movement of prices, for safe investment of savings, for collective bargaining between labor and management based on equal rights and equal responsibilities as corporate entities. The Government should use its tax power only for the support of government and not to effect roundabout social changes. Such changes as any government administration considers desirable should be stated openly and debated and decided by the voting public at the polls. It is essential that the public understand and demand these things in order that the Government may be brought to do them.

#### What Are the Government's Intentions?

"This brings us to the main question confronting us as post-war planners: What are the intentions (Continued on page 2386)

Thursday, June 24, 1943

## Post-War Period One Of Greatest Expansion For Independent Merchants, Says O'Neill of NAM

(Continued from page 2385)

tensions of the Government as to free enterprise?

"In the last 14 years we have spent billions—name your own figure—in educating this country to the knowledge of what Government control could do to enterprise.

"Now, what about Government freeing enterprise?

"Our post-war deliberations so far have suggested that in letting go the obvious wartime controls—prices, materials, rationing, savings, manpower, etc.—it might be possible for the Administration to upset enterprise if it wished to upset it. And even if the release of controls were negotiated in an orderly and cooperative fashion with the Government, the Administration would still have the power to destroy free enterprise through the Government's fiscal policy.

"The Government can free enterprise all right, but it may make that freedom impotent by a tax structure which represses venture capital and prevents the accumulation of proper reserves for the reconversion of enterprise to peacetime jobs.

"The Administration can maintain this tax structure in such shape that free enterprise will fail in the first test for its survival: providing steady employment.

### What Does Enterprise Propose?

"That is why I now say, that while the self-appointed reformers of enterprise may not get all they plan, yet in the flux and reflux of the transition period there is real danger that they may get enough to turn free enterprise into something else.

"We need a basic clearing of the post-war future for free enterprise—perhaps by something like the Charter of the Atlantic. If official Government assurance cannot be had for free enterprise, then both major political parties should be asked to proclaim for it in next year's election. They should be asked to take a stand: Who is for free enterprise? Who is against it?

"I think the modern industrial society must be a free competitive society for the greatest good of mankind, not because we manufacturers like that system, but because it actually works that way.

"You may call for a new capitalism in the post-war world if you wish. But in my belief, what we need is no newer than the Constitution even after amendment—and it no less the same basic organism than the 1922 automobile was when it became the economical stream-lined, low-priced model of 1942.

"We get used to progress so easily because we have always had it. We don't notice it. Sometimes we even agree with doubts of its existence. Yet if we annually celebrated the anniversary of the first road test of an automobile, or the first day an airplane took the air, or the first broadcast was received, we would be aware of progress. Within the lifetime of most of us here presented all those things have happened. And they didn't come out of Washington.

"Of course, for those who don't mind collectivism, the whole post-war problem can be solved quite simply by default. When some 10,000,000 men come out of the Army and the war industries looking for peacetime jobs, in default of such jobs they will all be put on public works. Then the economy would be almost as short of the common civilian goods as it was in war time; and rationing, price ceilings and other wartime controls would have to stay on—just as long as the 10,000,000 stayed on the public works payroll. We would have a larger superstate than ever . . . and cou-

pon books in peacetime as at present.

"I have no fear that we cannot do the job of planning for the post-war world and executing the plans, if the Government will permit. The Government recognized the value of using top-notch business men in getting the war effort rolling. It has recently been urged by the NAM through formal action of its board, to use top-notch business men likewise in guiding enterprise back to free-dom. We are still waiting a sign.

"Meanwhile we have brought the problem to Cincinnati. We of the NAM Post-War Committee urge that each company should plan now for what it will do after the hostilities—what old products and what new products it will make, how it will sell its products, how many jobs it will provide. Ten thousand efforts of enterprisers, growing from the bottom and executed enthusiastically by those who initiated them, will more securely permit post-war prosperity than one big master plan for everybody. With 10,000 individual plans, the errors of human judgment will be distributed. With one master plan, however, if it is wrong, we all suffer. Government capacity to do the right thing at the right time is questionable. Decision is made by too few.

"In conclusion, let me say there is no simple and easy way of restoring free enterprise in the post-war world. I think no one here would question that it means hard work and practical planning. Your national committees in the National Association of Manufacturers have been doing their share toward formulating the problems in realistic terms. The practical answers must come out of the individual companies and local communities. We believe they can come from nowhere else. Lest free enterprise go by default, we urge your initiative. Let us together show the superiority of the realistic over the hallelujah approach."

### From Washington

(Continued from first page)

Mr. Roosevelt is not going to do anything. Jimmy Byrnes is still surrounded by Leftists, having gotten rid of only one of them, so he certainly isn't going to do anything. Instead, he has lined up completely with the subsidy boys.

The result is we have food-stuff plants closing down, more and more foodstuffs being withheld from the market; in a "land of plenty" we are having food shortages. They are shortages created by Washington bureaucracy, not actual shortages. One has only to go out in the country and visit the war plants to realize that the shortages are plenty serious and that disturbances are not far away.

The House sought to curb the OPA by cutting its appropriation last year. Immediately the hue and cry went up that we were headed for inflation. The propaganda was effective and the Senate largely restored the agency's funds.

The truth was that Leon Henderson wanted the money to further add to his army of Leftists. Since that time it has been fully revealed what these fellows are trying to accomplish. A handful of them have been exposed and made to go into the Army. That there should be any doubt in anybody's mind that a thorough housecleaning is necessary, is amazing. Nevertheless, we are up against the same propaganda that it would be disastrous to tamper with this agency. It is just the reverse. It will be disastrous if something radical isn't done.

The irony of the whole mess is

that Chester Davis was brought back from his lucrative job as governor of a Federal Reserve Bank in the Middle West to handle the food situation. He isn't in town 10 days before the propagandists start after him. He hasn't been able, under the circumstances, to accomplish anything and now Henry Wallace's boys are spreading the word that Chester is to go and the wonder boy, Milo Perkins, is to take over. Presumably, they would have Milo take over the food problem and coordinate it with the billions he is mysteriously spending in connection with the operations of the BEW. Part of these operations have for their purpose the setting up of a post-war arrangement by which all foreign trade would be between the government, private industry excluded.

Milo is a former high pressure burlap bag salesman of Houston, Texas, who at the age of about 30, wrote Henry Wallace an impetuous letter saying he just couldn't resist telling him, Wallace, how much he, Milo, a successful business man at an early age, wanted to work with Henry in spreading the principles of the New Deal. The letter, of which this writer has a copy, is an amazing document in view of what it wrought. On the strength of it Henry brought Milo to Washington, in a few months turned over the Department of Agriculture pretty much to him and subsequently placed him in charge of the BEW.

A Senate committee has been unsuccessfully trying to find out what he is doing but he stands on "military secrecy" in not telling.

Reams and reams have been written about this wonder boy. He's only about 40 now. Somehow or other, however, no writer has ever revealed Henry's probable affinity for him. It is the fact that during his residence in Houston, Milo made the attic of his house the headquarters for a religious cult of which Milo served as "Priest-in-charge." Entrance was gained by a disappearing ladder.

Henry is a mystic, has made a great study of such subjects as the Lamas of Tibet. He and Milo have the same evangelical approach to world problems, especially to putting themselves over.

Whatever has become of Milo's cult since he became a world-saver is not known. Probably it is leaderless; what is worse, without an attic to meet in.

### Taft Seeks Curb On Payment Of Subsidies

Legislation to curb government authority to pay subsidies has been introduced in the Senate by Senator Taft (Rep., Ohio) and is likely to be acted upon this week.

The proposal is an amendment to the bill extending the life of the Commodity Credit Corporation and its borrowing power. Senator Taft seeks to limit the CCC to financing food subsidy payments to a level of \$250,000,000. His proposal would replace a previously-approved section of the CCC bill permitting \$500,000,000 to be spent in subsidy payments.

He was reported by the Associated Press on June 20 as saying that the House's action in restricting OPA subsidy payments would not prevent all subsidies since as he understood the action it applied only to the OPA leaving the way open for the Reconstruction Finance Corporation or other government agencies to finance the payments. He thought it would be "pretty awkward" to bar subsidies in such a way, and noted that certain obligations already had been made.

## Private Industry's Production Record Answer To Advocates Of New Economic Order

(Continued from first page)

workers, who man such instruments of production.

"These facilities exist today and are successfully operating at or near full capacity for the security and future welfare of our country because we have had in America for generations a system of free private enterprise, which has permitted the development of our great national resources, the establishment of the most modern types of mills and equipment, and the training of highly skilled organizations to operate these plants.

"The production record of American business during the past two or three years should be a complete answer to those critics, or advocates of a new economic order, who not so long ago advanced the notion that our industrial system is moribund and incapable of meeting the needs of the nation. On the contrary, gentlemen, private industry is a very live and potent force, which today is making a mighty contribution to the country's war effort.

"United States Steel has operated continuously for more than two years at a rate in excess of its full capacity for finished steel products. The corporation established more than a thousand new production records in 1942. The corporation has embarked upon numerous new projects for the winning of the war. Expenditures and authorizations since June, 1940, for additions and improvements to facilities total in excess of \$700,000,000, a large part of which is for account of the Government."

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### Prentiss Brown Defends Use Of Subsidies In New Plan For Food Price Control

Price Administrator Prentiss M. Brown declared on June 15 that the OPA's new food price control program, stabilizing prices through the use of Government subsidies, "must work" if the nation is to avoid "a major defeat on the home front."

Addressing a conference of wholesale and retail food industry representatives in Washington, Mr. Brown said that "we have all

Price Administrator said that "it was seen by all of us, by all of the witnesses who testified before the committees," that with the "three fixed and definite limitations" "this program could not work without employing Government funds to some extent."

Admitting that stabilizing the cost of living had not been successful, Mr. Brown listed these four reasons for its failure:

"First, the tax and savings program failed to siphon off a sufficient proportion of excess purchasing power.

"Second, because of a lack of jurisdiction, the War Labor Board was unable to stabilize wages before last Oct. 2.

"Third, because of inadequate powers to control farm prices, cost to food processors continued to increase, forcing upward adjustment in their prices.

"Fourth, because of inadequate use of subsidies which might have been employed to meet the pressure of raising costs, it was impossible to avoid upward adjustment of retail prices and cost of living."

Mr. Brown said "these gaps in our control were far more damaging than the increases in ceiling prices themselves would indicate," adding:

"These gaps were responsible for the growing complexity and unworkability of our entire program to control food prices, as a result of which prices have run considerably above ceiling levels."

### Paralysis Fund Check Given President

A check for \$1,000,000 for the benefit of the National Foundation for Infantile Paralysis, Warm Springs, Ga., was presented to President Roosevelt on June 17 by Nicholas Schenck, Chairman of the Motion Pictures March-of-Dimes Committee. Also attending the ceremony at the White House was Basil O'Connor, President of the Foundation.

A total of \$2,000,000 was received throughout the country by movie exhibitors but half of the money goes toward helping combat infantile paralysis in the community in which it is raised.



Prentiss M. Brown

## Twentieth Century Fund Surveys Wartime Changes In Nation's Economy

According to a review of wartime changes in the nation's economy and of probable post-war problems in eleven major fields of American life recently made public by The Twentieth Century Fund, the people of the United States have reached substantial agreement on what they want after victory is won. The review gives the background facts and poses the outstanding issues to be met in the following fields of interest: international relations, industry and business, transportation, finance, agriculture, labor, public works and urban redevelopment, housing, health, education, and economic security. The results of the survey are being published in a manual, edited by Evans Clark, the Fund's Executive Director, entitled "Wartime Facts and Post-war Problems."

In the section on international relations, the report says: "American domestic post-war policies will be radically different if the United States is part of a workable system of collective security and revived international trade than if we cut ourselves off from commerce with the rest of the world and have to prepare to defend ourselves alone against any possible enemy or enemies in combination."

Domestically, it is stated, our chief problems center around the achievement of full employment of our productive resources—both human and material. The section on business and industry in the report describes our wartime increase in productive capacity as "sensational" and estimates that "we shall emerge from this war with a plant capable of producing possibly twice the volume of durable goods which the consumers of America have ever had the buying power to purchase—even in the most prosperous peacetime year. . . . For the first time in history the industry of a nation will be physically equipped to give every family in the country what we know in the United States as a middle-class standard of living. Our people—both at home and at the front—are beginning to realize it can be done. If, after this vision, it is not done, if the new machine is allowed to stall, the disillusionment of the population might threaten the foundations of society."

On the question of how to get our economic machine running and keep it running, the report points to authorities who believe we face a fundamental conflict between reliance on private enterprise and government control of our economic life. "It is to be hoped, however," Mr. Clark suggests in his introduction, "that the American people will realize that a third possibility exists: a judicious and practical mixture of free enterprise and government action that will give a common ground over which the extremists on both sides can go forward together to greater national achievement."

In the section on agriculture, the report observes that the post-war problems of agriculture will largely depend—if not in form, certainly in magnitude and urgency—on the policies that are carried out in two other fields: industry and international relations. Agriculture, more than any other area of our economic life, illustrates the extreme interdependence of the modern world—of one industry on another, of one nation on all the rest.

After examining such agricultural problems as farm income, crop surpluses, government aid and government controls, this section of the report warns that present wartime pressures for increased food supply may lead to an embarrassing over-supply after peace returns, unless intelligent effort is made now to foresee and meet the problems of peacetime agriculture.

The recent rapid increase in the unionization of workers is described in the section on labor,

which analyzes some of the attitudes and problems of workers, employers, and the public. On the production side, the report says:

"The central labor problems after the war will be to allocate the work that is to be done among those available to do it in such a way as to strike a sound balance between maximum employment and maximum production per worker; to connect those who can work with the jobs that are open; to fit the workers to perform the jobs; to maintain satisfactory wages and working conditions; and to assure the greatest possible output per worker consistent with enlightened standards."

In the field of health, the report has the following to say:

"The most crucial and controversial long-range issue of the post-war period in the health field will undoubtedly be the lengths to which the government—federal, state, and local—should go in guaranteeing adequate medical and hospital care to the entire population."

The text and facts in the report are based largely on materials gathered by members of the Fund staff from outside sources believed to be reliable, rather than on original research conducted by the Fund itself. Evans Clark, as editor, had the assistance of Margaret R. Taylor Carter, George B. Galloway, and A. B. Handler as contributors.

### New Gov't Census On Foreign-Owned Property

To give the Government complete and accurate information on American assets in foreign countries, a census will be conducted on Form TFR-500 with respect to all property in foreign countries in which any person subject to the jurisdiction of the United States had an interest on May 31, 1943, the Treasury Department announced on June 3.

The Treasury's announcement explained:

"The information obtained from the census will be of assistance in the activities of the Foreign Funds Control Division of the Treasury Department and in the work of other divisions involving economic, financial, and commercial relationships with foreign countries and their nationals. It will also be of aid to other departments and agencies in the performance of their wartime duties, protecting American interests abroad, and combating the economic strategy of the Axis."

The Government's need for detailed knowledge of American interests and relationships abroad has constantly increased since the war began. By means of this census of American property abroad, our armed forces occupying hitherto dominated Axis territory, and the civil authorities following in their wake, will be supplied with accurate information both for facilitating the occupation and for protecting American interests within the area.

