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The Financial Situation

For years past both the Administration and Congress have been sowing the wind. Both are now beginning to reap the whirlwind. Worse still, incriminations and re-incriminations, political maneuvers and counter-maneuvers, vindictiveness and ill-temper, gross lack of understanding of fundamentals and want of candor have so befuddled issues that neither the authorities nor the rank and file of the people are able to see clearly what is ahead of them or the reasons for the difficulties being encountered. The simple truth is that unfortunate policies, some of them pursued for a decade or more, are directly responsible for the disgraceful impasse now reached between Congress and the President—and for the extremely hazardous situation that has developed around the so-called "hold the line" campaign.

A Natural Outgrowth of Past Policies

No thoughtful man can well escape distress and deep uneasiness concerning the coal situation, yet it would be childish, or worse, to suppose that it arises simply from the evil genius of a man named John L. Lewis. Still more naive would it be to suppose that it can be adequately and permanently remedied by any such law as Congress has now taken to the statute books over the veto of the President. Worse yet is the idea of the President to amend the Selective Service law to make a sort of criminal statute of it for use in frightening or driving the men back to the coal pits. Such are remedies of baffled and indignant men who resort to the treatment of symptoms because either they do not understand the nature of the ailment with which they are called upon to deal, or else prefer, for one reason or another, not to come to grips with causes.

The trouble in the coal mines—and the very real if incipient difficulties smoldering among other groups of wage earners throughout the country, notwithstanding the pious protestations of Mr. Lewis' rivals—are a perfectly natural outgrowth of the labor policy of the Administration since the day it took office in 1933. In that policy Congress has repeatedly acquiesced, and in the main still apparently acquiesces. Consistently and continuously, unionism, often

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From Washington Ahead Of The News

By CARLISLE BARGERON

Here are some things that are running around Washington. We once thought we had a degree of analytical ability but frankly the situation is getting a little too hectic for us.

1. Washington correspondents returning from the meeting of Governors were impressed: A—All the Governors, Democrats and trend, the centralization of authority in Washington. (In the Detroit race episode, the President had just sent a message, before Federal troops moved in, before he had any authority in the premises, "ordering" the rioters to cease, to return to their homes, to be good.) It excited the Governors, added to their feeling against the Federal Government's encroachment on their preserves. They decided to do something about it. Heretofore, no resolutions have ever come from the conference which could be construed as of a political or partisan nature. The result is that they have been meaningless. The usual resolutions were brought in this time. But a Governor got up and said, in effect, oh nuts, let's quit talking and do something about it. From this there came a resolution severely denouncing the Washington control trend and the authority for the Governors' conference to set up a lobby here in Washington to combat this trend. The surprising thing is that the mover

in this instance had no idea his proposition would be accepted. It was, unanimously. It remains to be seen whether the lobby will actually be set up, but the episode is related as a reflection of the Governors' attitude, as a reflection of the home front "revolution" which is going on.

Interesting also, is that the most unpopular Governor at the conference was Neely of West Virginia, who spoke about a fourth term for Mr. Roosevelt. All the other Governors had been careful to stay away from partisan politics.

The correspondents came away sold on the idea that Dewey is really sincere in his attitude that he is not a candidate for the Republican nomination. This may be either good or bad for the New York Governor's Presidential possibilities. Once the Washington propaganda mill comes to believe that a man is not a candidate they are inclined to drop their discus-

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The News Behind The News

By PAUL MALLON

Shed no tears for John L. Lewis, the triple-strike caller, who is supposed to have been put in his place again until Oct. 31.

The place he was put into is neither uncomfortable nor against his choice.

He and Interior Secretary Ickes got their heads together and adopted this course either at Ickes suggestion with Lewis agreeing or vice versa. They contrived a summer hiatus mainly as a cooling-off period for the War Labor Board.

It has not become generally known, but Mr. Ickes is involved in as deep and bitter a dispute with the Board as Mr. Lewis. Letters have passed between Enforcement Officer Morse of WLB and Ickes (or his right-hand man Abe Fortas) which are 10 degrees hotter than the unprecedented summer Washington climate.

Their correspondence has reached such a degree that many an inside rail-sitter suspects either Ickes or the Board will have to

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Paul Mallon

Congress Overrides President's Veto Of Anti-Strike Bill

Congress overrode President Roosevelt's veto of the Connally-Smith anti-strike bill on June 25 in one of the swiftest reversals ever handed the President.

Within two hours after the veto message had been read in the Senate, the drastic measure, designed to insure full war production, was enacted into law. The Senate overrode the veto by a 56 to 25 vote, while the House voted against the President by 244 to 108, both totals representing more than the required two-thirds majority.

In the Senate vote for overriding, 29 Democrats were joined by 27 Republicans, while 19 Democrats, 5 Republicans and one Progressive favored upholding the Chief Executive. Making up the House vote to override the veto were 114 Democrats and 130 Republicans, while 67 Democrats, 37 Republicans and four minor party members upheld the President.

The Connally-Smith bill provides fines and imprisonment for persons instigating or aiding wartime strikes in Government-operated industries, and outlaws stoppages in other war plants without a ballot of the workers. The law also broadens the powers of the National War Labor Board.



President Roosevelt

In his veto message, President Roosevelt said the bill contained provisions which in fact "would foment slow-downs and strikes." Asserting that he is "unalterably opposed to strikes in wartime," Mr. Roosevelt said he recognized that the bill "has an entirely praiseworthy purpose to insure full war production," but stated he was convinced that Section 8 of the bill "will produce strikes in vital war plants which otherwise would not occur."

The President's principal objection was to Section 8, legalizing strikes in war industries not operated by the Government, provided a secret ballot of workers was taken and 30 days' notice given

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Bricker Favors U. S. Participation In Post-War Peace Organization

Declares Roosevelt Domestic Policy Contradicts Professed Foreign Policy

Governor John W. Bricker of Ohio, a prospective candidate for the 1944 Republican Presidential nomination, on June 24 declared himself in favor of American participation in a post-war international organization to preserve peace.

In an interview at Columbus, the Associated Press quoted Gov. Bricker as saying that "such an organization must not only attempt to solve difficulties when they arise but it must anticipate them and prevent recurring frictions between nations and peoples."



John W. Bricker

He added that whatever kind of peace maintenance association of nations is worked out must be "satisfactory to all or it will not work."

The Associated Press dispatch further said: "As a member of the Republican post-war advisory council named to meet later in the Summer and formulate basic principles to recommend to the 1944 party platform makers, Gov. Bricker was asked what position he would take at this time on after-the-war collaboration with other nations."

He replied: "The United States will play its full part after the war to build a better understanding between nations, to preserve peace and to promote the best interests of the world."

"The desires of the people of the United States for better international relations must be implemented in a practical and constructive way."

The Governor did not go into detail as to what kind of organization he favored, saying only: "What that organization, association or method will be must be determined in the light of facts as they then exist."

This plan, he said, must be "worked out among the victorious nations."

Gov. Bricker further discussed on June 25 the world role the United States should undertake after the war, in an address at Milwaukee before the Wisconsin State Bar Association, at which time he declared that the position of this country in post-war world affairs depended on policies pursued at home. He stated that he joins with those who would "lend the strong arm of American help in the solution of world problems," leaving discussion of post-

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in its most aggressive and unreasonable manifestations, has been encouraged and nurtured by Administrative action and legislative enactment. Employers have been regularly denounced, abused, bedeviled, and made to appear thoroughly unworthy of consideration by the leaders of labor. Their rights have been repeatedly and unreasonably reduced, one by one, and their responsibilities continually enlarged. There has never been any effort, apart from the solicitation of "pledges," to place any sort of responsibility upon the wage earners, who, at the same time, have been granted one new "privilege" after another, and constantly urged to exercise them.

Effective Schooling in Ruthlessness

After such a schooling in shortsightedness, selfishness and ruthlessness it is hardly to be expected that wage earners will act with sweet reasonableness even at the request (or command) of their chief benefactor through the years. The particular crisis facing the country at the moment is in the coal mines, but let no one suppose that the unrest is confined to that industry. Leaders of the other unions, even while renewing their "no-strike pledge," have let it be known in no uncertain terms that unless retail prices are reduced, or "rolled back," as the jargon of the day has it, they will "demand" higher wages forthwith. The alleged relation between the cost of living and wages has all along been the basis of the demands of the coal miners. There is as little basis in actual fact for the assertions that members of other unions have suffered a loss of real wages as there is for Mr. Lewis' buffoonery about the "empty bellies" of the miners. No one who is familiar with the facts can possibly imagine that labor is not much better off so far as real wages are concerned than it was before the war, or for that matter has ever been. Even the Administration by implication admits that it is when it cites the "inflationary gap" in huge figures. If the great rank and file were not able to buy all the necessaries of life available to them, there would be no inflationary gap!

Cutting Production

But the so-called "roll back" as planned by the Administration is not only unnecessary to protect the standard of living of the wage earner, but is gravely interfering with production and the normal distribution of goods. The President has become so obsessed with the fear of "inflation" that he is apparently unable to see the stark danger of a food famine he is inflicting upon the public through his clumsy efforts to control prices. The wage earner would starve quite as quickly if there were insufficient food in the markets as he would if he were without the funds with which to purchase what is there. The price structure is an intricate mechanism, each of its myriads of parts closely dependent upon the others. This is a large and highly variegated country. Any such ambitious plan as that revolving about "roll-backs," detailed price controls and subsidy payments is simply, and it appears to us, palpably administratively infeasible—even with the ablest and most disinterested management to be found in the length and breadth of the land. What would happen to it, and what would happen to the country once it is launched in full sway, given the political milieu in which it would be obliged to function, are subjects which it is not pleasant to contemplate.

Not Amenable to Improvisation

Obviously a situation developing out of basic conditions such as these is not likely to be greatly relieved by any such hasty legislative improvisation of the so-called anti-strike bill, which does not even attempt to get at the root of the difficulty. Neither will the state of affairs be greatly improved by so simple a device as denying the President funds for his ambitious subsidy program—although so far as it goes it appears to be a step in the right direction. Not much more than either of these steps or than both of them combined is required to set the state of affairs aright, or even greatly to reduce the hazards confronting the country.

Admittedly, the problem is a difficult one, made immensely more difficult by egregious errors of the past which cannot be recalled. It will be solved, if solved it is, by close, intelligent and constructive cooperation between the legislative and the executive branches of the Government. Legislation, for the most part probably in the nature of repeal or drastic modification of laws enacted during the past decade, is required, but mere legislation will not suffice. Bold modification of Administration policy along broad lines is called for, but it should have a solid foundation in law. A situation in which the White House pulls in one direction and Congress in another certainly will leave the country in a horrible mess. The need for a "get-together"

of a constructive and intelligent sort is urgent. Another year of past and present policies would be disastrous.

Too Much Control

One of the basic assumptions of a jointly evolved program of relief from present embarrassments should be that there must be a drastic simplification and an even more drastic reduction in the over-all range of controls exercised by Government during the war. We have become intoxicated with the idea of controlling everything under the sun from Washington. Such a notion appears to have become inextricably interwoven in the public mind with the concept of "total war," and the determination to make our war effort as effective as possible. The habits and practices of the totalitarian governments, both allies and enemy, and those which probably have been unavoidable—and measurably effective—in England, lying adjacent to the actual war area, have done something to our thinking—have apparently robbed us of our common sense. Here is the real root of the difficulty, and here its remedy must begin.

"Administrative Chaos"

"No responsible person has proposed a food 'czar,' nor an Angel Gabriel. What large sections of the country and the House Agricultural Committee have demanded is a Food Administrator, acting within the laws passed by Congress and under the President. We need a manager, not a dictator.

"Nor is this a proposal of 'inflation.' Inflation in food prices cannot be stopped unless we have a single, responsible head over the inseparable functions of food production, distribution, prices, rations Government purchases, imports and exports.

"Today these agencies conflict; they disregard the existing laws and economic sense, and in the end they produce scarcity and higher prices. The consolidation of these functions under a competent administrator would check rising prices, should reduce the danger of inflation by assuring more production from the farmers, the abolition of profiteering black markets; local famines, wastes and scapages, and would end the confusion in the distribution system.

"Nor does anybody propose to deprive the people of lower incomes of their full food, but, in fact, to get food to them—which is not happening in our seaboard cities today. For instance, there is abundant cattle on the range and no meat.

"All this can be accomplished without subsidies and all the sins and faults that lie in them. The continuation of this administrative chaos threatens the food to our cities, the food to our armies, the food to our Allies and the relief of post-war famine—in fact, the whole war effort"—Herbert Hoover.

It is unfortunate that petty politics stands in the way of "drafting" Mr. Hoover himself for this task.

The State Of Trade

Reports from most of the heavy industries last week were favorable, with the exception of steel. The retail trade continues to show outstanding gains for the week, with department stores showing sales rise of 28% over last year.

Another new record high was set last week in electric power production, generator output, as reported by the Edison Electric Institute, climbing to 4,098,401,000 kilowatt hours from 4,040,376,000 the previous week.

A year ago the comparable total was 3,433,711,000 kilowatt hours indicating power consumption is running 19.4% ahead of 1942 because of the demand from war industry, particularly aluminum and magnesium plants.

The Pacific Coast held its leadership in percentage gains from year-ago figures with a rise of 27.4%. Southern States demand was up 25.9% from last year.

Carloadings of revenue freight for the week ended June 19 totaled 868,241 cars, according to reports filed by the railroads with the Association of American Railroads. This was an increase of 13,755 cars over the preceding week this year.

This total was 125.11% of average loadings for the corresponding week of the 10 preceding years.

Steel operations this week will drop to the lowest rate for any week in the last two years because of suspensions occasioned by the coal strike, according to the American Iron & Steel Institute. Steel mills are expected to operate at 90.3% of capacity, off 7.3 points from the previous week, when operations were 97.6%. A month ago the indicated rate was 98.4%.

The current schedule is equivalent to production of 1,563,700 net tons of ingots and castings, compared with 1,690,000 in the preceding week, 1,704,000 a month ago and 1,639,200 last year, which included the July 4 holiday.

While the estimated loss of

pared with the same period a year ago.

Department store sales in New York City in the week ended June 26 were 7% larger than in the corresponding week of last year, according to a preliminary estimate made by the Federal Reserve Bank of New York.

In the previous week ended June 19 sales of this group of stores were 18% better than in the comparable 1942 week.

With prospective 1943 corporation earnings forming the basis for any new corporate levies that the Administration might propose in the forthcoming revenue measure, the Department of Commerce revealed that its forecast for the next six months indicates that total corporate earnings before taxes in 1943 may reach a level of \$25,000,000,000.

The Department estimated that the before-taxes profits of corporations will be reduced to \$8,900,000,000 if present corporate taxes remain substantially unchanged. This contrasts with some \$6,900,000,000 during 1942 remaining after taxes. Profits in 1942 before taxes, were \$18,800,000,000.

Advices from Washington state, that while the indications are that additional levies will not be made on 1943 earnings, there is little doubt that the position in which business remains after 1943 taxes would importantly influence the approach to increases which might be proposed for 1944. Legislation enacted later this year, would in all probability be made effective for 1944 income, statements of Administration officials and legislators have indicated.

Gas Utility Revenues Gain In Quarter

Manufactured and natural gas utility revenues amounted to \$326,519,400 for the first three months of 1943, as compared with \$306,462,400 for the corresponding period of 1942, an increase of 6.5%. It was announced on June 24 by the American Gas Association.

The manufactured gas industry reported revenues of \$119,840,600 for the first quarter, an increase of 6.7% from the same period of the preceding year. The natural gas utilities reported revenues of \$206,678,800 or 6.5% more than for the first three months of 1942.

Total sales of manufactured gas for the first quarter were 137,386,900,000 cubic feet, an increase of 8.3%. Natural gas utility sales for the period amounted to 578,713,400,000 cubic feet, an increase of 10.0%.

Manufactured gas sales for industrial uses increased 26.8% over the first quarter of 1942. Sales for domestic purposes such as cooking, water heating, refrigeration, etc. were 5.7% above the same period of the preceding year. Sales for house-heating purposes gained 5.7%, commercial uses decreased 2.6%.

Natural gas sales for domestic purposes showed an increase of 4.7% while industrial sales gained 12.2%.

WFA Labor Office Created

The War Food Administration has announced the establishment of an Office of Labor, thus centralizing all WFA labor programs in one agency. In Washington advices to the "Wall Street Journal" of June 24 it was stated:

"All the personnel, property and funds necessary to carry out the work of the new office will be transferred from the WFA agencies (with the exception of the extension service) previously concerned with labor programs. Col. Philip G. Bruton, former recruiting chief of the labor administration, is the new deputy administrator in charge of labor, the WFA said."