"Every person subject to the jurisdiction of the United States, including American citizens in foreign countries, having an interest in any property in a foreign country on May 31, 1943, must file a report on Form TFR-500. Form TFR-500 and circulars of instruction for preparing reports are now being forwarded to the Federal Reserve Banks, where they will be available to the public. In foreign countries, where forms and instructions will be distributed to American citizens

through United States Consuls, they will be issued somewhat later. Completed forms must be filed with the Federal Reserve Banks not later than Aug. 31, 1943, or with Consuls not later than Sept. 30.

"The form is issued in three series, each adapted to a particular purpose. Two of the series are also divided into a sub-series for further facility in reporting. Each person obliged to report will therefore be supplied with forms specially adapted to his circumstances for ease in reporting. For example, individuals will ordinarily be concerned only with Series A-1, a summary report of holdings in all foreign countries, and Series B, for detailed reports concerning property in each country. To assist persons reporting, and to assure accuracy and uniformity of the reports received, Public Circular No. 22, containing complete instructions, has been prepared. For the convenience of individuals with less than \$50,000 of foreign assets, a special abridged circular of instructions is provided.

"Citizens of the United States in enemy-occupied territory, and persons in the armed forces of the United States serving in foreign countries are exempted from filing Form TFR-500. So too is any person whose property in all foreign countries had an aggregate value less than \$10,000. In cases, however, of bonds payable by their terms in United States dollars, interests in allied foreign organizations, and certain agreements and contracts, a report must be filed even though the aggregate value of property interests is less than \$10,000. Notwithstanding the exemptions, any person may, if he so desires, report all of his property in foreign countries.

"The method of determining values for the purpose of the report is set forth in the circular of instructions, and must be followed in all cases.

"While the information obtained in this census will be of great importance in the formulation of policies respecting post-war financial and industrial relationships between this country and foreign nations, the census is not intended to constitute a registry of claims against enemy countries. Just as the information gained from the census taken in 1941 on Form TFR-300 is of the highest value to the war effort in giving the Government accurate and reliable information as to foreign-owned property in the United States, so the information to be obtained on Form TFR-500 on American property abroad will enable this country to act with greater knowledge in all international, economic, and financial affairs.

"The agencies of the United States Government particularly interested in the information to be obtained by the census were extensively consulted concerning the project. Technical aspects of the requirements were also discussed with representative persons within various groups most highly interested, with a view of adapting the requirements to the convenience of the reporters as far as possible.

"It should be noted that the reporting requirements apply not only to tangible property situated in foreign countries but also to all intangible property issued or created by foreign countries or by persons within such countries as, for example, bonds issued by a foreign government whether or not payable in dollars. Currency or coin, financial securities, and negotiable instruments issued or created by the United States or any agency or person in the United States also come within the scope of the census whenever such property was situated in a foreign country on the reporting date.

"Failure of any person to file a report required of him will subject him to criminal penalties."

## Cincinnati Meat Packers Close Plants Because Of OPA Price Regulations

### Appeal To President By Livestock Interests

Most of Cincinnati's beef, veal and lamb packing plants closed or were in the process of closing on June 18 because officials said that they could not operate under Federal price ceiling regulations, according to an Associated Press dispatch from Cincinnati on June 18, from which we also take the following:

"Four slaughterers were in the latest group, bringing to nine the number suspending this week."

"The plants which closed today included those of the Jacob-Schlachter Sons Company, one of the largest in the city; the John B. Ireton Co., the A. Koch Sons Co., and the William G. Rehn Sons Co."

Said Arthur Rehn, President of the latter firm:

"We stopped slaughtering yesterday and will not reopen until given Federal aid. We have lost \$45,000, in the last six weeks. Beef has been costing us about 27 cents a pound and we sell at 22."

At Columbus, William Meuser and Walter Imhoff, operators of the Meuser & Imhoff meat packing plant, said their employees had been placed on a "vacation with pay" basis pending word from Washington of operation of the meat subsidy program.

G. V. Teeters of the Teeters Packing Co. at Columbus said the firm was on the verge of discontinuing business after 18 years of operation.

According to Associated Press accounts from Omaha on June 18 an appeal was made to President Roosevelt by a group of Iowa and Nebraska live stock men who at a meeting in Fremont on June 17 said they would ask producers and feeders in the Corn Belt States to withhold marketing of all slaughter animals unless the Government rescinds its price rollback and subsidy program. The advices added:

"A telegram to the President and approved by a dozen live stock men who said they were the resolutions committee of the protesting farmers who met at Fremont, declared that during the last week because of the break in prices of live animals marketed, 'producers and feeders have lost hundreds of thousands of dollars.'

"The telegram declared the request to withhold the marketing of slaughter live stock would be made 'to save the producers from these losses during periods of uncertainties.'

"A decision to keep slaughter animals off the market 'would not mean a strike in production, because the production of meat tonnage would continue on animals in feed lots,' the telegram added."

### Davis Criticizes News Coverage From Capital

Elmer Davis, Director of the Office of War Information, on June 17 reiterated his recent assertion that Washington news is inadequately covered. Mr. Davis had made this charge in an address before the American Newspaper Guild convention in Boston on June 14, saying too much space was given to the reporting of bickerings among administration officials and not enough to what is being accomplished in the way of production.

These remarks brought criticism of the OWI head by two Republican members of Congress—Senator Bridges of New Hampshire and Representative Short of Missouri. Senator Bridges told the Senate on June 15 that Mr. Davis was now seeking "to silence the nation's press, so as to cover sins of maladministration on the part of the New Deal in many phases of the war effort," while Representative Short called for a full investigation of the OWI.

Regarding Mr. Davis' remarks at his press conference on June 17, the following was reported in

Washington advices to the New York "Times":

All in all, Mr. Davis repeated at a press conference, the newspapers devoted too much space to rows and not enough to the good job of conducting the war now being done in Washington. He said he did not object to the reporting of "bickerings" among Administration officials but did not wish this news used "out of proportion."

Asked to cite specific examples that would support this charge, Mr. Davis said he based his ideas on "a general impression" of the way news was dealt with here, "based on the amount of space given one development as against the space given another."

Much of the news here was written by "gentlemen who do not take the trouble to check up on the accuracy of what they write," he said, at the same time praising the work of the 54 reporters regularly assigned to OWI.

Mr. Davis said he wanted to see "more news, not less," from Washington, and that OWI was doing all it could to supply this demand.

"Bickerings are legitimate news," he stated, "but not as important as the fact that we are operating a great military machine, that we have built a great military machine, with which we are going to win the war."

Asked if war production had not been sometimes increased by elimination of obstacles following revelation of official disputes, Mr. Davis replied:

"Yes, that has been true in some cases. But in others it has helped to prolong the controversies which are harmful to the war effort."

On June 16 delegates to the Annual Convention in Boston of the American Newspaper Guild adopted a resolution taking exception to the criticism of Mr. Davis by Senator Bridges and Representative Short, the resolution acclaiming Mr. Davis as one of the "strongest guaranties of a free press in war time that the nation could have."

### Lend-Lease Bill Signed

President Roosevelt signed on June 14 the bill making a supplemental appropriation of \$6,273,629,000 for lend-lease operations for the 1944 fiscal year, with the stipulation that none of the funds can be spent for subsidies on agricultural products produced in the continental United States.

Final Congressional action came on June 11 when the Senate adopted a conference report which the House had approved on June 10. The House had passed the measure on May 21 with the amendment forbidding use of any of the funds for food subsidies. However, the Senate on June 3 eliminated this provision but in conference it was restored to the bill but made to apply only to products grown in this country.

Of the \$6,273,629,000 in new funds, there was earmarked \$4,452,623,000 for food, agricultural implements and industrial commodities; \$1,552,659,000 for ship expenses and charter hire; \$259,348,000 for repairing defense articles, and \$8,999,000 for administration.

Senate passage of the bill was referred to in these columns June 10, page 2196.

## House Acts To Discontinue OPA Subsidy Program And Abolish Operations Of OWI

Strong efforts are likely to be made in the Senate to remove the restrictions placed on the Office of Price Administration and its food policies by the House on June 18. As indicating its opposition to policies of the OPA and the Office of War Information, the House on June 18 (it was stated by the Associated Press), voted:

1. To ban continuance of the OPA's food-subsidy program beyond July 1.

2. To slash 20% more from the price agency's 1943-44 budget.

3. To abolish domestic operations of the OWI.

In passing the \$2,898,000,000 war agencies appropriation bill on June 18, the House decided to reduce the OPA funds for the next 12 months by \$35,000,000 and to ban the use of OPA money to finance the administration of subsidy payments.

From the Associated Press accounts from Washington, June 18, regarding the House action we quote:

"The vote against continuance of the food roll-back, which has the support of President Roosevelt and James F. Byrnes, was 160 to 106. It came on an amendment by Representative Everett M. Dirksen, Republican, of Illinois, to bar the payment of salary or expenses for any government worker involved in a subsidy program."

"The Senate has still to act on the subsidy ban, but 14 Republican Senators on that side of the Capitol only today demanded that the Senate leadership provide an opportunity immediately for an expression of sentiment on the OPA plan, designed to roll back the cost of living to last September's basis. It is already in effect on meat and butter."

"The cut in OPA's appropriation was voted 185 to 147. The Budget Bureau asked \$177,000,000 for OPA in the next fiscal year; the House Appropriations Committee cut this to \$165,000,000; the House slashed it to \$130,000,000."

"Then, giving voice to accumulated opposition to OPA policies, the House decided:

"1. To forbid use of any of the funds for rollbacks on foods which have not reached parity prices, or on non-necessity commodities. Offered by Representative Harry Sauthoff, Progressive, of Wisconsin, this amendment was adopted 229 to 105.

"2. To require all OPA price policy officials, except Administrator Prentiss M. Brown, to have at least five years of actual business experience. This amendment by Mr. Dirksen was adopted 188 to 144.

"3. To forbid the use of any of the funds for programs involving grade labeling or standardization of foods, clothing or other civilian commodities. This amendment by Representative August H. Anderson, Republican, of Minnesota, was approved 140 to 85.

"In moving the 20% slash in OPA's budget, Mr. Dirksen said that the agency had ignored the wishes of Congress. 'Black markets will spread throughout the country,' he argued, unless Congress curtails OPA's activities.

"Opponents pleaded that too deep a cut would make difficult or impossible the administration of price control laws.

"There was no roll call vote on the subsidy ban. On the amendment to cut OPA's funds the line-up was as follows:

"For the amendment—26 Democrats, 156 Republicans, 3 minor party members.

"Against it—135 Democrats, 11 Republicans, 1 minor party member.

"The vote to abolish OWI's domestic branch (leaving foreign propaganda work intact) was 218 to 114. This cut \$5,500,000 off OWI's appropriation, already sliced \$12,869,496 by the House Appropriations Committee. The Budget Bureau had recommended \$47,342,000 for Elmer Davis' agency; with the House cuts this is reduced to \$28,972,504."

The Senate is expected first to

give its position on subsidies by acting on the measure to extend the borrowing power and the life of the Commodity Credit Corporation.

Summarizing the House action of June 18 drastically curbing the activities of the OPA, the United Press had the following to say as to the amendments adopted and their provisions:

1. Reducing OPA appropriation for 1944 from a recommended \$165,000,000 to \$130,000,000 by a vote of 185 to 147.

2. Prohibiting price roll-backs on agricultural commodities that have not reached parity price levels, by a 229-105 vote.

3. Prohibiting payment of salaries to any persons in OPA who "direct" or "authorize" the payment of subsidies, by a voice vote.

4. Requiring that OPA policy making executives have five years' business experience in the field over which they have authority, by a voice vote.

5. Prohibiting OPA from inaugurating a grade labeling and standardization program on food, clothing and other commodities, by a voice vote.

The reduction in appropriations would curb OPA plans for expansion of field offices.

The amendments dealing with the price roll-back program were aimed at the center of current controversy over the Administration food program.

### Federal Directives Assailed By Whitney

The series of orders and directives dealing with the Government effort toward domestic stabilization were characterized on June 17 by A. F. Whitney, President of the Brotherhood of Railroad Trainmen, as seeming to have been designed "to deceive both the workers and employers," and to confuse the public.

Arguing the case of the railroad men for a 30% wage increase, Mr. Whitney told the National Railway Panel conducting the hearings in New York City, that a discussion of the stabilization program was imperative because any finding by the panel must conform with his program.

Mr. Whitney's remarks were thus reported in the New York "Herald-Tribune" of June 18, which further quoted him as saying:

"There is no more appropriate occasion for the President and Director of Economic Stabilization to get information as to how their orders and directives are working out in practice than is a proceeding like this," he said. "This would seem to be one of the objects of this investigation."

"As I pondered the texts of these laws and orders through the Emergency Price-Control Act of 1943 down to the final chapter written by Economic Stabilization Director Byrnes May 12, I could well imagine that they might have been designed as cynical devices of rhetoric to fool the people, to deceive both the workers and employers and thus keep the public of this beleaguered nation in a constant state of puzzlement and confusion, while cost of living increases, while the criminally legal and legally criminal rob them."

Asserting that he had never questioned the President's sincerity in stressing the necessity for equality of sacrifice, Mr. Whitney continued:

"The truth is that after almost two years we find in nearly every department of our Government,

whether in Congress or in our agencies, the principle of 'equality of sacrifice' distorted, corrupted and deserted."

"I wonder if we have not been sitting frozen, hypnotized, watching for the seven rabbits of the President's economic program to be pulled out of the silk hats of the War Agency Administrators, while our purses were being sneaked from our pockets. But here the comparison ends. In real life the magician returns your pocketbook, contents intact, at the conclusion of the act, but the Government stabilizers have not."

Again testifying on June 18, Mr. Whitney contended that the Office of Price Administration has given the country inflation control instead of price control. He said the OPA has shown "no intention of controlling prices and stopping inflation." His remarks follow in part, as reported by the New York "Sun" of June 18:

He contended it has been OPA policy to depreciate the worker's dollar rather than stabilize its value and that Leon Henderson based his policies on continuance of profit to encourage production rather than on consumer price control.

He argued: "The OPA has been keyed to high corporation profits as necessary to 'aid in the effective prosecution of the war' and there is no sign that this is not a continuing policy. This policy is one of delicate balance between consumer and profit interests on the home front and until very recently this fine equilibrium between happy profiteers, fed on percentage, and a consumer public, fed on promises, has been very keyfully observed."

Turning to the advent of Prentiss Brown, present OPA chief, Mr. Whitney said: "Another administration took office with the announcement that the cost of living would continue to rise, proceeded to let it rise and to inaugurate an OPA policy which is designed to encourage fraud in civilian supplies by adulteration and degradation of the quality of the commodity."

### Named Executives of F. W. Dodge Corp.

F. W. Dodge Corporation announces the appointment of Ralph M. Hairston, of Atlanta, and Howard M. Thompson, of New York, as executive assistants respectively to Irving W. Hadsell, Vice President in charge of the Construction News Division, and Chauncey L. Williams, Vice President in charge of Sweet's Catalog Service Division. Mr. Thompson became associated with the corporation three years ago as Chicago manager of Home Owners Catalogs, while Mr. Hairston has been connected with the corporation since 1927, and for the last six years has been manager of the Southeastern States area for the Construction News Division.

Mr. Hairston has had extensive experience in the field of construction news.

Mr. Thompson taught at the Lee School of Journalism and was for a time associated with the McGraw-Hill Publishing Company and "Domestic Engineering."