C. G. Davis Resigns As Food Administrator; Marvin Jones Is Appointed Successor

Chester C. Davis, who was "drafted" by President Roosevelt three months ago as War Food Administrator, was relieved of his responsibility on June 28 at his own request, saying that he could not wholeheartedly support the Administration's program for holding down the cost of living.

Mr. Davis's resignation was announced in an exchange of letters between Mr. Davis and Mr. Roosevelt.

The President appointed Judge Marvin Jones of the U. S. Court of Claims as his successor. Judge Jones, who is on leave from his judicial post to serve in an advisory capacity to the Office of Economic Stabilization, was a former member of the House of Representatives and served as head of the Agriculture Committee. He was Chairman of the recent United Nations Conference on Food and Agriculture at Hot Springs, Va.

In his letter of resignation dated June 16, Mr. Davis told the President that while he had responsibility over food, the authority, "not only over broad food policy but day-to-day actions, is being exercised elsewhere." He also expressed belief that the President's program to use subsidies to hold down food costs to consumers would not be effective in controlling inflation unless it were accompanied, as in England, "by current tax and savings programs that drain off excess buying power, and by tight control and management of the food supply."

Therefore Mr. Davis asked to be relieved as soon as he had launched the 1944 food-production program and a broad food-educational program, which he estimated would be under way "before the middle of July."

The President in his reply said he was "truly sorry" that Mr. Davis was unable to continue as Food Administrator, but rejected his offer to stay on temporarily to determine and announce the 1944 food-production program.

Mr. Roosevelt took issue with Mr. Davis's complaint of divided authority. He pointed out that before Mr. Davis had accepted the office of Food Administrator he had set up the Office of Economic Stabilization and empowered the Director to settle any disputes arising between the food and price administrators.

Observing that stabilization extended to rent, clothing and wages as well as food, the President said: "If we are to stabilize all prices, we must place the final responsibility in one official. I know of no better method of coordinating the work of the Food Administrator and the Price Administrator, although that method does require a willingness on the part of both administrators to accept the decisions of the Stabilization Director."

Mr. Roosevelt said that he agreed with Mr. Davis on the need of a tax and savings program to enforce the price and rationing programs, but he said that he could not sit back and fail to advocate other measures, "such as limited consumers' subsidies," just because Congress had not provided the tax legislation he had requested.

"Of course you know," Mr. Roosevelt added, "that I also favor and have advocated such support programs and incentive payments to producers as will enable us to obtain the necessary war production."

The President, referring to subsidies, denied that he had proposed broad, general subsidies and said he had expressed favor only for limited payments to maintain farm prices and hold down consumer prices. He said that he had stated his willingness to consider any other program that would accomplish these aims but "none has been offered me."

Mr. Davis was appointed Food Administrator on March 25, receiving a leave of absence from his post as President of the Federal Reserve Bank of St. Louis (this

was noted in our issue of April 1, page 1215). He had previously served for several years as Director of the Agricultural Adjustment Administration.

The text of Mr. Davis's letter follows:

Dear Mr. President: Some time at your convenience I should like to discuss fully with you the future direction of the food program. After I have completed two undertakings, I should like to be relieved of my present responsibility. The two unfinished jobs that I should carry further before leaving are:

1. Rounding out and announcing the general 1944 food-production program, and
2. Holding three meetings in New York, Chicago and San Francisco, that are essential in launching the broad food educational program.

These major programs should be well shaped up and under way before the middle of July.

Two main causes have brought me to the reluctant conclusion that I will not be able to serve you satisfactorily in my present capacity:

1. I find that I have assumed a public responsibility while the authority, not only over broad food policy but day-to-day actions, is being exercised elsewhere.
2. You must have in my position a man who can wholeheartedly advocate and defend the program of broad general subsidies you announced on June 15. I cannot do this for the reason that I do not believe such subsidies will be effective in controlling inflation unless they are accompanied here, as they are in England, by current tax and savings programs that drain off excess buying power, and by tight control and management of the food supply. We do not have in this country anything approaching these conditions.

Respectfully yours,
CHESTER C. DAVIS.

Following is the President's reply:

Dear Chester: I have given a good deal of thought to your letter of June 16, and your request to be relieved of responsibility for the future direction of the food program.

No one appreciates more than I do your ability in dealing with agricultural matters. But I am sure that you will agree with me that effective teamwork is absolutely necessary.

Before the Office of Economic Stabilization was established, differences as to prices and wage policies from time to time arose between the various war agencies which frequently had to be brought to me. The Act of Oct. 2, 1942, directed me to stabilize the cost of living so far as practicable on the basis of the levels prevailing on Sept. 15 and authorized me to exercise my authority through such department, agency or officer as I might direct.

Under that act, and before you accepted the office of Food Administrator, I set up the Office of Economic Stabilization and authorized the Director, among other things, to resolve disagreements which might arise between the Food Administrator and the Price Administrator and to issue to them policy directives. If we are to stabilize all prices, we must place the final responsibility in one official. I know of no better method of coordinating the work of the Food Administrator and the Price Administrator, although that method does require a willingness on the part of both administrators to accept the decisions of the Sta-

bilization Director. The country realizes that stabilization applies not only to food but to many other things, such as rent, clothing and wage decisions. The broad objective is, of course, to prevent the cost of living from spiraling upward and the purchasing power of the dollar from spiraling downward.

I agree with you that we cannot fully or effectively enforce our price or rationing programs or fully or effectively stabilize the cost of living without an adequate tax and savings program to drain off excess purchasing power. I have emphasized that fact in my budget message, in my statement on the hold-the-line order and on other occasions. But because the Congress has not yet provided the tax legislation I have requested, I cannot sit back and fail to advocate other measures, such as limited consumers' subsidies, which I am convinced can help to prevent the cost of living from getting completely out of hand. Of course, you know that I also favor and have advocated such support programs and incentive payments to producers as will enable us to obtain the necessary war production.

I think you will also realize that I did not announce a program of broad general subsidies at my press conference on June 15. I stated my views on limited subsidies in order to maintain farm prices and hold down consumer prices, and stated my willingness to give full and sympathetic consideration to any program which would accomplish these two ends. None has been offered me.

I am truly sorry that you feel unable to continue as Food Administrator, subject to the coordinated controls which I have established, and which I believe essential for the proper functioning of our war effort. But it would be unfair to you to insist that you remain in your position when you feel that, all things considered, you cannot wholeheartedly support a program to hold down the cost of living.

There can be no disagreement on the program for 1944, which you recently discussed with me. Everybody is agreed that far greater efforts must be made to increase production next year.

However, the result of such a program for crops maturing in 1944 will not make itself felt until at least a year from now. What I am concerned with is the objective of keeping the cost of essential foods down for the next 12 or 14 months. That, it seems to me, is of immediate concern to the country. The pay envelopes of tens of millions of our citizens will not compensate them for great increases in their food bills.

In regard to the program for next year, I do not think that it would be advisable for you finally to determine and announce it. Whoever takes over as Food Administrator would then be called on to administer a program which he had no part in determining. That would really be a case of dividing authority.

Very sincerely yours,
FRANKLIN D. ROOSEVELT.

With War Finance Group

W. Randolph Burgess, Chairman of the War Finance Committee of New York State, announced on June 22 that E. F. Dunstan, Vice President of the Bankers Trust Co.; Harold A. Sutphen, Vice President of the J. Henry Schroder Banking Corp., and Gail Golliday, Vice President of Bonbright & Co., have been added to the Banking and Investment Division of the Committee.

The new appointees will assist Eugene R. Black, Vice-President of the Chase National Bank, on leave, who is Director of the Banking and Investment Division.

Allied Food Conference Ruled Out Idea Of Any Nation 'Playing Santa Claus,' Says Jones

Judge Marvin Jones, Chairman of the United Nations Conference on Food and Agriculture, made a report to the House Agriculture Committee on June 22 regarding the work done at the meeting held at Hot Springs, Va.

In his statement, Mr. Jones said the conference "was the first step in an effort to get the nations of the earth to work together in time of peace as necessity compels them to work together in time of war." He said the delegates to the food conference "believed somehow, somewhere, conditions can be so fashioned that every able-bodied person will have a chance to earn what he needs to eat and be able to secure enough of the right kind of food for life and health. That is a very simple idea, but it has never been realized. The most important thing in the world is to make it a fact."

Stating that the conference's recommendations were limited to "basic fundamentals," Mr. Jones added:

"Let it be understood at the beginning that these various recommendations do not carry with them the idea of any nation playing the part of Santa Claus. No nation is wealthy enough to do this, and besides, it is not a sound method of building a strong people. It was therefore recognized in the Declaration that the building of its own resources and the taking care of the needs of its people are the primary responsibility of each country. But it was also recognized that by exchanging information, lending a helpful hand, treating each other as neighbors rather than as hereditary enemies, and by working together along common-sense, practical lines, we can all help each nation to help itself. What people want is not a free ride but a free opportunity—the chance to work and help to build."

Mr. Jones summarized the various recommendations of the

conference, among them a freer exchange of agricultural commodities and "expanded production for expanded use rather than limited production for limited use of the products of both farm and factory."

Expressing the hope that "the foundations have been laid for better living conditions in all countries, and that the action taken will tend to promote enduring peace for the nations of the world," Mr. Jones concluded:

"War conditions have shown that full employment can be had. There is no reason why that cannot be continued in a world of peace. Through expanded production, full employment and complete use, world conditions can be built in such a fashion that for the first time, every man everywhere will know that he can earn enough to eat. If we can win security from hunger for all men, we can win for freemen security from the rise and aggression of tyrants. If we can win freedom from want we can make all men strong enough to be free."

"If the peoples of the earth can be better fed and enjoy better health; if we can provide full employment and full production and distribution of the products of both the farm and the factory; if we wisely use and truly conserve the natural resources of the earth—if we do these things we will not only provide the highest standards of living the world has ever known, but we will lay the foundation for a lasting peace."

New Deal Destroying Vitality Of America, Rep. Dirksen Declares

The collectivist Marxist philosophy of the New Deal is destroying the vitality of America and is in grave danger of leaving this republic so weak that it cannot meet its post-war problems and obligations, Representative Dirksen of Illinois warned on June 26, said David Cameion, of the Washington Bureau of the New York "Journal-American," in a special dispatch to that paper on June 26 and in which he further stated:

"The essential problem faced by Congress is greater than the question of subsidies, greater than the Office of Price Control or any other individual bureau.

"The great issue is the executive versus the legislative. It is going to plague us from here on out, and I am greatly disturbed.

"It is a question whether the President is above the law or amenable to the law. The very fact that in the last ten years there have been 3,600 executive orders against the 4,500 public laws passed by the Congress is some indication of the power that has been arrogated to the executive branch at the expense of the legislative branch."

He warned that it is a part of a design that has occurred before in the history of the Republic: that Alexander Hamilton, Woodrow Wilson and Theodore Roosevelt all had tried to strengthen the executive branch, and Dirksen asked:

"What shall it profit us to gain freedom for the whole world and lose constitutional government at home?"

The encroachment of the executive, he said, is "tragic business," and he warned that it is growing day after day.

Speaking of subsidies, Dirksen said:

"They will be a part of the whole collective pattern, a part of the socialization pattern.

"And when we are pretty well on that road, what will be our condition, what will be our capacity for dealing with the big prob-

lems of the nation and the world when the war is over?

"It is easy to talk about the 'Four Freedoms' and to talk about elevating the condition of 400,000,000 or 500,000,000 people throughout the world. But do 130,000,000 people have the capacity?"

They might, he said, if "the very integrity of the republic is maintained," and he continued:

"A collective ideology cannot do it."

Cullen Quits NY Ins. Dept.

Thomas J. Cullen, Acting New York State Superintendent of Insurance, has announced the retirement from the Department of J. LeVerne Wood, Chief of the Complaint Bureau. Mr. Wood was appointed an examiner by former Superintendent William H. Hotchkiss on Dec. 22, 1909. A few years later the Complaint Bureau was formed and Mr. Wood became its first chief in 1913.

In announcing the retirement, Mr. Cullen said, "Mr. Wood has served the Insurance Department and the people of this State over a period of 34 years. As Chief of the Complaint Bureau he has probably had more contacts with the public than any other person in the Department. During that time his characteristics of honesty and devotion to duty have served him well in carrying on the work of the Bureau. Through his retirement the State has indeed lost a conscientious and loyal servant."

President To Ask Rise In Draft Age To 65 To Prevent Future Work Stoppages

President Roosevelt, in describing the action of the United Mine Workers' leadership as "intolerable," indicated on June 23 that he intends to ask Congress to raise the draft age limit for non-combat service to 65 years in order to have available machinery for prompt action against future work interruptions.

It was stated in United Press accounts from Washington on June 24 that Congressional reaction to President Roosevelt's proposal to raise the draft-age limit to 65 years and to draft strikers indicated that the suggestion would meet stiff opposition, in and out of Congress. The advice further stated:

Among those objecting to the use of the army as punishment were Chairman Harry S. Truman (D., Mo.) of the Senate committee investigating the war effort; Representative Howard W. Smith (D., Va.), co-author of the anti-strike bill, who thinks it would be "an insult to soldiers on the battlefield," and Representative Forest A. Harness (R., Ind.) who called it a "slave labor" plan.

Others, including Representative William Colmer (D., Miss.) and Senator Harry F. Byrd (D., Va.) however, approved the plan, calling attention to "work-or-fight" bills they have introduced. From the mine fields the reaction generally was one of resentment, with thousands of miners refusing to return to the pits.

The text of the President's statement on the coal mining situation follows:

"It is a good thing that the miners are returning to their work. This is the third time within a short period that the production of coal has been interrupted. As a result of these three interruptions war production has been slowed down.

"Aside from United Mine Workers' coal mining, the making of war munitions and supplies has gone ahead extremely well. Aside from United Mine Workers' coal mining, the no-strike pledge by organized labor has been well kept, the few small unauthorized

strikes which have occurred having affected only a very small fraction of 1% of production.

"The action of the leaders of the United Mine Workers coal miners has been intolerable—and has greatly stirred up the anger and disapproval of the overwhelming mass of the American people.

"The mines for the time being, of course, will continue to be operated by the Secretary of the Interior under the executive order of May 1. The terms and conditions of employment will be those announced by the National War Labor Board in its directive of June 8. There has been no promise or commitment by the Government to change those terms and conditions in any way.

"Before the leaders of the United Mine Workers decided to direct the miners to return to work, the Government had taken steps to set up the machinery for inducting into the armed services all miners subject to the Selective Service Act who absented themselves without just cause from work in the mines under Government operation.

"As the Selective Service Act does not authorize the induction of men above 45 years into the armed services, I intend to request the Congress to raise the age limit for non-combat military service to 65 years. I shall make that request of the Congress so that if at any time in the future there should be a threat of interruption of work in plants, mines or establishments owned by the Government, or taken possession of by the Government, the machinery will be available for prompt action."

Foreign Policy 1944 Issue Says Clare Luce Calling New Deal Dead On Home Front

Representative Clare Boothe Luce (Rep., Conn.) told Wisconsin Republicans on June 27 that the New Deal reputation was dead on the home front and that President Roosevelt could only survive it by convincing the people that his foreign policy was sound.

In giving the keynote address before the Republican State convention at Appleton, Wis., Mrs. Luce said that the Federal administration had offered only a false security and that Americans would demand a post-war victory that would guarantee a "free and ever expanding economy."

Republicans have met the challenge in Wisconsin, Mrs. Luce asserted, and declared she was confident that they would do it nationally.

In Associated Press accounts, the following was also reported:

Mrs. Luce said the Roosevelt administration has established a "charity government."

"Charity is what you are given when you don't get justice. Then you get doles, handouts, WPA-ism, special subsidies and special benefits to the favored and special groups within the economy."

She declared that government bureaucracy had become "one of the most unpopular tyrannical systems that had ever been set up in the nation."

"Today what all Americans want from the cradle to the grave is real opportunity—not the New Deal's false security. Today, what all Americans will demand is a victory which, in a post-war America governed by just men and just laws, will guarantee us the free and ever extending economy of which this greatest of nations is capable.

"This is the challenge to the Republican party and I believe that the 1944 Republican party will meet it. It will become the majority party in the nation as you are in this State already."

Mrs. Luce said that she understood there was some question in Wisconsin about the "isolationists" and the "interventionists."

"If an isolationist is or was a man who wanted to stay out of the war, then I am an isolationist and so, I believe, was everybody in the United States before Pearl Harbor," she said.

"If we Republicans are going to be smeared because we refuse to accept Mr. Roosevelt's foreign policy, we had better discover quickly what it is we are being smeared for. We had better examine Mr. Roosevelt's foreign policy closely and at once, because if the New Deal is re-elected, this is the issue it will be re-elected on.

"The New Deal is dead so far as its reputation on the home front goes. It can only survive if it can convince the people that its foreign policy is and was sound.

"This is cannot do, because the New Deal had no positive foreign policy and has none now, except that it is borrowed temporarily from our British cousins. While that is better than nothing, it is still, for the United States, second best.