### Cordner Leaves WPB

The resignation of Ralph J. Cordner as a Vice Chairman of the War Production Board was announced on June 16 by WPB Chairman Donald M. Nelson. An exchange of letters disclosed that when Mr. Cordner left as head of the Schick, Inc., of Stamford, Conn., last November to join the WPB it was with the understanding that he would serve only until April 1 but later agreed to stay on for a short period. It was said that "personal matters" necessitated his departure now.

Mr. Cordner directed the war production scheduling program.

## Wagner Presents Plan For Federal Aid To Encourage Private Rebuilding Of Blighted Areas

Senator Wagner (Dem., N. Y.) on June 4 introduced in the Senate, at the request of the Urban Land Institute, a bill to encourage the redevelopment of American cities by private enterprise and by public improvement. The bill (S. 1163) proposes that this be done by an extension of Federal credit to cities for the purchase of land in deteriorated areas, which, after being cleared, would be sold or leased to private builders for re-development. The bill provides \$1,000,000,000 for loans and grants to carry out the program during the next fiscal year. The plan can be started immediately upon passage of the measure.

Emphasizing that his approval is "primarily a private enterprise bill," Senator Wagner pointed out that a large-scale rebuilding program would necessarily require the cooperation of government. "It is not a public works bill," he said; "it is not a relief bill, and it is not primarily a bill for public spending. It might be called rather an encouragement-to-enterprise bill. It is designed in order that the Federal Government may make those types of expenditures which are an essential part of tremendous programs of private investment and private development. It is not a pump-priming bill, but rather an industry and Government cooperation bill."

An announcement by the Urban Land Institute had the following to say of the bill:

"Under the terms of the bill, the Administrator of the National Housing Agency would be authorized to make loans to cities or other appropriate local agencies for the purchase of land in deteriorated areas for redevelopment. Having purchased and cleared the land, the cities would sell it or lease it to private builders for modern neighborhood development and would sell or lease land for public improvements to appropriate municipal agencies. Loans would be paid back to the Federal Government over a long period of time not exceeding 99 years. To be eligible for a loan, a city must have a city plan sufficiently complete to indicate definite local improvements in traffic, public transportation, public utilities and recreational facilities and other public facilities; improved neighborhood structure including detailed plans for the redevelopment of specific areas; improved patterns of land use and building requirements, and a plan for the relocation of persons living in areas that are designated for clearance and redevelopment.

"Senator Wagner's bill also authorizes the Administrator to make direct grants to municipalities for the preparation of these development plans.

"The immediate purpose of the bill is to assist cities and towns in acquiring land in deteriorated urban areas to be sold and leased for the building of dwellings and for other construction now being planned for the post-war period, so that work in various types of construction and land improvement may be coordinated and made ready for execution in the post-war period. It is expressly stipulated in the proposed act that its provisions may not be construed to permit speculation in land holding. When land is acquired by a city and sold or leased to private interests, the contract terms would obligate the purchasers or lessees to begin the building of their improvements within a reasonable period of time.

"The plan embodied in the proposed Neighborhood Development Act follows the proposal for rebuilding deteriorated areas developed by the Urban Land Institute, a private organization in the field of land development and city planning policy."

## May War Expenditures Were \$7.4 Billions

War expenditures by the United States Government during the month of May amounted to \$7,373,000,000, showing only 1% increase over April expenditures of \$7,290,000,000, the War Production Board announced on June 14.

The daily rate of war expenditures averaged \$283,600,000 in May compared to \$280,400,000 in April. The daily rate is based on the 26 days in May and April on which checks were cleared by the Treasury.

The WPB announcement also stated:

"On a monthly or daily rate basis, war expenditures in May 1943 were 18% higher than in January 1943; 93% higher than in May 1942, and 675% higher than May 1941.

Expenditures for war purposes by the United States Government from July 1940, through May 1943, amounted to \$102,322,000,000.

"These figures cover war expenditures by the Treasury and the Reconstruction Finance Corporation and its subsidiaries."

## Greater New York Fund's Finance Group Reaches 70% of Goal

Representing all major fields of financial activity, the 17 divisions comprising the Finance Section of the Greater New York Fund's current campaign have, as of May 30, realized 70% of their \$966,996 goal by reporting contributions which total \$670,032.

This report was announced by the Section's Chairman, Pierpont V. Davis of Harriman Ripley & Co. Mr. Davis' Associate Chairman is Daniel A. Freeman, Jr., Vice President of the National City Bank of New York. Their section is one of four comprising the important Manhattan Committee headed by Harold V. Smith, President of the Home Life Insurance Co.

Of the Finance Section's present total, the Banks and Trusts division, headed by Harry E. Ward, of the Irving Trust Co., has collected, to date, \$348,873 against a quota of \$392,155. Other outstanding divisions, with their respective quotas and amounts raised, to date, are:

Life Insurance Companies (Chairman, John S. Sinclair, of the New York Life Insurance Co.), quota: \$126,341; total to date, \$121,367.

Savings Banks (Chairman, Robert L. Hoguet, of the Emigrant Industrial Savings Bank), quota: \$38,622; total to date, \$27,107.

Textile Factors (Chairman, Walter J. Yankauer, of the Mill Factors Corp.), quota: \$41,039; total to date, \$25,375.

Personal Loan Companies (Chairman, William E. Thompson, of the Personal Finance Co.), quota: \$31,884; total to date, \$20,350.

New York Produce Exchange (Chairman, Charles B. Crofton, of the New York Produce Exchange), quota: \$30,000; total to date, \$12,220.

Casualty and Surety Companies (Chairman, Vincent J. Cullen of National Surety Corp.), quota: \$41,137; total to date, \$20,991.

Fire and Marine Insurance Companies (Chairman, Harold V. Smith, of the Home Insurance Co.), quota, \$79,891; total to date, \$59,471.

## Food Shortages Due To Washington Bureaucracy Aiken Charges, Terming Subsidy Plan "Hoax"

The assertion that responsibility for the present and increasing food shortages rests not with the American farmers but with "an incompetent and insatiable Washington political bureaucracy," was made on June 16 by Senator George D. Aiken, (Republican), of Vermont, in an address closing the two-day food forum of the Dairy-men's League Co-operative Association, held in New York at the Hotel New Yorker. This was indicated in the New York "Herald Tribune," which said that apparently reflecting the views of many of the 300 delegates, Senator Aiken told the conference that the Administration's rollback subsidy program simply subsidizes the high-income consumer and imposes a penalty on the low-income producer. The paper from which we quote went on to say:

"It is the greatest hoax, he said, which the Administration has yet endeavored to "perpetrate upon a misinformed consuming public."

"It is being inflicted upon the American people," he added, "over the protests of those men in government who are expected to carry it along and it is being promoted without consultation with the men in government departments who know most about the subject."

Congress, he continued, must adhere to its opposition to the subsidy rollback and should not recess "until every safeguard has been provided against the encroachment of alien doctrines."

While the delegates, three-fourths of whom were from rural communities, cheered the Senator, Edward A. O'Neal, President of the American Farm Bureau Federation, issued a statement at the forum similarly condemning subsidies and laying their adoption to organized labor.

"The American farmer," Mr. O'Neal complained, "has been made the whipping boy to appease the unreasonable demands of organized labor. The truth of the matter is that the demands of organized labor for a rollback of prices by means of subsidies are

but a thinly disguised effort to secure another unwarranted increase in wages, this time at the expense of the public treasury.

The nation's food-production program, Mr. O'Neal added, "has been seriously jeopardized because of the determined efforts of the Office of Price Administration to provide bargain prices to consumers without due regard to providing prices essential to secure maximum production."

During the final sessions yesterday, the forum presented two prime reasons for opposition to the subsidies. Senator Aiken offered one reason when he said that the butter subsidy is paid to processors who buy their butter fats from only 32% of the farmers. The remaining 68%, he said, are the farmers who keep four cows or fewer and who do not sell to plants producing 1,000 pounds of butter or more a month. Similarly, he said, only the larger farms get even indirect benefit from the meat subsidy, because it goes only to processors of 4,000 pounds or more of meat a month. Because other processors do not get the 10% subsidy, Senator Aiken said, they are forced to pay the farmer 10% less, "forcing him either into the black market or out of business."

The other reason farmers want no subsidies was advanced by John Brandt, president of the National Co-Operative Milk Producers Association, who presided. "History," he said, "shows subsidies to be the forerunner of regimentation. The more you ask the government to do for you, the more they're going to do to you."

## Coal Strike Called Off— Oct. 31 Is New Deadline

John L. Lewis, President of the United Mine Workers of America, late on June 22 ordered the miners to return to work until midnight, Sunday, October 31; thus ending the two-day old nation-wide coal strike of over a half million mine workers which had begun at midnight, Sunday, June 20, according to Associated Press dispatches, which further added in substance as follows:

The above action came just a few hours after the National War Labor Board had referred the coal strike to President Roosevelt with a call for the use of "all the power of the Government" to force Mr. Lewis into a working contract in line with the directive order of the Board.

The announcement of the back-to-work decision, issued in the name of the United Mine Workers Policy Committee, laid heavy stress on the fact that the men were returning to work under existing pay and conditions, only as employees of the Government and not of the mine ownership.

"This arrangement," the statement said, "is predicated upon operation of the mines and their collateral production units by the United States Government and will automatically terminate if Government control is vacated prior to midnight October 31."

The indication of reliance on Courts to get underground travel pay came in this paragraph of the announcement:

"The executive officers of the international union are hereby expressly authorized to exercise their discretion in the filing of suits at law, or by any other necessary means, to protect the equity of the membership in the matter of portal-to-portal compensation, both as to current and deferred liability."

While Mr. Lewis appeared to have given ground, in that he ordered the miners back without getting the \$1.30 a day he has demanded, the mines by the same token appeared to be lost to the operators temporarily, if not for the duration of the war. How extensive a form Government control will take, remained to be seen.

One point still was at issue—there had been no compliance with a WLB order that the miners sign a contract embodying substantially the conditions under which they were ordered back to work.

On Friday, June 18, the National War Labor Board handed down its decision flatly rejecting, by an eight-to-four vote, the demand of the miners for underground pay on the grounds that it constituted a law case which the Board is powerless to settle. Those dissenting were the labor members. In its decision, the NWLB ordered the present contracts of the miners extended for two years through March 31, 1945 and also ordered "that for the duration of the war no strike shall be either called or maintained."

In its directive order the Board said: "The mine workers remain free to press their demand before the administrator of the Fair Labor Standards Act and in the Federal Court. And the operators also retain their rights to seek pertinent administrative and Court rulings."

"The parties also remain free to agree to a settlement of their prospective lawsuit. If they should agree to a settlement, the Board as the agency of the Government charged with administration of the wage stabilization program will rule whether the agreement is a genuine settlement of the lawsuit compatible with the stabilization program."

## Post-War Prosperity Cannot Come By Govt. Decrees And Directives, Says Emery

Post-war prosperity with adequate opportunities for the young men of America can't and won't come by Government decrees and directives, DeWitt Emery, President of the National Small Business Men's Association, told representatives of the United States Junior Chamber of Commerce at its annual meeting in Chicago on June 14.

"About all a young business man can look forward to under the centralized control philosophy is more and more, and then still more regimentation in every phase of his existence," Mr. Emery said.

Optimistically, however, he indicated that if America's young men want to work, think and fight for themselves and their great American heritage, the post-war period should provide the "biggest and best opportunities that ever existed for young men at any time, any place on the face of the earth from the beginning of recorded history."

## Emery Offers Plan For Establishing Post-War Reconversion & Working Capital Reserves Now

CHICAGO, ILL.—A plan whereby business and industry can take steps now to insure rapid conversion to peace-time operations immediately after the war was outlined on June 8 by DeWitt Emery, President of the National Small Business Men's Association, in a statement to the Association's membership.

Said Mr. Emery: "When the shooting stops, our most important problem will be jobs, millions of jobs. If provisions are made now to permit business men to go ahead on their own initiative, those jobs can and will be available. It is vitally important that some plan be established now for post-war reconversion and working capital reserves, otherwise millions of post-war jobs would have to wait weeks, months or years while Washington unwinds red tape."

The plan suggested by Mr. Emery entails authorization by Congress of a tax-free reserve—that is, tax-free as a part of the cost of doing business the same as a reserve for depreciation—equal to 3% of annual sales up to an annual volume of \$1,000,000, the percentage on sales over a million being scaled down gradually to a minimum of 1%, or  $\frac{1}{2}$  of 1%.

"This plan," said Mr. Emery, "would provide a post-war reserve without depriving the U.S. Treasury of revenue now when it needs it most. It would accomplish its purpose without imposing carrying charges and without permitting any company to get rich. It is a simple, workable plan. The full amount of the reserve would be invested in a special issue of non-interest bearing, non-negotiable government bonds. These bonds would become interest-bearing and negotiable at a stated date, 30 to 60 days after the end of the war."

In commenting on the need for establishing post-war reserves now, Mr. Emery pointed out that in most cases, after refunds have been made under renegotiation and normal and excess profits taxes have been paid, it is impossible for even the most prudent management to provide the reserve necessary for post-war operation. An official of one of the large airplane manufacturing companies, he stated, recently indicated that the reserve his company now has would enable them to meet their payroll for just two weeks after the war.

"It is quite clear," said Mr. Emery, "that without cash on hand to meet payroll and other costs, companies will not be able to go ahead on their own initiative, but will have to wait on a settlement of some kind from Washington before they can turn a hand. No one knows how long that would take or what kind of settlement he would get in the end. In a great many cases following World War I, termination settlements were not made for five or 10 years. In fact, one case was not settled until just a few weeks ago—25 years later!"

"In contrast to this picture of

## Big Prime Contractors Distribute More Than Half Of War Dollars To Outside Firms: NAM Survey

More than 51 cents of every dollar of prime contracts placed with companies holding the bulk of war orders have been passed along to subcontractors or spent with outside firms for the purchase of materials and services, according to a study by the National Association of Manufacturers, made available May 29. The companies studied were the 252 (actually 251 because one listed as parent company was an operating subsidiary) which official records show as holding virtually all of the war supply and equipment contracts. As to the study the NAM says:

The NAM undertook to study the distribution of business by these 251 companies for the calendar year 1942. Of the companies polled 190 replied with the requested figures suitable for inclusion in the survey. These two questions were asked:

"What is the approximate dollar volume of your total war contracts for the calendar year 1942?"

"What is the approximate dollar volume of that portion of these total war contracts for the calendar year 1942 filled outside your own plant or organization?" (It was specified that this item should be inclusive of all distributive business and exclusive only of such items as labor, management, financing, contingency, profit and that portion involved in the supplying of materials from the plant's own integrated organization.)

The 190 companies reported contracts for war materials and supplies during the calendar year 1942 with an aggregate value of \$26,192,064,394. Of this amount they reported \$13,459,759,070 distributed to other companies. This is 51.4% of the total war business of the 190 companies for 1942.

"These companies reported that they did business with subcontractors, vendors and suppliers in all of the 48 States. The number of subcontractors, vendors and sup-

pliers totalled 140,424, but this figure contains duplications since numerous concerns held subcontracts from several of the 190 prime contractors.

The aggregate of 'undistributed' business resulting from 1942 contracts was listed by the 190 companies as \$12,732,305,324.