"Let us once and for all face this fact. The same philosophy of charity as government which has inspired the New Deal at home will inspire the New Deal abroad.

"W. P. A. at home will become W. P. A. abroad. Washington bureaucracy will become world bureaucracy, and all will be run

Gov. Bricker Seen In Race For Presidency

Gov. John W. Bricker's Milwaukee speech June 25 advanced him from the realm of a 1944 Republican Presidential "possibility" to the status of an "undeclared candidate" for the nomination, it was agreed in political circles, in the opinion of Carl Turner, International News Service Staff correspondent, who in advices from Columbus, Ohio, June 26, published in the New York "Journal-American" further indicated his views as follows:

"Any doubt existing before that Governor Bricker, at the time he considered propitious, would throw his hat into the ring, was erased by his straightforward discussion of foreign and domestic affairs before the Wisconsin Bar Association.

"Already there have been repercussions. In Cincinnati, friends of Mayor James Garfield Stewart, who has gubernatorial ambitions, declared the tenor of the Bricker speech paved the way for Stewart to seek the Republican nomination for Governor next spring.

"Governor Bricker must seek renomination for a fourth term in the Ohio May primary election, or step aside and open the field to all comers. He could enter the gubernatorial primary whether or not he expected to win the Presidential nomination, for the party national conventions come along a month or two later."

Rubber Mismanaged Says President O'Neil

According to a United Press dispatch from Houston, Tex., William O'Neil, President of the General Tire & Rubber Co., in charging that the New Deal has "grossly mismanaged" the allocation of rubber, on June 26 asserted that "there is no question that we could remove gasoline rationing for all passenger automobiles except in those areas where actual shortages of gasoline exist.

Mr. O'Neil added: "The rubber companies could keep all of them on the road with tires made of 100% reclaimed rubber. At 35 miles an hour, those tires would run from 7,500 to 10,000 miles."

Heads Financial Librarians

At the business meeting of the Financial Group of the Special Libraries Association, in New York City on June 24, Ruth Miller, Librarian of the Central Hanover Bank & Trust Co., New York, was elected Chairman of the group, succeeding Mary P. McLean, Librarian of the American Bankers Association. Vera Knox, Librarian of The Tax Foundation, was elected Vice-Chairman, succeeding Miss Miller and Margaret Siegmund, Librarian, Bankers Trust Co. of New York, was re-elected Secretary-Treasurer. Dr. Paul F. Cadman, Economist, American Bankers Association, and J. H. Riddle, Economic Advisor, Bankers Trust Co., addressed the Financial Group of the Special Libraries Association at its Wartime Conference.

overseas with the same juggernaut inefficiency with which it has been run at home.

"Above all, I have said that the time has come for the Republican party to stop defending itself against the name 'isolationist'—by development of the strong, realistic, common-sense American foreign policy which will then become the foundation of a world peace policy that all nations can embrace because they can understand it."

U. S. Chamber Of Commerce Offers Nine-Point Plan To Preserve Free Economy

The Chamber of Commerce of the United States outlined on June 26 a nine-point program for the year. The program is grouped under three general headings as follows: Winning the war; preparing for victory, with attention both to the transition period and post-war reconstruction; and a long-range goal for preservation of competitive enterprise and representative democracy.

The nine subjects under these groups, according to advices June 26 to the New York "Herald Tribune" from its Washington bureau, follow:

"1. Federal Fiscal Affairs: Campaign to secure a regime of taxation and finance that will include the principles necessary to war finance and to post-war reconstruction, and to assure economy in government.

"2. Prices and Rationing: Formulate a constructive program for effective price controls, without subsidies, and with minimum disruption of established business usages.

"3. Controls: Formulate policies and work for Congressional action to provide now for the orderly removal of unnecessary controls in the interest of a stable transition period.

"4. Renegotiation of Contracts: Continue to work for needed changes and for the principle of major dependence on revenue laws to recapture unreasonable earnings.

"5. Management - Labor: Take leadership in protecting the respective interests of management and labor through mutual agreements on their rights and responsibilities and through law.

"6. Social Security: Define a social security program that can and will be supported by American business.

"7. Termination and Settlement of Contracts: Work to secure prompt settlement of terminated contracts so that industry may proceed without uncertainties to normal production and employment.

"8. Disposal of War Plants and Surpluses: In co-operation with governmental agencies, develop measures for the orderly liquidation of war plants and surpluses without unduly retarding resumption of normal business operations and employment.

"9. World Economics: Analyze and report on proposals that may affect business in governmental discussions of peace conditions and take steps to see that American enterprise is safeguarded at the peace table."

In making public the program, Eric A. Johnston, President of the Chamber said:

"The United States Chamber embraces within its membership more than 1,800 national, regional, state and local business men's organizations. It speaks for nearly 1,000,000 business men who make up the membership of these organizations. It was created to ascertain and make known business opinion on problems that must be solved to make possible an orderly conduct of our economic affairs. Its duty is to deal boldly with issues involved in the attainment and preservation of a free competitive economy and with the preservation of representative democracy. To accomplish its objectives may mean that it fights to maintain a satisfactory status quo; or it may mean that it works for necessary readjustments to enable business to meet new demands. The motto of the Chamber is: 'If it is not for the good of the public, it is not for the good of business.'"

President Favors Food Subsidies But Rejects Plan For Food 'Czar'

President Roosevelt told his press conference on June 15 that he had no intention of creating a "czar" with over-all powers over food matters and defended the use of subsidies to hold down food costs to consumers.

The President said that if Congressional critics of subsidy payments know of a better way to combat inflation they should offer it.

Mr. Roosevelt had been urged by Congressional delegations to vest all powers over food problems in a single administrator.

In his press discussion of inflation and food prices, these major points were developed, according to the Associated Press:

1. He expects the Office of Price Administration (OPA) to go on as it has been. He replied with a flat no when asked if it is to be "split up."

2. There have been delays, Mr. Roosevelt acknowledged, in handling food and other matters as a result of divisions of authority, but he said he expected the new Office of War Mobilization (OWM) to co-ordinate the work of all and eliminate delays.

3. While strongly supporting the idea of subsidies, Mr. Roosevelt said he thought he would not send Congress a message on the subject because the legislators already knew that was one way to buck inflation. If they had a better way, he said, they could come out with it.

In discussing subsidies, the President spoke of \$1,500,000,000 to \$2,000,000,000 as the possible cost, but said these were just figures he had taken from the newspapers. But assuming they were correct, he said, that would be only 1½ to 2% on a \$100,000,000,000 cost of the war.

Dr. Parmelee Says High Rail Earnings Face Slump

Dr. J. H. Parmelee, Director of the Bureau of Railway Economics of the Association of American Railroads, in testifying at a hearing held before the Emergency Board of the National Railway Wage Panel in New York City, on June 28 declared that "the present high level of railroad traffic and earnings is of a temporary nature," according to the New York "Times." He is also quoted as saying that "as soon as the abnormal stimulus of the war effort is withdrawn, traffic due to war activity will rapidly decline to the vanishing point, while other traffic will be subjected to more intensive competition than ever before." Dr. Parmelee was the first witness in behalf of the railroads. The five large Railroad Brotherhoods are seeking a 30% wage increase for nearly 400,000 railroad workers.

A backlog of deferred maintenance has been piling up to be taken care of in future years "because of shortage of critical material and the pressure on railroads in 1942 and 1943 to handle the heavy traffic thrust upon them by the war," Dr. Parmelee stated.

He added that it was "entirely probable that the net railway operating income for the second half of 1943 will fall below that of the corresponding period of 1942."

Congress Overrides Veto Of Anti-Strike Bill; One Of Swiftest Reversals Ever Given FDR

(Continued from first page)

before a strike was called. He passed off as irrelevant a prohibition against political contributions by labor organizations.

Mr. Roosevelt said he would have approved the bill had it been limited to the first seven sections—giving him statutory power to seize war facilities, providing for maintenance of existing terms and conditions of employment except as directed by the War Labor Board, levying fines of \$5,000 and imposing one-year prison sentences on persons instigating, directing or aiding a strike in a Government-operated plant or mine, and giving statutory standing to the War Labor Board.

The President said he favored a direct approach to insure the continuity of war work and recommended amending the Selective Service Act so that persons up to 65 years of age may be inducted into noncombat military service.

Passage of the anti-strike bill and the action of labor in urging a veto of the measure were reported in our issue of June 17, page 2287.

The text of the President's veto message follows:

"I am returning herewith, without my approval, S 796, the so-called War Labor Disputes Bill.