Comparing this sum to a recent study made by the National City Bank, an approximate determination of the distribution of these war dollars retained by the 190 companies may be reached. The bank study, embracing 40 large manufacturing corporations, shows the division among cost of services and materials obtained from others, wages and salaries, taxes and profit.

Applying the percentages obtained in the bank study to the \$12,732,305,324 residue from 1942 war business, the 190 companies paid out 67.7%, or approximately \$8,619,770,704 for wages and salaries. Approximately 24.2 of the total, or \$3,081,217,888 was taken out for taxes, leaving 8.1% of this residue, or \$1,031,316,731 as net income. This would be about 3.9% profit on the \$26,192,064,394 of war business.

The rising trend toward further distribution of war business to smaller manufacturers who have been steadily converting production facilities for manufacture of war material, is seen in the direct reports from numerous prime contractors to the latest NAM study."

Mr. Emery reviewed economic conditions during the pre-war period, discussing the effects of such incidents as the bank moratorium, the establishment of federal agencies, the agricultural situation, farm prices and the initiation and operation of war agencies. He also commented on such pending and impending issues as labor, renegotiation of war contracts, grade labeling, taxes, the philosophy of scarcity and new products.

## Lend-Lease For Liberia

The State Department announced on June 8 the signing of a lend-lease agreement between the United States and Liberia, Negro Republic in West Africa.

The agreement "on the principles applying to mutual aid in their common defense" was signed in New York City by Henry Serrano Villard, special representative of the United States, and Walter F. Walker, Liberian consul general in New York, in the presence of President Edwin Barclay and President-elect William V. S. Tubman of Liberia.

An exchange of notes which accompanied the agreement confirmed the understanding of the two governments that the agreement carries out general principles concerning defense areas in Liberia on which the governments agreed at Monrovia on March 31, 1942, according to the Associated Press.

## Golden And Keenan Get WPB Labor Posts

Two new Vice Chairmen of the War Production Board for labor were appointed on June 15 by WPB Chairman Donald M. Nelson.

Clinton S. Golden, assistant to CIO President Philip Murray, was appointed Vice Chairman for manpower liaison by Mr. Nelson. At the same time, Paul V. McNutt, Chairman of the War Manpower Commission, named Mr. Golden a Vice Chairman of the WMC. He will coordinate the work of the two agencies.

Mr. Nelson designated Joseph D. Keenan, former Secretary of the Chicago Federation of Labor, A. F. of L., as WPB Vice Chairman for labor. Mr. Keenan will assume the duties of Wendell Lund, former Director of the Michigan Unemployment Compensation Commission, who has resigned as Director of the WPB's Labor Production Division.

## Dewey Urges State Governors To Solve Food Problem Since Washington Has Failed

(Continued from first page)

ers in the State had long been organized and were thinking earnestly about the problem. Collaborating with them was a technical committee of young, relatively unknown men from the State College of Agriculture, the farm organizations, the Department of Education and the U. S. Employment Service. They had a complete program worked out.

"All we needed was to translate their program into action. So one of the first things we did was to set up a farm manpower service with one of these young men in charge of it as director with every facility of the State of New York behind him. We did not retire to an ivory tower to invent something new and different. We did not reject the program already worked out by the people who knew the problem, just because they knew it. We simply gave funds and legal authority to translate into action the program which rose from among the farmers themselves.

The result has been that short training courses for new farm workers have been given in State agricultural schools from Long Island to the Canadian border. Thousands of boys were let out of school early for the planting season and will be excused again next fall for the harvest. Thousands more will be available during the harvest season in camps under good supervision. Business men in many cities have organized to give additional help with the crops. In cooperation with the Farm Security Administration, we have brought additional permanent workers into the State, and have trained them in our schools for work on New York farms.

"All this was done by the process of collaboration between all farm groups and Federal, State and local agencies. During this process the Congress had a flash of true wisdom. It transferred the Federal funds for farm manpower away from Washington to the land-grant colleges of the country, to be administered by their extension services. Our people had worked closely with the Employment Service, which had only two years ago been taken over by the State. So we were happy to have the farm placement work continued under contract made directly with Cornell University. There was no interruption in the work, and even better local integration resulted.

"I do not pretend the farm-labor program has been solved in the State of New York. But it is greatly improved, and I am now satisfied that we will be able both to plant and harvest our crops.

"One of our happy discoveries in this process has been that the most effective way to avoid surrender to the failures of the National Government is to step out and do the job ourselves as a State. And in so doing we have found that there are enough men in Washington whose primary concern is to get the job done, so that we have had many examples of fine cooperation. This has also been the experience of our Emergency Food Commission, established three months ago.

"The creation of the Emergency Food Commission was the second step we took to meet the food situation in our own State. In this commission we revived the forgotten principle that if you want a good job done you call on a busy man who knows how. You do not call on a cattle grower to solve an industrial problem and you do not call on a professor of astrology to help out a dairy farmer. The Commission brought out 11 best experts in their fields to the service of the State. They were not just a collection of heavy thinkers. Each of them was a

man of action. Each carries a specific responsibility for a specific group of agricultural necessities and keeps in touch with it daily. They have met regularly for all-day sessions.

"The information services of our Department of Agriculture and Markets have been speeded so that in every critical situation we have daily and sometimes hourly reports from every section of the State.

"The Commission has foreseen and solved in advance many of our problems. Confronted with a shortage of apple crates, they have been lining up sawmills to make them long before the harvest. Similar procedures have been followed with everything from wire for hay balers and twine for tying up asparagus to substitutes for crushed oyster shells for laying hens.

"During the early spring the Commission foresaw a complete lack of fertilizer in the State. The difficulty centered in Maryland. It was never quite clear whether the trouble lay in wage ceilings which kept the fertilizer people from getting labor, or price ceilings which made it more profitable to serve only local trade. But the Commission went to work with both the fertilizer trade and the national farm organizations. They turned on all the heat they could muster, and we got the fertilizer in time.

"There have recently been times when critical shortages of gasoline have existed in as many as 20 farm counties. As many as 400 farm tractors in a single county have been without gasoline. But plowing cannot wait for red tape. The Food Commission took vigorous action to get and distribute gasoline.

"Finally an official of the Petroleum Administration for War took desk room right in our State Office Building, to work with the transportation member of the Food Commission. Only by day-to-day action and cooperation are we keeping the farm tractors running.

"Today the cooperatives and the independent feed dealers have been brought together by the Commission to find the answer to our most urgent long-range problem—how to find feed for our dairy cows and our laying hens. As many of you know, the State of New York is the best customer of the Mid-Western grain fields. We buy from the Middle West more than 60% of the feed necessary for our great dairy and poultry production. We need at least 2,000,000 tons of concentrate feed from outside the State this year and we are not getting it.

"No purpose would be served in analyzing the incredible deficiencies of the National Government in its 10-year campaign to restrict food production in the United States. We are just now reaping some of the harvest of these policies. But as a sardonic final touch, we now find that out of the genius of the OPA there was developed a theory that it would be a good idea to repeal the natural law of economics that corn and hog prices are tied together. The result is a ceiling price on corn of \$1.05 at Chicago. Meanwhile, the farmer can get \$1.45 for the same corn right on the farm, just by throwing it over the fence to his pigs.

"In short, the Iowa hog can pay 50% more at the farm for a bushel of corn than a New York cow is allowed to pay. The result is that we have no corn.

"I hope you of the Mid-West will forgive us, then, if we cannot wait forever for Washington to discover the laws of economics. We have to get feed wherever we can find it.

"Accordingly, our Emergency

Food Commission is now in the process of arranging, not with State funds, but by the joint cooperation of the cooperatives and the feed dealers, to buy millions of bushels of grain from Canada. That grain has to come down the Great Lakes to Buffalo and for that we must have shipping space. The Emergency Food Commission has been negotiating in Washington for the necessary bottoms.

They are receiving the most sympathetic cooperation from Mr. Chester Davis and we hope and expect somehow to get the bottoms. Unfortunately, Mr. Davis, who understands the problem, has been left, like too many others, with a title but inadequate authority. There is still no spokesman in the new super-Cabinet for the food for 130,000,000 Americans, to say nothing of the starving peoples of the world whom we all hope to feed when they have been liberated.

"We have had too much in this country of waiting for crises to reach the breaking point and then using emergency measures to pick up the pieces. Our Emergency Food Commission, under the chairmanship of Mr. H. E. Babcock, has conceived it to be its duty to approach the food problem with foresight rather than with panicky after-thoughts. With that purpose it has prepared an analysis of what we have to look forward to in the way of food—not what is going to be on the butcher's counter next week, but what will confront us two, three, five years from now.

"They started from the fact that for many years this country has not had a real surplus of food. Despite the last six years of bumper crops, we have eaten virtually all we have produced except wheat. Thus under the vastly increased demands of war and victory we are certain to have an increasing scarcity of food.

"Inevitably under such conditions one result occurs. The livestock population is cut down and human beings stretch the food supply by eating grain themselves instead of feeding it to pigs. This happens not because any one is less fond of beefsteak and pork chops, but because it takes seven pounds of corn to make one pound of pig. A shift to a cereal diet is the only way to make our food go around.

"Right now the meat situation is a jumble of paradoxes. In New York this week our cupboard is bare, not because of any present shortage in meat animals, but because of price manipulations which have cut off trade. Actually in this country we have a livestock population so vast that we never can support it and at the same time fulfill an obligation to help feed the starving survivors of a wrecked world. Right now in this country our meat animals are eating into the precious food reserves which must be increased if we are even to begin saving the undernourished people of a rescued Europe.

"There can be only one result of this. Human beings will inevitably push the pig away from the trough, to eat his corn themselves. Livestock will be reduced, and its slaughter will for a time give us the illusion of a continuing meat supply. I think the illusion may last until Election Day next year. \*But then will come the time when we will really know what a meat shortage means.

"Already our people, like yours, are discovering that the war and the food scarcity program of the past are taking out of their diet the things on which they are accustomed to live. We have the greatest concentration of people in the world in New York City, with the widest variety of eating habits. Our other cities are faced with the same problems to a lesser degree. They are finding the staple items of their diet ranging from eels to kosher meats disappearing from the market. So the

Emergency Food Commission is tackling this job too.

"Once again we had right at home the people who were leaders in the rapidly developing science of nutrition. Again we did not need to go out and create something new. We just had to use the brains and the facilities at home. And we put in charge the people who know the problem best.

"The Commission's scientists have been seeking new foods to cushion the shock of that time when we get less and less of the foods to which we have been accustomed. They have already made one tremendous contribution. Adopting a principle which for centuries has maintained China's strength on a cereal diet, they have brought forward the sprouted soy bean as a food new for this country.

"In the last 20 years we have become familiar with the great value of the soy bean as an animal feed, rich in protein and fat. Now it is discovered that when the bean is sprouted a miracle occurs. It becomes easily cooked and palatable for humans. Moreover, while it sprouts it not only retains a high value in the nutrients we find in meat but also it creates within itself a new and precious supply of Vitamins B, C and G. Our Food Commission now is acting to make these sprouted beans available to our people. They are not a substitute for meat. No one wants or will find any substitute for good red steak or lamb chops. But for the days when there is little or no meat they make a splendid supplement, with all the nutritive value of meat and more, too.

"The strength of our country is in its roots. The battle of the home front is not going to be won by any master-mind anywhere. I have spoken with unabashed enthusiasm about our Emergency Food Commission, not only because I was invited to speak on this subject but because it is the kind of job being done everywhere, once our citizens are given the chance. I do not pretend that we in New York have any disproportionate share of brains or experience. On the contrary, I know that at every crossroads, in every county, in every State of America, there are men who, because of their knowledge and ability in their own familiar surroundings—have an infinite amount to give to our war effort.

"It is our job as Governors to give them the green light so they may go ahead under their own power. Our conclusions in New York have been fairly simple and direct. Because the National Government would not or could not see or understand as a whole the problem of feeding our people, we moved in to meet it ourselves.

"Because the National Government still cannot or will not understand the food problem of America, the War Governors of the United States, who are close to their people, can and will do the job.

"In so doing, I am sure that none of us will suffer from the misconception that either the National Government or we as Governors can ourselves meet the need. What we can do is to use the great reservoir of ability, character and courage among our people. We can release that ability to serve the needs of the nation.

"Winston Churchill once said, at a time of crisis for Great Britain: 'Give us the tools and we will do the job.' Our people are in that situation today. As War Governors we can, because we must understand the ultimate truth—that no government, either State or national, produces money, goods or food. We can revive the long forgotten truth that it is the people of the nation whose funds support government. Their sweat produces the goods and food. They

## Outlook For The Banks

(Continued from first page) go out of business. In some instances this would be a sensible thing for them to do. The larger a bank is the more valuable its stock should be.

Bank customers will continue to receive much the same type of service as they have always had from their banks, but they must expect to pay more and more for it. Banks will be obliged to meet increased living and operating expenses occasioned by inflation just as manufacturers and other business houses will be. They are faced with declining mortgage income; their returns on commercial paper, municipals and corporation bonds are also extremely low. It looks as though they might be largely dependent upon their service charges and safe deposit-box rentals.

### Investment Policies for Banks

The banking fraternity is today carrying too much of the Government debt in the form of bonds. There should be proportionately more in the hands of the public than in the hands of the banks. However, while the rate of interest on Government holdings is extremely small, banks can be certain that their holdings of Governments—particularly those due within the next 10 years—will be paid at par upon maturity. Furthermore, I do not look for any extreme fluctuations in their prices immediately after the war as was true of the Liberty bonds of World War I.

Unlike individual investors or business men, banks cannot protect themselves against inflation through the purchase of tangible goods and property. Yet, like merchandising groups, they must have an inventory with which to do business. Therefore, inasmuch as they deal in dollars, they must have a large store of dollars on hand.

### Dollars to be Plentiful

Forward-looking bankers, therefore, will gradually depend less on normal investment income and educate the depositors to heavier service charges. These will be permitted by the Government, even looked upon with favor. Unless Washington wishes to take over the actual operation of the banks, they must make it possible for banks to have sufficient income from sources other than through normal investments.

As mortgages are paid off in cheap dollars, income from this source will also decline. But dollars will be exceedingly plentiful. Money in circulation per capita today is the highest in the history of our country. It will continue to rise. For every Government bond sold our credit resources are multiplied six or seven times. I forecast that dollars will be far more plentiful than certain commodities.

### What About Bank Stocks?

What I have outlined is far from an ideal domestic banking economy. It is no real way for banks to function, but it is the only way they can survive. But I would not dump my bank stocks. They may be as good as anything else to hold. In some ways perhaps a little better in the case of the larger banks. At least their real estate constitutes real property. But I would not be surprised to see many banking quarters turned into funeral parlors!

are both the rulers and the makers of their country's destiny.

"We can remove all obstacles. We can insist on giving our people the tools. As always, the people of America will, themselves, do the job."

## May Life Insurance Sales Advance

The sale of ordinary life insurance in the United States in May amounted to \$605,286,000, an advance of about 27% over the volume sold in the same month of 1942, according to the monthly survey issued by the Life Insurance Sales Research Bureau, Hartford, Conn. The total sales volume for the first five months of 1943, aggregating \$2,866,048,000, however, is 10% below the amount sold in the same period of 1942.