"It is not a simple bill, for it covers many subjects. I approve many of the sections; but other sections tend to obscure the issues or to write into war legislation certain extraneous matter which appears to be discriminatory. In the form submitted to me, the accomplishment of its avowed purpose—the prevention of strikes in wartime—could well be made more difficult instead of more effective.

"Let there be no misunderstanding of the reasons which prompt me to veto this bill at this time.

"I am unalterably opposed to strikes in wartime. I do not hesitate to use the powers of government to prevent them.

"It is clearly the will of the American people that for the duration of the war all labor disputes be settled by orderly procedures established by law. It is the will of the American people that no war work be interrupted by strike or lock-out.

"American labor as well as American business gave their 'no strike, no lock-out' pledge after the attack on Pearl Harbor.

"That pledge has been well kept except in the case of the leaders of the United Mine Workers. For the entire year of 1942 the time lost by strikes averaged only five one-hundredths of 1% of the total man-hours worked. The American people should realize that fact—that 99.95% of the work went forward without strikes, and that only five one-hundredths of 1% of the work was delayed by strikes. That record has never before been equaled in this country. It is as good or better than the record of any of our allies in wartime.

"But laws are often necessary to make a very small minority of the people live up to the standards that the great majority of people follow. Recently there has been interruption of work in the coal industry, even after it was taken over by the Government. I understand and sympathize with the general purpose of the War Disputes Bill to make such interruptions clearly unlawful.

"The first seven sections of the bill are directed to this objective.

"Section 1 provides that the Act may be cited as the 'War Labor Disputes Act.'

"Section 2 relates to definitions.

"Section 3 gives statutory authority to the President to seize war facilities—a power already exercised on several occasions un-

der executive order or proclamation.

"Sections 4 and 5 of the bill provide for maintaining existing terms and conditions of employment, except as directed by the War Labor Board.

"Section 6 makes it a criminal offense to instigate, direct or aid a strike in a government-operated plant or mine.

"This would make possible the arrest of a few leaders who would give bond for their appearance at trial. It would assure punishment for those found guilty, and might also have some deterrent effect. But it would not assure continuance of war production in the most critical emergencies.

"Section 7 gives the National War Labor Board statutory authority and defines its powers.

"Broadly speaking, these sections incorporate into statute the existing machinery for settling labor disputes. The penalties provided by the Act do not detract from the moral sanctions of labor's no-strike pledge.

"If the bill were limited to these seven sections, I would sign it.

"But the bill contains other provisions which have no place in legislation to prevent strikes in wartime and which in fact would foment slow-downs and strikes.

"I doubt whether the public generally is familiar with these provisions. I doubt whether the Congress had the opportunity fully to appraise the effects of these provisions upon war production.

"Section 8 requires the representatives of employees of a war contractor to give notice of a labor dispute which threatens seriously to interrupt war production to the Secretary of Labor, the National War Labor Board and the National Labor Relations Board, in order to give the employees the opportunity to express themselves by secret ballot whether they will permit such interruption of war production.

"It would force a labor leader who is trying to prevent a strike in accordance with his no-strike pledge to give the notice which would cause the taking of a strike ballot and might actually precipitate a strike.

"In wartime we cannot sanction strikes with or without notice.

"Section 8 further makes it mandatory that the National Labor Relations Board on the thirtieth day after the giving of the notice take a secret ballot among the employees in the plants, mines, facilities, bargaining unit or bargaining units, as the case may be, on the question of whether they will stop work. This requirement would open the whole controversy over 'bargaining units,' a fruitful source of controversy and of bitter jurisdictional strife.

"Section 8 ignores completely labor's 'no strike' pledge and provides, in effect, for strike notices and strike ballots. Far from discouraging strikes, these provisions would stimulate labor unrest and give Government sanction to strike agitations.

"The 30 days allowed before the strike vote is taken under Government auspices might well become a boiling period instead of a cooling period. The thought and energies of the workers would be diverted from war production to vote-getting.

"The heads of our military, naval and production agencies have testified that these provisions are likely to be subversive of the very purpose of the bill—uninterrupted production.

"Section 9 of the bill prohibits for the period of the war political contributions by labor organizations. This provision obviously has no relevancy to a bill prohib-

Bricker Favors American Participation In Post-War Organization To Preserve Peace

(Continued from first page)

sibilities of such activity to future speeches, and centering his address on domestic affairs and their handling by the Roosevelt administration. His remarks at Milwaukee were indicated as follows in Associated Press accounts from that city June 25:

"For ten years our national administration has pursued a domestic policy which, at every point, hampers and contradicts its professed foreign policy," he asserted.

As an example, he mentioned agriculture, saying that under the Administration program "we were to grow what we need for our own purposes and only what we needed for our own purposes."

"The tragic results of that policy now face us with grim and forbidding reality," he went on. "Hunger stalks around the world and we are rationed here, because of such fallacious programs."

Governor Bricker said the United States should participate freely in world trade. He expressed opposition to lowering living standards of American labor and suggested that superior efficiency in production be used to meet competition of goods offered by low-wage nations. Destructive inflation would be an insuperable trade handicap, he said.

"And yet, we have an Administration in Washington so divided among itself that for ten years the State Department and, at times, the President and other agencies, have exalted the mission of America in promoting foreign trade," he asserted. "At the same time, we have had other departments, and you can supply the names of those responsible for those departments, who have been telling us that sound economic policies require continuous inflation. And the President has supported that side of his Administration, too. The consequences of this ruinous division of policy are already appearing. No official pronouncement, no matter how exalted, can reconcile a policy of inflation with a policy of increased foreign trade."

Gov. Bricker said the public should be protected from public

ity strikes during the war in plants operated by the Government or to a 'War Labor Disputes Act.' If there be merit in the prohibition it should not be confined to wartime, and careful consideration should be given to the appropriateness of extending the prohibition to other non-profit organizations.

"There should be no misunderstanding—I intend to use the powers of government to prevent the interruption of war production by strikes. I shall approve legislation that will truly strengthen the hands of government in dealing with such strikes, and will prevent the defiance of the National War Labor Board's decisions.

"I recommend that the Selective Service Act be amended so that persons may be inducted into non-combat military service up to the age of 65 years. This will enable us to induct into military service all persons who engage in strikes or stoppages or other interruptions of work in plants in the possession of the United States.

"This direct approach is necessary to insure the continuity of war work. The only alternative would be to extend the principle of selective service and make it universal in character.

"I recognize that this bill has an entirely praiseworthy purpose—to insure full war production. But I am convinced that Section 8 will produce strikes in vital war plants which otherwise would not occur. Therefore I could not properly discharge the duties of my office if I were to approve S 796."

or private monopoly. He held that government assistance to citizens seeking security against the needs of age and unemployment is legitimate, and that in every extension of Federal authority State rights must be respected.

MBA Surveys Effect Of War On Mortgages Of Men In The Service

Reporting the results of the first nation-wide survey made of the effects of the war on mortgages of men who have gone into the service, the Mortgage Bankers Association of America announced on June 26 that the most significant conclusions to be drawn from the study are that a surprisingly few service men have had to seek relief under the Soldiers' and Sailors' Civil Relief Act, that there has been little difficulty in adjusting payments and that there seems to be no reason to believe that when the higher age groups—including men with children—are inducted, present experience will be more unfavorable. The advices from the Association state:

"The study is based upon the experience of nearly 250 important mortgage lending institutions including 41 large life insurance companies and 32 large commercial banks. Seventy-eight cities in 31 states were covered.

"Most of the nearly 800 members of the national Association reported no mortgage defaults of service men. The nearly 250 institutions reporting defaults have had only 858 cases. The largest number was that on a west coast bank with 87. One life insurance company has had 75 and another 63. Most institutions have had only one or two. Only nine institutions reported more than 20 cases each.

"What is going to happen to the mortgage loans of the older men who will likely be drafted later this year and next is not entirely clear from the survey but the majority of the mortgage bankers believe that no greater difficulties will be encountered than have been experienced so far, according to Charles A. Mullenix, president. The vote on this question was about 60 to 40 that proportionately not many more defaults are likely to occur.

"Men going into the service can secure relief from payment of principal and interest on their mortgage loans while they are in the service but must eventually make full payment.

"A principal difficulty lenders have encountered has been the 'curbstone' advice of people who know little of what the Soldiers' and Sailors' Civil Relief Act actually provides for and who have, in many instances, told servicemen that going into the service means that they are released forever from principal and interest payments on their loans while they are in the service. Most of this advice has come from civilians, the study shows, but some of it has come from uninformed army sources.