The sales volume and the ratios for all sections are reported by the Bureau as follows:

	MAY, 1943		YEAR TO DATE	
	Sales in \$1,000	Ratios All Cos.	Sales in \$1,000	Ratios All Cos.
U. S. Total	\$605,286	127%	\$2,866,048	90%
New England	48,325	127	223,342	87
Middle Atlantic	155,785	128	767,423	87
E. N. Central	133,426	120	645,587	89
W. N. Central	64,615	127	282,939	93
S. Atlantic	61,797	132	283,506	93
E. S. Central	24,316	131	112,763	87
W. S. Central	41,843	132	200,196	89
Mountain	17,565	140	79,419	102
Pacific	57,614	124	270,873	93

## Market Value Of Bonds On N. Y. Stock Exchange Advances To Record High As Of May 29

The New York Stock Exchange announced on June 10 that as of the close of business May 29, there were 1,127 bond issues aggregating \$81,479,041,193 par value listed on the Stock Exchange with a total market value of \$81,048,543,830. This all-time high total was mainly due to the listing of two new Government bond issues during the month—the 2% Treasury bonds of September, 1950-52 and the 2½% Treasury bonds of 1964-69. The May 29th total compares with 1,129 bond issues aggregating \$72,811,509,943 par value listed on April 30 with a total market value of \$71,857,596,488.

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

Group—	May 29, 1943		April 30, 1943	
	Market Value \$	Average Price \$	Market Value \$	Average Price \$
U. S. Government (incl. N. Y. State, Cities, etc.)	64,255,029,362	104.30	55,219,690,452	104.38
U. S. companies:				
Amusements	38,597,448	103.36	38,800,167	103.90
Automobile	10,816,422	102.49	10,801,827	102.35
Building	10,713,470	100.04	13,099,126	99.94
Business and office equipment	15,581,250	103.88	15,675,000	104.50
Chemical	76,662,226	104.51	76,180,926	103.85
Electrical equipment	36,650,000	104.71	36,543,750	104.41
Financial	57,616,413	102.78	57,700,145	102.70
Food	214,608,478	105.54	214,290,514	105.38
Land and realty	10,949,010	81.49	10,732,758	79.88
Machinery and metals	37,569,724	100.74	39,786,866	100.59
Mining (excluding iron)	99,583,732	64.69	98,026,293	63.39
Paper and publishing	41,103,466	101.83	40,969,694	101.50
Petroleum	592,455,674	104.47	594,827,136	104.13
Railroad	7,625,095,527	75.15	7,489,656,839	73.77
Retail merchandising	12,567,681	88.97	12,757,883	89.26
Rubber	75,574,158	104.00	74,989,149	103.19
Ship building and operating	11,844,840	103.25	11,816,160	103.00
Shipping services	20,937,084	76.09	21,119,252	76.75
Steel, iron and coke	492,021,186	101.01	501,391,372	100.76
Textiles	37,792,420	104.13	37,923,670	104.50
Tobacco	154,673,199	106.41	154,294,459	106.07
Utilities:				
Gas and electric (operating)	3,361,598,129	108.60	3,360,503,595	108.37
Gas and electric (holding)	95,099,678	103.38	94,776,393	103.03
Communications	1,233,301,839	110.24	1,222,620,475	109.24
Miscellaneous utilities	91,803,221	63.05	90,556,147	62.19
U. S. companies oper. abroad	138,420,814	76.53	138,115,647	76.19
Miscellaneous businesses	31,292,510	105.35	31,000,623	104.37
Total U. S. companies	14,624,929,649	86.76	14,468,955,868	85.78
Foreign government	1,410,184,528	65.04	1,399,781,870	64.55
Foreign companies	758,400,291	89.31	749,168,300	88.21
All listed bonds	81,048,543,830	99.47	71,857,596,488	98.69

The following table, compiled by us, gives a two-year comparison of the total market value and the total average price of bonds listed on the Exchange:

1941—	Average		1942—	Average	
	Market Value \$	Price \$		Market Value \$	Price \$
Apr. 30	52,518,036,554	94.32	May 29	59,257,509,674	95.64
May 30	52,321,710,056	94.22	June 30	59,112,072,945	95.50
June 30	53,237,234,699	94.80	July 31	61,277,620,583	95.76
July 31	53,259,696,637	95.04	Aug. 31	62,720,371,752	96.08
Aug. 30	53,216,867,646	94.86	Sept. 30	62,765,776,218	96.18
Sept. 30	53,418,055,935	94.74	Oct. 31	64,843,877,284	96.48
Oct. 31	55,106,635,894	95.25	Nov. 30	64,543,971,299	96.11
Nov. 29	54,812,793,945	94.80	Dec. 31	70,583,644,622	96.70
Dec. 31	55,033,616,312	94.50	Jan. 30	71,038,674,932	97.47
1942—			Feb. 27	71,346,452,852	97.79
Jan. 31	56,281,398,371	95.24	Mar. 31	71,575,183,604	98.24
Feb. 28	57,584,410,504	95.13	Apr. 30	71,857,596,488	98.69
Mar. 31	58,140,382,211	95.97	May 29	81,048,543,830	99.47
Apr. 30	57,923,553,616	95.63			

## Steel Operations Slightly Off—Affected By Coal Strike—Demand Grows As Output Shifts

"The coal mine strike, third walkout of the UMW in recent months to harass the steel industry, appeared likely to cause the irretrievable loss this week of 30,000 tons of steel," the "Iron Age" stated in its issue of today (June 24), further adding: "Even if settled speedily within a short time, the restoration of coal shipments and the resumption of full steel mill schedules cannot be accomplished immediately. Thus, the possibility of meeting the WPB demand for more steel in the third quarter has been impaired. Plans for the drive are being held in abeyance pending the outcome of the strike."

"Fully as serious as the immediate losses is the cumulative effect of the mine disruptions upon next winter's stockpiles which should be growing higher at this time in-

stead of dwindling to an all-time low point. The tight coke supply situation probably will be reflected through the balance of this year, and may result in lack of sufficient fuel to run some blast furnaces next fall. This in turn will throw a heavier burden on scrap supplies. Then, too, the strike is expected to result in the

loss of important coke by-products vital to the war.

"It is estimated that at least 300,000 tons of steel can be obtained from a nation-wide inventory study, 300,000 tons from stimulated production by existing facilities and 350,000 tons by expediting the expansion program for which the green light on priorities has been flashed. Stepping up the recovery of industrial scrap will be another valuable aid and standardization of steel products will be pushed further.

"Leaders of the steel workers' union are reported to view the campaign as a valuable opportunity for the USWA with its 700,000 workers. Outlaw strikes, absenteeism and red tape involved in administering WMC rulings have had more effect on steel output than generally supposed. In addition to last week's strike at the Bethlehem Steel plant in Lackawanna, a small walkout hit the rail mill at the Gary works of Carnegie-Illinois Steel Corp., causing the loss of several thousand tons.

"Slanting the campaign (which was under discussion by steel executives Tuesday in New York) to include consumers and workers, shows recognition of the fact that finished steel cannot be made until the ingots have been broken down in the blooming mill, the main bottleneck to greater production today. Efforts are being made to shift equipment such as blooming mills and cranes to those plants which are in a position to use them quickest.

"The need for more steel was illustrated by J. A. Krug, of WPB, speaking at Detroit last week. Requests for carbon steel for third quarter, he said, exceeded 20,000,000 tons; supply was slightly under 15,000,000 tons, necessitating overall reduction of 25%. The Army was cut 500,000 tons, the Navy 100,000 tons and Maritime Commission, 400,000 tons. The ODT, seeking 2,200,000 tons, was cut to 1,200,000 tons. Copper and aluminum were cut in "approximately the same pattern." Mr. Krug reported that 70% of the carbon steel allocated for the third quarter was for direct military use."

The American Iron and Steel Institute on June 21 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 97.6% of capacity for the week beginning June 21, compared with 97.8% one week ago, 99.3% one month ago and 98.0% one year ago. This represents a decrease of 0.2 point or 0.2% from the preceding week. The operating rate for the week beginning June 21 is equivalent to 1,690,100 tons of steel ingots and castings, compared to 1,693,600 tons one week ago, 1,719,500 tons one month ago, and 1,664,600 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on June 21 stated, in part, as follows: "While various steel consumers are forced to modify operations, due to reductions in some lines of ordnance, the fact remains that steel mill schedules continue to tighten."

"Cancellations and suspensions in some war programs are being offset by increased consumption in others and qualified observers believe the stringency will grow, especially in view of increased needs when the invasion of Europe is under way."

"Ships and airplanes continue to furnish the backbone of demand for steel and top all other war requirements, with extension of these programs scheduled to continue. While shipbuilding centers heavily on plates it also takes considerable tonnage of light shapes and is a factor in many other materials, wire rope, pipe and tubing, sheets, strip and bars. The extent to which subcontracting and prefabrication is used in ship work

is illustrated by an eastern shipyard of 40,000 tons of prefabricated work to subcontractors in its area. This class of work puts heavy burden on welding and flame-cutting departments.

"The tight situation has filled mill books generally through third quarter, with backlog extending beyond, in some cases long-range programs specifying into next year. In cases where program changes leave gaps on books other demand immediately fills in.

"Tin plate schedules for third quarter are being revised upward and present estimate of production in that period is 725,000 tons, with fourth quarter output probably about 500,000 tons. Several producers have filed a price of \$4.65 per base box for plate carrying three-quarter pound of tin per base box, midway between hot dip and the thin-coated electrolytic. The new product is in the experimental stage, awaiting tests in actual use.

"Although coke production is at capacity many blast furnaces are operating on close margin and further curtailment would cause banking of many units. Some melters in the East plan suspension of delivery for mid-summer inventory and vacation periods."

## Manpower Problems Of Banks Discussed At AIB Meeting In Chicago

The more important phases of current bank personnel problems were discussed at the opening session of the wartime conference of the American Institute of Banking, educational section of the American Bankers Association, in Chicago on June 9 by William Powers, director of customer and personnel relations of the American Bankers Association. Mr. Powers reviewed the situation by posing four major questions and presenting, as answers, facts obtained through a survey of 1,200 banks and through a recent series of personnel clinics conducted by him in eleven Federal Reserve districts.

He briefly described the war services that are being furnished by the banking system. As ranking services of this nature, he laid particular stress on banking's participation in freezing American funds controlled by the enemy; selling war savings bonds to the public; financing the government's budget deficit; promoting the Food-for-Freedom program; financing industry and war production; handling the gigantic factory pay roll volume; providing banking service to army posts; administering properties of officers and men in the military forces; applying inflationary credit controls, and clearing millions of ration coupons.

Mr. Powers pointed out that these extra wartime duties—in addition to regular banking functions which are vital to the operation of our economic machinery are being performed by the banks in spite of serious losses of trained personnel.

Discussing the manpower losses in banks he pictured the average loss as being approximately 35% and cited cases of banks where personnel losses have run as high as 80% in the past year.

Mr. Powers stated that in many areas satisfactory replacements for staff members who were leaving the banks were impossible to obtain from high schools, business colleges, and universities. He said that the banks in such areas were drawing replacements from department stores, grocery stores, sales agencies, finance companies, and other businesses that formerly were seldom used as sources of bank manpower.

Turning to the subject of how replacements are being trained he brought out the fact that manual training routines formerly fol-

lowed by banks were generally inadequate to meet present needs. He stated that training time for tellers, bookkeepers, proof clerks, and others was no longer available in terms of years but in months, weeks, and days.

Mr. Powers described the training methods used by some of the financial institutions and compared them with systems recently adopted by industry. He concluded his remarks by urging the members of the audience to increase their participation in banking courses sponsored by the American Institute of Banking, in order to prepare themselves for assumption of part of the responsibility of training the thousands of newcomers who are now entering the banking business.

Another speaker at the session on manpower problems was Dean William H. Spencer, Regional Director of the War Manpower Commission for Illinois, Indiana and Wisconsin. Dean Spencer said that although banking does not appear on the national list of essential activities, this activity is necessary to maintain a minimum civilian economy. He explained that many banks are performing valuable services in war-production centers by maintaining long banking hours to serve war workers and are rendering an indispensable service to the Government in the sale and distribution of war bonds. Pointing out that banks carry definite responsibilities in connection with the national manpower problem, Dean Spencer urged the institutions to exert all possible effort to recruit and train handicapped persons, older persons and women. He added:

"At the same time, it is your obligation to economize in the use of manpower and womanpower by reducing, as far as you can, the services you customarily render in normal times. You should now be studying your employment problems with a view of extending your workweek, if you have not already extended it."

## Black Heads Banking Div. Of War Finance Unit

Eugene R. Black, Vice-President of the Chase National Bank of New York, will act as Director of the Banking and Investment Division of the Treasury War Finance Committee for New York State, it was announced on June 14 by W. Randolph Burgess, State Chairman. Mr. Black is being granted leave of absence from the bank to begin his work immediately. The War Finance Committee is the permanent war bond sales organization resulting from the merger of the Victory Fund Committee and the War Savings Staff in accordance with plans revealed recently by Secretary of the Treasury Morgenthau.

The Banking and Investment Division is one of the three principal divisions of the War Finance Committee under the new setup. Other divisions are the Pay Roll Savings Division, headed by J. P. Stevens of J. P. Stevens & Co., and the Community Division, which will concern itself with the sale of bonds to civic, fraternal and other organizations and groups and individuals. The director of this division has not as yet been announced.

During the Second War Loan drive of last April, Mr. Black was on leave of absence with the Victory Fund Committee, where he supervised the activities of the 16 bank teams captained by personnel from the larger banks and composed of investment men and salesmen. As director of the Banking and Investment Division, Mr. Black will report directly to Nevil Ford, Executive Manager.

The appointment of Mr. Burgess as head of the unified war bond sales organization was noted in these columns June 17, page 2296.

## 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 12, 1943, is estimated at 11,725,000 net tons, which compares with 3,035,000 tons in the preceding week when the miners were on strike and 11,204,000 tons in the corresponding period in 1942. For the present year to June 12, soft coal production was 1.5% in excess of that for the same period last year.

The U. S. Bureau of Mines estimated that the production of anthracite for the week ended June 12 was 1,317,000 tons, an increase of 1,180,000 tons over the preceding week. When compared with the output in the same week last year, there was an increase of 131,000 tons.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended June 12 showed a decrease of 7,400 tons when compared with the output for the week ended June 5. The quantity of coke from beehive ovens increased 76,100 tons during the same period.

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

(In Net Tons—000 Omitted.)

	Week Ended		January 1 to Date			
	June 12	June 5	June 13	June 12	June 13	June 13
Bituminous coal and lignite—	1943	1943	1942	1943	1942	1937
Total, incl. mine fuel	11,725	3,035	11,204	263,648	259,632	205,839
Daily average	1,954	524	1,867	1,906	1,875	1,498

\*Crude Petroleum—Coal equivalent of weekly outpt.

6,388 6,300 5,927 146,051 142,840 126,411

\*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			
	June 12	June 5	June 13	June 12	June 13	June 15
Penn. anthracite—	1943	1943	1942	1943	1942	1929
Total, incl. coll. fuel	1,317,000	137,000	1,186,000	27,483,000	26,768,000	32,987,000
Commercial production	1,264,000	132,000	1,139,000	26,384,000	25,697,000	30,612,000
Beehive coke—						
United States total—	136,100	60,000	156,500	3,580,700	3,700,000	3,047,300
By-product coke—						
United States total—	1,192,600	1,200,000	1,187,800	28,371,500	27,579,700	†

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

### ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(In Thousands of Net Tons)

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

State—	Week Ended					June
	June 5 1943	May 29 1943	June 6 1942	June 7 1941	June 5 1937	
Alabama	109	404	366	343	229	387
Alaska	5	6	5	3	3	**
Arkansas and Oklahoma	38	48	76	10	14	70
Colorado	24	147	114	70	82	175
Georgia and North Carolina	1	1	††	††	††	**
Illinois	235	1,082	1,188	782	547	1,243
Indiana	63	459	334	375	244	416
Iowa	16	46	43	39	25	88
Kansas and Missouri	94	143	156	74	74	128
Kentucky—Eastern	228	1,005	963	918	668	661
Kentucky—Western	170	266	242	152	100	183
Maryland	5	39	41	34	22	47
Michigan	††	5	7	††	3	12
Montana (bituminous and lignite)	45	81	57	43	37	38
New Mexico	8	33	31	20	24	51
North and South Dakota (lignite)	18	26	22	18	15	**14
Ohio	263	723	717	558	419	888
Pennsylvania (bituminous)	780	3,130	2,754	2,435	1,758	3,613
Tennessee	33	139	145	143	95	113
Texas (bituminous and lignite)	1	2	6	7	16	21
Utah	24	115	103	47	25	89
Virginia	120	428	400	399	221	240
Washington	18	27	31	32	31	44
*West Virginia—Southern	445	2,390	2,198	2,216	1,498	1,380
*West Virginia—Northern	203	1,032	896	789	467	856
Wyoming	39	162	136	84	79	104
Other Western States	††	1	††	††	††	**5
Total bituminous and lignite	3,035	11,940	11,034	9,591	6,696	10,866
Pennsylvania anthracite	137	1,352	1,042	1,167	969	1,956
Total all coal	3,172	13,292	12,076	10,758	7,665	12,822

\*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month.

\*\*Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons.

## Civil Engineering Construction Volume \$44,234,000 For Week

Civil engineering construction volume in continental U. S. totals \$44,234,000 for the week. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 37% below a week ago, and is 72% below the volume reported for the corresponding 1942 week by "Engineering News-Record" on June 17. Private construction declines 30% from the preceding week and is down 44% from a year ago. Public work is 37 and 74% lower, respectively, than in the preceding week and the 1942 week, due to decreases in both state and municipal construction and federal volume. The report added:

The current week's construction brings 1943 volume to \$1,712,510,000 for the 24-week period, an average of \$71,355,000 per week. On the weekly average basis, 1943 construction is 62% lower than the \$4,746,455,000 reported for the 25-week period last year. Private construction, \$219,272,000, is down 32%, and public construction, \$1,

493,328,000, is 65% lower when adjusted for the difference in the number of weeks.

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

	June 18, 1942	June 10, 1943	June 17, 1943
Total U. S. Construction	\$155,670,000	\$69,644,000	\$44,234,000
Private Construction	11,207,000	8,933,000	6,250,000
Public Construction	144,463,000	60,711,000	37,984,000
State and Municipal	8,231,000	9,445,000	3,671,000
Federal	136,232,000	51,266,000	34,313,000

In the classified construction groups, sewerage is the only class of work to report an increase over a week ago, and commercial building and large-scale private housing is the single classification to gain over the 1942 week. Subtotals for the week in each class of construction are: waterworks, \$575,000; sewerage, \$929,000; bridges, \$195,000; industrial buildings, \$954,000; commercial building and large-scale private housing, \$5,266,000; earthwork and drainage, \$1,114,000; streets and roads, \$5,129,000; and unclassified construction, \$12,206,000.

New capital for construction purposes for the week totals \$2,937,000, and is made up entirely of state and municipal bond sales. The new construction financing total for the 24 weeks of 1943, \$496,337,000, compares with \$6,872,345,000 for the 25-week period a year ago.

## 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 rate*	Corporate by Ratings*				Corporate by Groups* R. R. P. U. Indus	
			Aaa	Aa	A	Baa		
Jun 22	120.23	110.52	118.60	116.22	111.07	97.94	102.30	113.50
21	120.17	110.52	118.60	116.02	111.07	97.94	102.13	113.50
19	120.15	110.52	118.60	116.02	111.07	97.94	102.30	113.50
18	120.15	110.52	118.60	116.02	111.07	97.94	102.30	113.50
17	120.12	110.52	118.60	116.02	111.07	97.94	102.30	113.50
16	120.08	110.52	118.60	116.02	111.07	97.78	102.13	113.50
15	120.03	110.52	118.60	115.82	111.07	97.62	102.13	113.50
14	119.99	110.34	118.60	115.82	111.07	97.54	102.30	113.50
12	119.99	110.52	118.60	116.02	111.07	97.94	102.30	113.50
11	119.98	110.52	118.60	116.02	111.07	97.62	102.13	113.31
10	119.99	110.34	118.40	116.02	111.07	97.78	102.13	113.50
9	120.02	110.34	118.40	115.82	111.07	97.62	102.13	113.31
8	120.07	110.34	118.40	115.82	111.07	97.54	102.30	113.50
7	120.03	110.34	118.40	115.82	111.07	97.54	102.30	113.50
Apr. 30	118.36	109.79	118.00	115.43	110.34	97.00	101.31	113.12
22	118.22	109.60	118.00	115.43	110.34	96.69	100.98	113.12
16	118.06	109.60	117.80	115.43	110.52	96.38	100.81	112.93
9	117.48	109.60	117.80	115.43	110.52	96.69	100.98	113.12
Mar								

## Daily Average Crude Oil Production For Week Ended June 12, 1943 Increased 54,850 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended June 12, 1943 was 3,987,800 barrels, an increase of 54,850 barrels over the preceding week, and 287,450 barrels per day more than in the corresponding period last year. The current figure, however, is 231,100 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of June, 1943. Daily production for the four weeks ended June 12, 1943 averaged 3,974,200 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,799,000 barrels of crude oil daily and produced 10,626,000 barrels of gasoline; 1,459,000 barrels of kerosene; 3,520,000 barrels of distillate fuel oil, and 7,674,000 barrels of residual fuel oil during the week ended June 12, 1943; and had in storage at the end of that week 81,114,000 barrels of gasoline; 6,833,000 barrels of kerosene; 32,555,000 barrels of distillate fuel, and 67,652,000 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 June June 1, 1943	Actual Production Week Ended June 12, 1943	Change from Previous Week	4 Weeks Ended June 12, 1943	Week Ended June 13, 1942
Oklahoma	373,500	373,500	1,334,650	+ 5,900	326,600	375,650
Kansas	300,000	300,000	1,035,700	+ 34,650	296,950	279,750
Nebraska	2,400		12,100	- 50	2,100	3,650
Panhandle Texas		90,100	- 300	90,650	87,300	
North Texas		131,800		131,800	149,400	
West Texas		228,950	+ 650	227,700	204,800	
East Central Texas		123,500	- 250	123,950	97,600	
East Texas		334,900	- 1,300	337,400	362,600	
Southwest Texas		206,350	- 3,650	211,100	130,850	
Coastal Texas		380,200	+ 1,400	377,350	243,950	
Total Texas	1,602,000	1,603,709	1,495,800	- 3,400	1,499,950	1,266,500
North Louisiana		85,850	+ 350	86,400	88,500	
Coastal Louisiana		240,850	- 5,700	252,400	220,050	
Total Louisiana	330,800	350,550	326,700	- 5,350	338,800	308,650
Arkansas	72,800	75,043	73,800	+ 800	73,100	73,700
Mississippi	50,000	52,650	- 1,550	54,300	85,150	
Illinois	246,200	226,800	+ 14,000	217,700	277,350	
Indiana	15,500	14,050	+ 2,700	13,350	20,000	
Eastern (not incl. Ill., Ind., Ky.)	88,400	79,350	+ 1,100	79,350	86,650	
Kentucky	23,100	21,750	- 450	22,100	11,800	
Michigan	58,900	61,000	+ 3,100	59,600	69,800	
Wyoming	97,000	94,700	+ 1,800	93,100	90,200	
Montana	22,300	20,900		20,800	21,750	
Colorado	7,000	7,200	+ 250	6,850	6,400	
New Mexico	105,700	105,700	97,150	+ 350	96,950	54,550
Total East of Calif.	3,395,600	3,214,300	+ 53,850	3,201,600	3,031,550	
California	823,300	823,300	773,500	+ 1,000	772,600	668,800
Total United States	4,218,900	3,987,800	+ 54,850	3,974,200	3,700,350	

\*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, 5,300; California, 43,400.

Oklahoma, Kansas, Nebraska figures are for week ended 7 a.m. June 10, 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 date during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 10 days shut-down time during the calendar month.

\$Recommendation of Conservation Committee of California Oil Producers.

### CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JUNE 12, 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—	*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	Daily Refining Capacity	Crude	at Re-	Stocks	Stocks	Stocks	of Gas	of Re-	Crude	Fineries	Finished	Includ.	Un-	Daily % Op-	Natural	finished	Blended	Gasoline	Fuels	Oil	
Tot. U. S. B. of M. basis June 12, 1943	4,825	86.4	3,799	78.7	10,626	+ 81,114	32,555	67,652														
Tot. U. S. B. of M. basis June 5, 1943	4,825	86.2	3,662	75.9	10,632	82,205	32,577	67,461														
U. S. Bur. of Mines basis June 13, 1942	3,494				10,298	91,846	30,447	79,120														

\*At the request of the Petroleum Administration for War. †Finished, 70,440,000 barrels; unfinished, 16,074,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,459,000 barrels of kerosene, 3,520,000 barrels of gas oil and distillate fuel oil and 7,674,000 barrels of residual fuel oil produced in the week ended June 12, 1943, which compares with 1,437,000 barrels, 3,063,000 barrels and 7,505,000 barrels, respectively, in the preceding week, and 1,150,000 barrels, 3,549,000 barrels and 6,615,000 barrels, respectively, in the week ended June 13, 1942. ¶Revised upward in combined area (not East Coast) by 251,000 barrels, due to error by reporting company.

Note—Stocks of kerosene amounted to 6,833,000 barrels at June 12, 1943, against 6,495,000 barrels a week earlier and 8,859,000 barrels a year before.

## Electric Output For Week Ended June 19, 1943, Shows 19.4% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended June 19, 1943, was approximately 4,098,401,000 kwh, compared with 3,433,711,000 kwh. in the corresponding week last year, an increase of 19.4%. The output for the week ended June 12, 1943, was 16.7% in excess of the similar period of 1942.

### PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions	WEEK ENDED			
	JUNE 19	JUNE 12	JUNE 5	MAY 29
New England	8.4	7.7	5.0	12.2
Middle Atlantic	17.7	15.8	14.6	20.2
Central Industrial	16.1	13.2	11.8	16.4
West Central	14.9	10.3	10.7	11.2
Southern States	25.9	20.2	21.3	22.4
Rocky Mountain	12.5	11.8	19.2	15.9
Pacific Coast	27.4	28.4	28.6	33.4
Total United States	19.4	16.7	16.4	20.1

### DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	% 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	3,845,502	+ 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	3,963,161	3,356,921	+ 18.2	3,011,345	1,435,731	1,704,428
May 22	3,992,250	3,379,985	+ 18.1	3,040,029	1,425,151	1,705,466
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	4,098,401	3,433,711	+ 19.4	3,091,672	1,440,541	1,702,501
Jun 26		3,457,024		3,156,825	1,456,961	1,723,428

## Non-Ferrous Metals—Copper Allocations for July Released—Lead Sales in Larger Volume

*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 17, stated: "Activity in major non-ferrous metals during the last week centered in copper and lead. July allocations for copper came through on schedule, and buying of domestic lead was in the usual good volume that precedes the date set for the monthly meeting for rounding out consumers' needs with foreign metal. OPA set dollar-and-cents ceiling prices last week

## Trading On New York Exchanges

The Securities and Exchange Commission made public on June 19 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 June 5, 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 June 5 (in round-lot transactions) totaled 1,981,743 shares, which amount was 15.81% of the total transactions on the Exchange of 6,267,300 shares. This compares with member trading during the week ended May 29 of 2,113,855 shares, or 15.30% of total trading of 6,907,110 shares. On the New York Curb Exchange, member trading during the week ended June 5 amounted to 462,545 shares, or 13.61% of the total volume of that Exchange of 1,699,470 shares; during the May 29 week trading for the account of Curb members of 423,695 shares was 12.90% of total trading of 1,641,885.

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

	WEEK ENDED JUNE 5, 1943	†Per Cent
A. Total Round-Lot Sales:	Total for week	
Short sales	96,170	
Other sales	6,171,130	
Total sales	6,267,300	
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	511,420	
Short sales	54,770	
Other sales	425,480	
Total sales	480,250	7.91
2. Other transactions initiated on the floor—		
Total purchases	298,160	
Short sales	7,100	
Other sales	303,460	
Total sales	310,460	4.86
3. Other transactions initiated off the floor—		
Total purchases	185,990	
Short sales	15,200	
Other sales	180,263	
Total sales	195,263	3.04
4. Total—		
Total purchases	995,570	
Short sales	77,070	
Other sales	909,103	
Total sales	986,173	15.81

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

	WEEK ENDED JUNE 5, 1943	†Per Cent
A. Total Round-Lot Sales:	Total for week	
Short sales	9,795	
Other sales	1,689,675	
Total sales	1,699,470	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	115,570	
Short sales	6,355	
Other sales	114,205	
Total sales	120,560	6.95
2. Other transactions initiated on the floor—		
Total purchases	67,160	
Short sales	800	
Other sales	67,970	
Total sales	68,770	4.00
3. Other transactions initiated off the floor—		
Total purchases	34,740	
Short sales	525	
Other sales	55,220	
Total sales	55,745	2.66
4. Total—		
Total purchases	217,470	
Short sales	7,680	
Other sales	237,395	
Total sales	245,075	13.61
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	56,722	
Customers' other sales	56,722	
Total purchases	56,722	
Total sales	43,965	

\*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."

## Wholesale Commodity Index Advanced 0.1% During Week Ended June 12, Says Labor Dept.

The U. S. Department of Labor announced on June 17 that with further rises in prices for agricultural commodities in primary markets, particularly grains, fruits, and vegetables, the Bureau of Labor Statistics' index again advanced 0.1% during the week ended June 12. This advance offset the decline of the preceding week and brought the all-commodity index to 104% of the 1926 average.

The Department's announcement further said:

**Farm Products and Foods**—Average prices for farm products rose 1% during the week. Quotations for grains rose 1.2% with increases ranging from nearly 1% for corn, wheat and rye to over 5% for oats, and higher prices were reported for citrus fruits, and for eggs. Livestock declined fractionally as a result of lower prices for sheep and hogs. Cotton prices were off nearly 1% during the week,

and hay and onions declined substantially. Markets for potatoes and apples were mixed. Apples at New York and Chicago were also off, while at Seattle they rose sharply. White potatoes were down at New York and Portland (Oregon), and up at Boston, while sweet potatoes were reduced 20%.

"An advance of 4.7% in fruit and vegetable prices was responsible in a large measure for an increase of 0.3% in food prices. In addition, prices were higher for flour, for corn meal, and for peanut butter. Prices for butter averaged about 10% below the early June level. The index for foods in primary markets now stands at 110.9% of the 1926 average, the highest point since November, 1920.