"Another has been the delay in dependents of men in service receiving allotment checks. There have been surprisingly few attempts to take an unfair advantage of the Act as it pertains to mortgage loans and there have been relatively few cases which have had to be taken to court. The study showed no particular sectional trends although lending institutions in the South and West seemed to have had relatively more default cases than elsewhere." It is also stated:

"The survey shows servicemen's mortgage problems have usually been worked out satisfactory to all

concerned, that, as usual, there are some who like to advise about things they know nothing about and finally—and this is particularly true—servicemen with mortgage loans outstanding have, in practically all cases, wanted to do the right thing once they knew what the law provides for. What is most encouraging is that the majority of the lenders surveyed do not anticipate a great wave of mortgage defaults when the higher age groups are inducted. The significance of this is that the higher percentage loans we have been making in the last ten years are sound loans. It further reflects the fact that Americans like to pay their debts."

Treasury Closes Books On \$2.5 Bill. Note Sale

The subscription books for the current offering of \$2,500,000,000 of 1½% Treasury Notes of Series A-1947 were closed at the close of business on June 29. These securities, dated July 12, 1943 and due Sept. 15, 1947, were placed on sale through the Federal Reserve Banks on June 28 with no restrictions as to the basis for subscribing. Secretary of the Treasury Morgenthau announced the offering on June 26 explaining that these securities were designed to raise additional funds in advance of the Third War Loan Drive, which is scheduled to get under way in September.

In disclosing the terms of the latest "new money" offering, Secretary Morgenthau said that, with the exception of weekly bill offerings, two other financing operations are planned for the Summer. He explained that part of the proceeds from the current sale will be used to pay off in cash \$324,000,000 of Reconstruction Finance Corporation notes maturing July 15 but that the Treasury may obtain additional funds some time in August in connection with the probable issuance of new certificates of indebtedness to pay off the \$1,609,000,000 in certificates which fall due August 1.

The following details of the new 1½% notes is from the Treasury's announcement:

"The notes will be dated July 12, 1943, and will bear interest from that date at the rate of 1½% per annum, payable on a semi-annual basis on Sept. 15, 1943, and thereafter on March 15 and Sept. 15 in each year until they mature on Sept. 15, 1947. They will not be subject to call for redemption prior to maturity. They will be issued only in bearer form with interest coupons attached, in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000.

"Pursuant to the provisions of the Public Debt Act of 1941, interest upon the notes now offered shall not have any exemption, as such, under Federal tax Acts now or hereafter enacted. The full provisions relating to taxability are set forth in the official circular released today.

"Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Subscriptions from banks and trust companies for their own account will be received without deposit, but subscriptions from all others must be accompanied by payment of 2% of the amount of notes applied for.

"Subject to the usual reservations, subscriptions for amounts up to and including \$100,000 will be allotted in full, and subscriptions for amounts over \$100,000 will be allotted on an equal percentage basis, to be publicly announced. Payment for any notes allotted must be made or completed on or before July 12, 1943, or on later allotment."

Back-To-Work Move By Coal Miners Gains Silver Use By Industry Approved By Senate

The back-to-work movement gained momentum in some sections of this country's coal fields during the past week, but an estimated 139,000 miners continued an unauthorized "no contract, no work" stoppage, an Associated Press dispatch from Pittsburgh, Pa., stated on June 29. Another blast furnace—the nation's eighteenth—was shut down as coal supplies dwindled in war industries, it was stated. The dispatch further added:

"A few new walkouts developed in some areas. Over the nation, however, the number at work on Tuesday of this week was 16,000 higher than on Monday.

"Full scale operations were resumed on June 29 in both Kentucky and Ohio. The last 9,000 of Kentucky's 60,000 miners returned to the pits as did the last 2,300 of Ohio's 15,000. Six Ohio mines had been out of production on June 28.

"In West Virginia—the nation's largest bituminous producing state—all mines were in operation on June 29 for the first time since the current phase of the mine-wage controversy developed. Absenteeism among West Virginia's 130,000 miners, however, was reported at 10% to 15%, leaving the over-all number of idle virtually unchanged from the day before when six mines were still out of production.

"In Pennsylvania another 10,000 reported for work, leaving about 100,000 idle out of the state's 200,000 miners.

"Another 2,000 workers in Alabama captive mines joined the stoppage, leaving only 3,000 of the state's 24,000 members of the United Mine Workers of America on the job."

[See also last week's "Chronicle", page 2389.—Ed.]

Newton to Direct Coal Mines

On June 28, Harold L. Ickes, Secretary of the Interior, and Solid Fuels Administrator for War, announced the appointment of Carl E. Newton, President of the Chesapeake and Ohio Railway Company, as Director of Mine Operations for the Federal Government.

Following his appointment Mr. Newton made the following statement in response to inquiries:

"My job is to get maximum production of coal from the mines, subject, of course, to the limits of my authority. Neither Secretary Ickes nor I have jurisdiction over wages, nor any power to make a contract with the mine-workers.

"I know the difficulties of this assignment. Between mine owners and mineworkers there are muddied waters. I shall deal with both sides as fairly as I know how.

"Maximum production of coal is vital to winning the war. Regardless of differences and existing bitterness, therefore, I have confidence that in the national interest the mineworkers and the mine owners will give me their co-operation."

Pay On Norway 6s

The Kingdom of Norway is notifying holders of its 20-year 6% external loan sinking fund gold bonds, due Aug. 1, 1944, that \$1,081,000 principal amount of the bonds of this issue have been drawn by lot for redemption on Aug. 1, 1943 at 100% of their principal amount. The drawn bonds should be surrendered for redemption on that date at the head office of the National City Bank of New York. The announcement also states:

"In connection with the call, it is noted that on June 23, 1943, \$1,306,000 aggregate principal amount of the bonds of this issue, called for redemption previous to

Legislation to permit the sale or lease of Treasury silver for industrial purposes was passed by the Senate on June 18 and sent to the House.

The bill was sponsored by Senator Green (Dem., R. I.) and is a compromise version of a similar measure which failed of passage at the last session of Congress due to objections of the so-called silver bloc. Under the bill, the President, acting through the Secretary of the Treasury and upon the recommendation of the Chairman of the War Production Board, could sell, or lease for domestic purposes for not longer than six months after the end of the war, any silver held or owned by the United States, "for purposes including but not limited to the making of munitions of war and the supplying of civilian needs, and the converting of existing plants to those purposes."

The bill fixes the price at which the silver could be sold at not less than 71.11 cents an ounce. The measure also provides that "at all times the ownership and the possession or control within the United States of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates heretofore or hereafter issued by the Secretary of the Treasury shall be maintained by the Treasury."

The bill provides that the act shall expire on Dec. 31, 1944.

Senator Green's assertion that there was an urgent necessity for prompt passage of the bill was joined in by Senator McCarran (Dem., Nev.) a leader of the silver bloc.

During debate on the bill, on June 18, Senator Thomas (Dem., Okla.), another silver bloc leader, inserted the following statement in the "Congressional Record" with respect to the amount of silver the Government owns:

"We now have almost 3,000,000-000 ounces of silver owned by the United States Government and under the control of the Secretary of the Treasury. We have approximately 500,000,000 silver dollars coined. Each standard silver dollar contains one hundred one-hundred-twenty-ninths of an ounce of silver, and for monetary purposes silver is worth \$1.29 an ounce. Under the law the 3,000,000,000 ounces of silver which the Government owns, if coined into standard silver dollars, would amount to some \$3,870,000,000. . . ."

"Recently the Congress authorized the Treasury to reduce to silver bars some 40,000,000 of those silver dollars, for the reason that such coined silver dollars had become worn and slick from use and therefore did not contain the full amount of silver. So those dollars have been melted into bars, and are subject to use as provided by the terms of the pending bill.

"The record shows that we now have in circulation something over \$1,900,000,000 of silver certificates. There is in the Treasury, behind each dollar of such money, either a standard silver dollar or silver bullion to the full monetary value of the certificates. That makes it necessary to retain in the Treasury about 1,500,000,000 ounces of silver. That leaves, then, about 1,500,000,000 ounces of silver that are free, and not necessary to be kept in order to redeem our outstanding silver certificates. It is that 1,500,000,000 ounces of silver that the pending bill deals with in the main. If the time

the present call, had not been presented for payment and interest thereon had ceased. Upon inquiry at the head office of the National City Bank of New York, the holders of bonds of this issue may ascertain whether or not their bonds have previously been called for redemption."

comes when the 1,500,000,000 ounces of free silver, not being used for money and subject to the provisions of the proposed bill are disposed of in the war effort, then if additional silver is needed additional legislation may be required to enable us to use the silver that is retained as redemption for the outstanding silver certificates."