**Industrial Commodities**—Industrial commodity markets continued steady with but few exceptions. Antimony, white lead, rosin, and plaster board declined during the week while higher prices were reported for turpentine, stearic acid and some types of furniture.

The following notation is made:

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

The following table shows index numbers for the principal groups of commodities for the past three weeks, for May 15, 1943, and June 13, 1942, and the percentage changes from a week ago, a month ago, and a year ago:

Commodity groups—	(1926=100)								Percentage changes to June 12, 1943 from:
	6-12 1943	6-5 1943	5-29 1943	5-15 1943	6-13 1943	6-5 1943	5-15 1943	6-13 1942	
All commodities—	*104.0	*103.9	*104.0	*103.8	98.4	+0.1	+0.2	+5.7	
Farm products—	*127.6	*126.3	*126.7	*125.7	104.3	+1.0	+1.5	+22.3	
Foods—	110.9	110.6	110.7	110.2	99.5	+0.3	+0.6	+11.5	
Hides and leather products—	118.4	118.4	118.4	118.4	118.9	0	0	0	
Textile products—	96.9	96.9	96.9	96.9	97.2	0	0	-0.3	
Fuel and lighting materials—	81.4	81.4	81.3	81.5	78.9	0	-0.1	+3.2	
Metals and metal products—	*103.9	*103.9	*103.9	*103.9	104.0	0	0	-0.1	
Building materials—	110.4	110.4	110.3	110.4	109.9	0	0	+0.5	
Chemicals and allied products—	100.2	100.2	100.2	100.2	97.2	0	0	+3.1	
Housefurnishing goods—	104.3	104.2	104.2	104.2	104.5	+0.1	+0.1	-0.2	
Miscellaneous commodities—	91.7	91.7	91.7	91.4	89.9	0	+0.3	+2.0	
Raw materials—	*114.8	*114.1	*114.3	*113.7	99.6	+0.6	+1.0	+15.3	
Semimanufactured articles—	92.9	92.9	92.9	92.9	92.8	0	0	+0.1	
Manufactured products—	*100.7	*100.9	*100.9	*101.0	98.8	-0.2	-0.3	+1.9	
All commodities other than farm products and foods—	*98.9	*99.1	*99.1	*99.1	97.1	-0.2	-0.2	+1.9	
All commodities other than farm products and foods—	*96.9	*96.9	*96.9	*96.9	95.9	0	0	+1.0	

\*Preliminary.

## Nat'l Fertilizer Ass'n Price Index Again Recedes

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on June 21 declined for the second consecutive week. In the week ended June 19 this index declined to 135.1 from 135.5 in the preceding week. It was 135.8 a month ago, and 127.1 a year ago, based on the 1935-1939 average as 100. The Association's report continued as follows:

The drop in the all commodity index last week was due principally to rather marked declines in the prices of some farm products. Grain quotations were higher but declines in cotton and livestock were more than sufficient to lower the farm product group index. In the food group, lower quotations were registered for potatoes and beef, causing another decline in the foodstuffs index. Price changes in the other groups comprising the index were so slight no change was reflected in the final index numbers. This is the second consecutive week that the two groups, farm products and foodstuffs, have changed while the other commodities remained stationary.

Price advances during the week numbered 7 and declines 8; in the preceding week there were 8 advances and 7 declines; and in the second preceding week there were 4 advances and 6 declines.

### WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

1935-1939=100\*

% Each Group Bears to the Total Index	Group	Latest	Preceding	Month	Year			
		Week	Week	June 19	June 12	May 22	June 20	June 1942
25.3	Foods	139.3	140.4	140.7	140.7	125.1		
	Fats and Oils	145.1	145.1	147.9	137.3			
	Cottonseed Oil	159.0	159.0	159.0	158.4			
23.0	Farm Products	152.2	152.7	152.9	134.5			
	Cotton	199.6	200.0	200.7	179.1			
	Grains	144.1	143.9	142.0	113.8			
	Livestock	146.0	146.7	147.7	131.0			
17.3	Fuels	122.8	122.8	122.8	119.7			
10.8	Miscellaneous commodities	130.1	130.1	130.1	127.8			
8.2	Textiles	151.1	151.1	150.9	147.5			
7.1	Metals	104.4	104.4	104.4	104.4			
6.1	Building materials	152.6	152.6	152.7	151.6			
1.3	Chemicals and drugs	126.6	126.6	126.6	120.7			
.3	Fertilizer materials	117.7	117.7	117.7	117.7			
.3	Fertilizers	119.8	119.8	119.8	115.3			
.3	Farm machinery	104.1	104.1	104.1	104.1			
100.0	All groups combined	135.1	135.5	135.8	127.1			

\*Indexes on 1926-1928 base were June 19, 1943, 105.2; June 12, 105.6; June 20, 104.0.

The following is the Association's comment for the preceding week:

The general level of wholesale commodity prices was lower last week, according to the price index compiled by The National Fertilizer Association and made public on June 14. In the week ended June 12 this index stood at 135.5% of the 1935-1939 average. It registered 135.9 in the preceding week, 135.4 a month ago, and 127.1 a year ago. The Association's report went on to say:

The chief changes during the week were in the farm product group with advances in wool, grains, sheep and eggs more than offset by declines in cotton, hogs, and lambs. Due principally to a new low level in the fats and oils index, the food product group declined also. With lower prices in cotton offsetting a small increase in wool, the textiles index declined after remaining at the same level for two consecutive weeks. All other groups in the index remained unchanged from last week.

Although the all-commodity price index fell off during the week, price advances numbered 8 and declines 7; in the preceding week there were 4 advances and 6 declines; and in the second preceding week there were 9 advances and 5 declines.

## NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on June 19 a summary for the week ended June 12 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

## Revenue Freight Car Loadings During Week Ended June 12, 1943 Increased 186,911 Cars

Loading of revenue freight for the week ended June 12, 1943, totaled 854,486 cars, the Association of American Railroads announced on June 17. This was an increase above the corresponding week of 1942 of 21,851 cars, or 2.6%, but a decrease below the same week in 1941 of 8,488 cars, on 1.0%.

Loading of revenue freight for the week of June 12 increased 186,911 cars, or 28.0% above the preceding week, which included a holiday.

Miscellaneous freight loading totaled 381,414 cars, an increase of 24,322 cars above the preceding week, and an increase of 5,600 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 98,763 cars, an increase of 7,830 cars above the preceding week, and an increase of 4,207 cars above the corresponding week in 1942.

Coal loading amounted to 170,513 cars, an increase of 129,236 cars above the preceding week, and an increase of 3,747 cars above the corresponding week in 1942.

Grain and grain products loading totaled 45,466 cars, an increase of 7,062 cars above the preceding week, and an increase of 10,782 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of June 12 totaled 30,925 cars, an increase of 6,021 cars above the preceding week and an increase of 8,084 cars above the corresponding week in 1942.

Live stock loading amounted to 12,891 cars, an increase of 785 cars above the preceding week, and an increase of 1,758 cars above the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of June 12 totaled 8,869 cars, a decrease of five cars below the preceding week, but an increase of 941 cars above the corresponding week in 1942.

Forest products loading totaled 44,298 cars, an increase of 2,610 cars above the preceding week but a decrease of 4,997 cars below the corresponding week in 1942.

Ore loading amounted to 87,347 cars, an increase of 12,692 cars above the preceding week and an increase of 1,062 cars above the corresponding week in 1942.

Coke loading amounted to 13,794 cars, an increase of 2,374 cars above the preceding week, but a decrease of 308 cars below the corresponding week in 1942.

All districts reported increases compared with the corresponding week in 1942 except the Southern and Northwestern, and all districts reported increases over 1941 except the Eastern, Allegheny, Pocahontas and Southern.

	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	4,149,708	4,170,548	4,160,060
Week of June 5	667,575	854,689	852,940
Week of June 12	854,486	832,635	862,974
Total	18,467,937	19,365,070	18,056,589

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 12, 1943. During this period 69 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED JUNE 12					
Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections			
Eastern District—	1943	1942	1941	1943	1942
Ann Arbor	239	365	625	1,341	1,307
Bangor & Aroostook	875	1,173	1,269	275	248
Boston & Maine	6,022	5,984	9,087	13,067	14,723
Chicago, Indianapolis & Louisville	1,478	1,326	1,338	1,899	2,036
Central Indiana	33	23	19	35	69
Central Vermont	1,013	1,020	1,441	2,512	2,679
Delaware & Hudson	6,412	6,236	7,128	9,886	12,151
Delaware, Lackawanna & Western	7,569	8,063	10,621	11,363	9,634
Detroit & Mackinac	297	344	428	118	126
Detroit, Toledo & Ironton	1,749	1,835	3,168	1,302	1,134
Detroit & Toledo Shore Line	292	319	390	1,978	2,562
Erie	13,572	13,261	15,995	16,984	15,644
Grand Trunk Western	4,023	3,826	6,669	7,154	7,654
Lehigh & Hudson River	193	217	229	1,684	3,388
Lehigh & New England	2,067	1,767	2,402	1,042	2,068
Lehigh Valley	9,030	8,713	10,783	14,095	12,747
Maine Central	2,138	2,298	3,309	2,303	2,932
Monongahela	5,824	6,505	6,012	322	325
Montour	2,526	2,422	2,262	197	33
New York Central Lines	54,146	44,264	52,482	48,076	54,085
N. Y., N. H. & Hartford	10,203	9,534	12,592	16,508	19,513
New York, Ontario & Western	1,339	1,138	1,289	1,997	2,431
New York, Chicago & St. Louis	7,140	7,208	7,123	15,059	15,616
N. Y., Susquehanna & Western	535	499	433	1,533	1,570
Pittsburgh & Lake Erie	7,134	8,092	8,854	8,737	9,969
Pittsburgh & Shawmut	5,224	5,603	7,642	6,411	6,011
Pittsburgh & Shawmut	1,072	792	733	25	37
Pittsburgh, Shawmut & North	416	398	524	309	294
Pittsburgh & West Virginia	1,317	1,204	1,245	3,762	3,062
Rutland	336	364	545	896	953
Wabash	5,160	4,964	6,090	12,516	11,827
Wheeling & Lake Erie	5,827	5,253	5,437	4,636	4,595
Total	165,276	155,010	188,164	208,058	221,423

Allegheny District—	1943	1942	1941	1943	1942
Akron, Canton & Youngstown	875	608	769	997	1,048
Baltimore & Ohio	43,297	40,269	41,662	27,369	25,427
Bessemer & Lake Erie	7,026	6,919	6,359	1,714	2,681
Buffalo Creek & Gauley	302	297	224	4	3
Cambridg & Indiana	1,500	2,069	2,036	6	11
Central R. R. of New Jersey	7,087	6,974	8,917	20,236	16,688
Cornwall	651	623	624	51	62
Cumberland Pennsylvania	325	275	276	12	9
Ligonier Valley	195	112	99	51	45
Long Island	1,129	738	858	3,536	3,752
Penn-Reading Seashore Lines	1,750	1,604	1,801	2,916	2,411
Pennsylvania System	85,754	83,616	89,384	60,967	65,150
Reading Co.	14,145	14,127	18,569	23,595	27,210
Union (Pittsburgh)	18,830	21,151	19,232	7,842	8,278
Western Maryland	3,898	4,122	4,258	10,710	12,552
Total	186,764	183,504	195,068	160,006	165,327

Pocahontas District—	1943	1942	1941	1943	1942
Chesapeake & Ohio	29,804	29,069	29,246	10,928	13,865
Norfolk & Western	22,510	23,474	24,837	7,068	7,143
Virginia	4,930	4,559	4,930	2,133	2,151
Total	57,244	57,102	59,013	20,129	23,159

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections	1943	1942
Southern District—				
Alabama, Tennessee & Northern	294	339	316	261
At. & W. P.—W. R. R. of Ala.	582	707	769	2,603
Atlanta, Birmingham & Coast	721	749	708	1,247
Atlantic Coast Line	12,763	12,416	11,941	9,806
Central of Georgia	4,102	3,796	4,411	4,101
Charleston & Western Carolina	504	384	507	1,633
Clinchfield	1,618	1,762	1,667	2,495
Columbus & Greenville	307	300	403	120
Durham Southern	99	136	198	640
Florida East Coast	2,112	763	515	1,894
Gainesville Midland	38	33	41	87
Georgia	1,147	1,214	1,156	2,947
Georgia & Florida	342	426	404	431
Gulf, Mobile & Ohio	3,523	4,224	3,853	4,262
Illinois Central System	27,766	26,245	22,198	18,467
Louisville & Nashville	24,499	26,946	26,835	11,845
Macon, Dublin & Savannah	141	142	183	803
Mississippi Central	196	207	167	478
Nashville, Chattanooga & St. L.	3,326	3,740	3,471	4,554
Norfolk Southern	1,183	1,880	1,292	1,433
Piedmont Northern	340	318	479	966
Richmond, Fred. & Potomac	358	500	415	11,519
Seaboard Air Line	11,288	10,186	10,976	6,836
Southern System	21,199	22,898	25,730	22,535
Tennessee Central	549	590	551	899
Winston-Salem Southbound	106	89	151	858
Total	119,079	120,990	119,343	113,771
			106,276	

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections	1943	1942
Northwestern District—				
Chicago & North Western	19,428	20,966	21,883	11,705
Chicago Great Western	2,813	2,183	2,647	2,872
Chicago, Milw., St. P. & Pac.	20,405	17,865	21,577	9,928
Chicago, St. Paul, Minn. & Omaha	3,179	3,219	3,918	3,344
Duluth, Missabe & Iron Range	27,457	28,603	22,181	340
Duluth, South Shore & Atlantic	1,222	1,364	1,266	727
Elgin, Joliet & Eastern	8,525	9,742	10,358	9,044
Fl. Dodge, Des Moines & South	432	550	550	101
Great Northern	25,390	24,792	22,588	6,289
Green Bay & Western	443	535	619	925
Lake Superior & Ishpeming	3,093	3,409	2,930	31
Minneapolis & St. Louis	1,928	1,934	1,810	1,995
Minn., St. Paul & S. S. M.	6,			

## Items About Banks, Trust Companies

Curtis J. Beard, who retired as Vice President of the Empire City Savings Bank on April 30 of this year after 20 years of service, has resigned as Trustee because of taking up residence in the vicinity of his boyhood home near Elmira, N. Y. Charles Diehl, Executive Vice President of the Bank, has been elected to the Board to fill the vacancy. Mr. Diehl entered the Empire City Savings Bank as Vice President and Treasurer in January 1937, after more than 28 years in the commercial banking field. He was elected Executive Vice-President in November 1942.

A quarterly dividend at the rate of 2% per annum has been declared by the trustees of New York Savings Bank of New York for the quarter ending June 30, 1943. Interest is payable from day of deposit.

Michael C. O'Brien was elected a Trustee of the Kings County Trust Company of Brooklyn at a meeting of the Board of Trustees on June 15. Mr. O'Brien is a Trustee of the Lincoln Savings Bank of Brooklyn, also President and Director of M. C. O'Brien, Inc., Real Estate. Mr. O'Brien is a member of the Board of Roman Catholic Orphan Asylum Society, Advisory Board of Catholic Charities, Treasurer and Trustee of Brooklyn Law School and a member of the Board of Brooklyn Bureau of Charities.

Stockholders of the Security Trust Co., Rochester, N. Y., at a meeting to be held July 14, will be asked to vote on a proposal to split the common stock of the bank on the basis of eight new shares for each one outstanding. At the same time they will be asked to approve the payment of the last of the RFC-held debentures in the amount of \$200,000.

In reporting this, the Rochester "Times-Union" of June 17 also said:

Under the proposal, the capital stock of the bank will be increased from \$600,000 to \$1,200,000, while par value of each share will be reduced from \$100 to \$25. Upon the basis of present over-the-counter market proposals it is expected the new stock will be quoted on the basis of \$50 bid, with no stock offered.

Under the proposed new capitalization plans, Bernard E. Fineane, President, says the bank would transfer \$600,000 from undivided profits to capital, and \$200,000 will be transferred from undivided profits to surplus.

This marks the second stock splitup of the company within the last two years, a 2-for-1 exchange having become effective in 1941 when the outstanding shares were increased from 3,000 to 6,000. The company has been paying a dividend of \$15 a share annually under the current setup.

Kelley Graham, President of the First National Bank of Jersey City, has announced the following appointments:

Lloyd Clarkson, formerly Assistant Cashier, to the office of Assistant Vice-President.

Arthur C. Stout, formerly Assistant Cashier, to the office of Assistant Vice-President.

Stephen M. Ward to the office of Assistant Cashier; Theodore R. Thomas to the office of Assistant Cashier.

The following new appointments in the official staff of the Tradesmen's National Bank & Trust Co. of Philadelphia, were announced on June 19 by Howard E. Deily, Vice-President and Cashier:

A. F. Hauck, formerly Assistant Cashier, has been appointed Assistant Vice-President. He will be in charge of the Foreign Exchange Department.

Fred Stocker, formerly Foreign

Exchange Clerk, has been appointed Assistant Cashier.

M. J. Fleming, President of Federal Reserve Bank of Cleveland, announced June 16 that the Chardon Savings Bank Co., Chardon, Ohio, had been admitted to membership and is now operating as a member bank of the Federal Reserve System.

The directors of the bank are: C. L. Smith (President), R. C. Pease (Vice-President), W. A. Breckbill (Cashier), C. W. Canfield and F. R. Zethmayr. Officers who are not directors are Ward McDonald and C. N. Quirk, Assistant Cashiers.

John G. Lonsdale, St. Louis banker and former head of the American Bankers Association, died on June 16 in a Hot Springs (Ark.) hospital. He was 71 years old. Mr. Lonsdale had retired in 1937 as Chairman of the Board of the Mercantile-Commerce Bank and Trust Co., St. Louis, in order to devote his full time to his duties as co-trustee of the St. Louis-San Francisco Railway. His association with the Mercantile-Commerce Bank and its predecessor, the National Bank of Commerce in St. Louis, had dated from 1915. A native of Memphis, Mr. Lonsdale began his career in the real estate business and later formed J. G. Lonsdale & Co., stock brokers with offices in New York City and Hot Springs.

He helped to organize the Little Rock, Hot Springs & Texas RR., and when later appointed receiver of the railroad, reorganized it as the Little Rock & Hot Springs Western RR. Later he was a member of the brokerage firm of Logan & Bryan of New York. In 1915 he became President of the National Bank of Commerce. He was a former President of the St. Louis Clearing House Association.

### ABA Membership Reaches New High

Membership in the American Bankers Association has now reached the highest percentage in the history of the Association, it is announced by George W. Heiser, Chairman of the ABA's Organization Committee, who is Vice President of the Manufacturers Trust Co., New York City.

During the month of May, Mr. Heiser reported, 52 banks joined the Association, bringing the total membership to 14,514, or 89.3% of all banks throughout the country, a percentage hitherto unsurpassed. In addition to the new members, five former members of the Association requested reinstatement and were restored to the membership rolls. ABA membership in Louisiana has again reached 100%, Mr. Heiser announced.

### Predicts Food Shortage

The total food production of the United States will probably be 15% to 30% under 1942's record output, it was predicted on June 16 by Senator Aiken (Rep., Vt.).

In an address before the Dairymen's League Cooperative Association food forum in New York City, Senator Aiken also said that the nation would suffer acute shortages of meats and dairy products this year. "We may look forward to enough of one kind of food or another to carry us through until next spring, but it will not be the kind of food people want," he said. "Before that time all our existing surplus of grain will have been used. The bottom of every normal granary

## Hecht Cites "Unitas" and "Bancors" As Among Problems To Spur Bankers To New Studies

Referring to "Unitas" and "Bancors" as examples of new problems claiming the attention of bankers, Rudolf S. Hecht, Chairman of the Board of the Hibernia National Bank in New Orleans, in his address on June 10 at the Wartime Conference of the American Institute of Banking at Chicago, had the following to say:

"The experience of my generation of bankers has convinced me that the science of banking is constantly undergoing changes, and that, study as you will, you can never quite finish your banking education. Just when you may think you have completely mastered the technique of present day bank operations there develops a battle between the 'Unitas' and the 'Bancor,' two new monetary units to be found only in the headlines of the newspapers, but not at all in

any of the reference books on banking usage. There is no way for you to form any opinion whether you prefer our Treasury Department's 'Unitas' or Lord Keynes' British 'Bancor' without starting from scratch and studying both plans which have been suggested as a suitable solution of stabilizing the world's currencies after the war. I mention the 'Unitas' and the 'Bancor' merely as a typical example of the new problems that will develop constantly and spur you on to new studies and challenge you to rise to new heights of endeavor. Do not fail us in keeping your educational efforts always abreast of the times, for we have come to look upon you as the real bulwark of our nation's banking economy, and we expect you to furnish the future national leadership which bankers rightfully should assume in the post-war world. Our hope is that you will so conduct yourselves that instead of being accused, as the banking fraternity so often has been in the past, of being responsible for starting wars, we may in future earn and deserve the reputation of being responsible for keeping the peace.

Previous mention of some of the remarks of Mr. Hecht appeared in our issue of June 17, page 2285.

### Small Loans Ruling Reversed On Appeal

The Appellate Division on May 28 unanimously reversed a New York State Supreme Court decision invalidating a loan made by the Household Finance Corp. upon technical grounds that the statement given to the borrower did not comply with the requirements of the State banking laws, according to Associated Press.

These advices as given in the "Wall Street Journal" further said:

A brief filed by attorneys for the corporation maintained that the lower court judgment "not only forfeits all similar loans by Household and other licensed lenders, but renders these companies and their officers guilty of a misdemeanor."

The attorneys said that upholding of the Supreme Court ruling might have "widespread consequences throughout the United States" and might "seriously impair the operations of licensed lenders who have in good faith attempted to comply with statutory requirements."

The Appellate Division ruled that the statement given to the plaintiff "was sufficient to comply with the statute."

The action was originally

of the Board, Chase National Bank of New York; Mrs. Courtland D. Barnes, New York City; Bruce Barton, Batten, Barton, Durstine & Osborn; Eugene R. Black, (ex-officio) Director, Banking & Investment Division, War Finance Committee; John A. Brown, President, Socony-Vacuum Corp.; Henry Bruer, President, Bowery Savings Bank; Samuel Capen, President, Buffalo University; Frank S. Columbus, State Legislative Representative, Brotherhood of Enginemen and Firemen; Mrs. Edward H. Cumpston, Rochester; John W. Davis, Davis, Polk, Wardwell, Gardiner & Reed; Clarence Dillon, Dillon Read & Co.; Frederick C. Ecker, President, Metropolitan Life Insurance Co.; Guy Emerson, Vice-President, Bankers Trust Co.; Leon Fraser, President, First National Bank of New York; E. Chester Gersten, President, The Public National Bank & Trust Co. of New York; Dr. Arthur K. Getman, New York State Department of Education; Walter S. Gifford, President, American Telephone & Telegraph Co.; Perry E. Hall, Morgan Stanley & Co.; Thomas J. Harrgrave, President, Eastman Kodak Co.; Lewis G. Harriman, President, Manufacturers & Traders Trust Co., Buffalo; George L. Harrison, President, New York Life Insurance Co.; Henry H. Heimann, Executive Manager, National Association of Credit Men; Mrs. Charles Heming, New York City; William M. Holmes, President, Bonwit Teller & Co.; Mrs. Lytle Hull, New York City; John Price Jones, President, John Price Jones Corp.; Arthur Kudner, President, Arthur Kudner, Inc.; Russell C. Leffingwell, J. P. Morgan & Co.; Edward H. Letchworth, Kenefick, Cook, Mitchell, Bass & Letchworth; Samuel Lewisohn, New York City; Edwin P. Maynard, Chairman of the Board, Brooklyn Trust Co.; Robert E. McConnell, President, General Aniline & Film Co.; Thomas A. Murray, President, New York State Federation of Labor; Dr. William I. Myers, New York State College of Agriculture, Cornell University; Thomas I. Parkinson, President, Equitable Life Assurance Society; Richard C. Patterson, Jr., Vice-Chairman of the Board, RKO Corp.; Lewis E. Pierson, New York City; William C. Potter, Chairman, Executive Committee, Guaranty Trust Co. of New York; Samuel W. Reyburn, Associated Dry Goods Corp.; Miss Rose Schneiderman, Secretary, New York State Department of Labor; Emil Schram, President, New York Stock Exchange; Alfred E. Smith, New York City; Allan Sproul, President, Federal Reserve Bank of New York; John P. Stevens, Jr., President, J. P. Stevens & Co., Inc.; Gustave Strebel, President, N. Y. State Industrial Union of CIO; Harold B. Thomas, Vice-President, Sterling Drug, Inc.; Dr. Channing H. Tobias, National Council, Young Men's Christian Association; John C. Traphagen, President, Bank of New York; Owen D. Young, Chairman of the Board, General Electric Co.

of the Board, Chase National Bank of New York; Mrs. Courtland D. Barnes, New York City; Bruce Barton, Batten, Barton, Durstine & Osborn; Eugene R. Black, (ex-officio) Director, Banking & Investment Division, War Finance Committee; John A. Brown, President, Socony-Vacuum Corp.; Henry Bruer, President, Bowery Savings Bank; Samuel Capen, President, Buffalo University; Frank S. Columbus, State Legislative Representative, Brotherhood of Enginemen and Firemen; Mrs. Edward H. Cumpston, Rochester; John W. Davis, Davis, Polk, Wardwell, Gardiner & Reed; Clarence Dillon, Dillon Read & Co.; Frederick C. Ecker, President, Metropolitan Life Insurance Co.; Guy Emerson, Vice-President, Bankers Trust Co.; Leon Fraser, President, First National Bank of New York; E. Chester Gersten, President, The Public National Bank & Trust Co. of New York; Dr. Arthur K. Getman, New York State Department of Education; Walter S. Gifford, President, American Telephone & Telegraph Co.; Perry E. Hall, Morgan Stanley & Co.; Thomas J. Harrgrave, President, Eastman Kodak Co.; Lewis G. Harriman, President, Manufacturers & Traders Trust Co., Buffalo; George L. Harrison, President, New York Life Insurance Co.; Henry H. Heimann, Executive Manager, National Association of Credit Men; Mrs. Charles Heming, New York City; William M. Holmes, President, Bonwit Teller & Co.; Mrs. Lytle Hull, New York City; John Price Jones, President, John Price Jones Corp.; Arthur Kudner, President, Arthur Kudner, Inc.; Russell C. Leffingwell, J. P. Morgan & Co.; Edward H. Letchworth, Kenefick, Cook, Mitchell, Bass & Letchworth; Samuel Lewisohn, New York City; Edwin P. Maynard, Chairman of the Board, Brooklyn Trust Co.; Robert E. McConnell, President, General Aniline & Film Co.; Thomas A. Murray, President, New York State Federation of Labor; Dr. William I. Myers, New York State College of Agriculture, Cornell University; Thomas I. Parkinson, President, Equitable Life Assurance Society; Richard C. Patterson, Jr., Vice-Chairman of the Board, RKO Corp.; Lewis E. Pierson, New York City; William C. Potter, Chairman, Executive Committee, Guaranty Trust Co. of New York; Samuel W. Reyburn, Associated Dry Goods Corp.; Miss Rose Schneiderman, Secretary, New York State Department of Labor; Emil Schram, President, New York Stock Exchange; Alfred E. Smith, New York City; Allan Sproul, President, Federal Reserve Bank of New York; John P. Stevens, Jr., President, J. P. Stevens & Co., Inc.; Gustave Strebel, President, N. Y. State Industrial Union of CIO; Harold B. Thomas, Vice-President, Sterling Drug, Inc.; Dr. Channing H. Tobias, National Council, Young Men's Christian Association; John C. Traphagen, President, Bank of New York; Owen D. Young, Chairman of the Board, General Electric Co.

### Makes New Payment For Lend-Lease Supplies

General Henri Honore Giraud, French Commander in Chief in North Africa, has made a second payment of \$10,000,000 for civilian supplies sent to French North Africa, it was announced on June 2 by Edward R. Stettinius, Jr., Lend-Lease Administrator. The initial check was for \$15,000,000 as was noted in our issue of June 3, page 2093.

In Associated Press Washington advices it was stated:

"Lend-Lease has sent civilian supplies such as medicine, food and clothing valued at \$35,000,000 to French North Africa. Raw materials have been shipped from French North Africa to Britain and United States."

"General Giraud is the only lend-lease customer making cash payments."



R. S. Hecht

## Treasury Is Seeking More Bond Sales Through Pay-Roll Plan

The Treasury Department announced on May 31 that a new campaign will get under way June 15 to increase the sale of war bonds through pay-roll deductions.

Individual quotas will be fixed for the first time for each of the 180,000 firms in the nation in which pay-roll savings plans are now operating and in no case will the established quota be less than 10% of the gross pay roll, the announcement said.

With the slogan "Figure It Out for Yourself," workers will be asked to estimate the maximum amount of bonds they can purchase.

In Associated Press advices, the following was also reported:

The Treasury said its surveys indicate that one out of every two workers is a member of a family in which two or more members are wage earners.

Treasury officials said that wages, salaries and other income are now pouring into the pockets of the American people at an annual rate of \$140,000,000,000, a rate 20% above that of a year ago.

In the first quarter of this year, the Department said, Americans received \$23,285,000,000 from their employers, a third more than the total for January, February and March of 1942 and double the amount for the corresponding period in 1939.

### NY War Finance Group Named By Burgess

Membership of the newly organized War Finance Committee of New York State was announced on June 16 by W. Randolph Burgess, Vice-Chairman of the Board of the National City Bank and Chairman of the War Finance Committee. The Committee consists of some 50 heads of business, labor, banking, women's interests and other groups. The formation of the new committee was announced last week by Treasury Secretary Henry Morgenthau, Jr., as the single agency, formed by unification of the War Savings Staff and Victory Fund Committee for the sale of war bonds to the general public.

Bayard F. Pope, Chairman of the Marine Midland Corporation, is Vice-Chairman of the Committee, and Nevil Ford, Vice-President of the First Boston Corporation, is administrative head of the bond-selling organization in the position of Executive Manager.

The full committee held its first meeting on June 17 at the War Finance Committee headquarters in New York City. Mr. Burgess said that the first order of business was consideration of the general methods of organization and plans for the Third War Loan which will be launched throughout the nation on Sept. 9.

The membership, besides Messrs. Burgess, Pope and Ford, as announced by Mr. Burgess, follows:

Winthrop W. Aldrich, Chairman