Passage of this bill by the Senate Banking and Currency Committee was noted in our issue of June 7, page 2110.

President Pays Tribute To Soviet Russia

President Roosevelt, in a statement on the second anniversary of the Nazi attack upon the Soviet Union, paid tribute on June 21 to the "history-making exploits of the armed forces of the Soviet Union and the almost incredible sacrifices which the Russian people are so heroically making."

Secretary of State Hull also took occasion to issue a formal statement saying it is appropriate to give expression "to our admiration of the courage and spirit of self-sacrifice displayed by the whole people of the Soviet Union."

The President's message follows:

Marshal Joseph V. Stalin, Commander-in-Chief of the Armed Forces of the U.S.S.R., The Kremlin, Moscow.

Two years ago tomorrow, by an act of treachery in keeping with the long record of Nazi duplicity, the Nazi leaders launched their brutal attack upon the Soviet Union. They thus added to their growing list of enemies the mighty forces of the Soviet Union. These Nazi leaders had underestimated the extent to which the Soviet Government and people had developed and strengthened their military power to defend their country and had utterly failed to realize the determination and valor of the Soviet people.

During the past two years the freedom-loving peoples of the world have watched with increasing admiration, the history-making exploits of the armed forces of the Soviet Union and the almost incredible sacrifices which the Russian people are so heroically making. The growing might of the combined forces of all the United Nations which is being brought increasingly to bear upon our common enemy testifies to the spirit of unity and sacrifice necessary for our ultimate victory.

This same spirit will, I am sure, animate us in approaching the challenging tasks of peace which victory will present to the world.

Franklin D. Roosevelt.

In acknowledging this message, Premier Stalin on June 27 thanked Mr. Roosevelt for his "high estimation of the determination and bravery of the Soviet people" and expressed the belief that victory will come "the sooner we strike our joint united blows against the enemy from the east and from the west."

The text of Mr. Stalin's message follows, according to the Associated Press, as recorded in London by the Soviet monitor:

"I thank you for your high estimation of the determination and bravery of the Soviet people and their armed forces in their struggle against the Hitlerite invaders.

"As the result of two years of struggle on the part of the Soviet Union against Hitlerite Germany and its vassals, and of the serious blows inflicted by the Allies on the Italian and German armies in North Africa, conditions have been created for the final defeat of the common enemy.

"Victory will come all the sooner, of this I have no doubt, the sooner we strike our joint united blows against the enemy from the east and from the west."

The News Behind The News

(Continued from first page)

get out of town before Oct. 31, and the general assumption is that the one to travel will be the Board.

Its members are literally fuming to an extent where they cannot talk without sputtering. Their faces are pale, and they show signs of their war of nerves not only with Lewis, but with Ickes.

The mere fact that Ickes even talked with Lewis and thereby interfered with their dealings on the various coal strikes, would have been enough to make them run high, but when Ickes kept taking matters out of their hands and assuming to settle negotiations (even though he had an Executive order directing him to do so) he just about furnished the main basic reason why the coal strike situation is in its current quandary.

So it may be reasonably said that Messrs. Lewis and Ickes really decided to let the problem go for four-and-a-half months to push, or let the Board go on the rocks quietly in the interim.

Nor will Mr. Lewis be scared much by FDR's request to Congress for extension of the draft-age limit to 65 in order to deal with the miners or other strikers. Congress probably will not pass it.

The idea of making millions of people of the country subject to Presidential draft at will, in order to punish a few labor leaders, is not apt to have wide political appeal. It looks like another of those Administration proposals to avoid direct action against the source of trouble, in favor of a circuitous route and indirect action against all of the people for the sins of a few.

Most of the coal operators seemed to want to settle with Lewis without waiting four and a half months for the outcome of these Ickes-Lewis political ramifications. Their actions suggest they may be scared on two counts.

In the first place, if Lewis sues in court for portal-to-portal pay and gets a judgment, he might be able to collect back wages for five years to 1938. A settlement would not go back so far.

In the second place, Ickes is running their industry, and such an aggressive political character is apt to look under all their beds for whatever he can find, now that he is in charge of their household.

The War Labor Board has been on the verge of going either out of town or on the rocks several times lately, but, at the moment, seems sharply divided as to its future course.

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Victory Tax Receipts Exceed Estimate

Victory tax collections by the Government up to June 5 amounted to \$682,382,323.20, Guy T. Helvering, Commissioner of Internal Revenue, announced on June 11.

This exceeds by \$147,782,523.20 the amount of revenue the Treasury estimated it would receive from its effective date, Jan. 1, up to June 10.

Mr. Helvering said:

"To date the Victory tax had been withheld from wages and salaries, above exemptions, at the rate of 5%. For pay-roll periods beginning on or after July 1, this method will be discontinued and Victory tax collections will be included in the 20% withholding plan provided in the current tax payment act."

From Washington

(Continued from first page)

sion of him. In such a case there would be no synthetic draft of this man and your correspondent has never known other than a synthetic draft. Very likely there have been a genuine draft or so in history but your correspondent has not been living here all during history.

A man who came to the fore out there, impressed everybody and about whom a lot will undoubtedly be heard in the future, is Governor Warren of California. All the fellows got the impression he was a man of intelligence, looked like Presidential stature, whatever that is, and a man with a grasp of affairs.

Governor Bricker lost still more stature.

2. The question of F. D. and the labor vote. His friends think he was very clever on this, though you get the impression—and we are talking about his veto of the Smith-Connally bill—that they are not so certain. Indisputably, he alienated just about every other group in the country, as the quick overriding of his veto in Congress, reflecting the sentiment of the country, proves. Your correspondent has some very good contacts with labor, and we can't see that he has improved his position there. After all, his veto didn't kill the legislation and he can certainly be blamed by labor for this. Because had he played fair with his leaders in Congress and not permitted members of the House to go away over the weekend, particularly those from New York, his veto would have been sustained. The labor leaders with whom I have talked seem to think they have been given a grand double cross. And this is notwithstanding the statements which both Bill Green and Phil Murray promptly issued commending him for his statesmanship.

On the other hand, time is likely to prove the logic of his veto. The legislation was the result of a hysterical mess and there are few observers around here who believe it can be enforced. There are a tremendous lot of labor leaders who would like to go to jail under its terms and become martyrs. Your correspondent appreciates that there are some editors who think this is nonsense. The fact is that all of the "great" labor leaders, including John P. Frey, the outstanding statesman of them all, have at one time or another served time in jail for their "cause." People ought to understand this.

An immediate aftermath of the legislation was the strike of 2,500 workers in the Chrysler plants in Detroit. There is a belief in official circles here, too, that John L. Lewis, knowing what was coming, jumped the gun and ordered his men back to work, but at the same time tipped off some of his key men to hold miners out. Those who think this, however, figure that Lewis thought the President was going to approve the legislation, not veto it. The overriding of the veto gave him the same result.

By the way, there are a lot of summer visitors to Washington, with the guides taking them around and showing them the big men who are running things.

3. The FORCED resignation of Chester Davis accentuates the break between Congress and the President. Your correspondent last week wrote that the OPA was by way of having its food power taken over by Davis. Obviously, now, that is what Congress has been trying to bring about. It won't take kindly to the President's effort to circumvent it by his forcing Davis out.

Meat Handling Under Govt. Regulations Criticized By American Meat Institute

Impracticable and theoretical handling of meat under Government regulations is making it impossible to supply American armed forces with the meat they need, the American Meat Institute on June 24 informed James F. Byrnes, Director of the Office of War Mobilization, in a telegram.

The Institute also directed attention to drastic curtailment of supplies for civilian consumers resulting from continuing shortage in cattle receipts, continued growth of black-market operations, closing down in whole or part of many meat-packing companies, discouragement of future livestock production and uncertainties surrounding the conditions of payment of the so-called "subsidy." It was requested that the entire meat problem be placed in the hands of the War Meat Board for its recommendation for solution so that the meat-packing industry can "perform its necessary and vital role in the nation's war effort."

The text of the telegram, copies of which were sent to other appropriate Government officials, follows:

"June 23, 1943

"James F. Byrnes, Director
Office of War Mobilization
Washington, D. C.:

"Alarming developments of the past few days, which are making it impossible to supply American armed forces with the beef they need, impel us to bring to your attention the following facts:

"1. The number of cattle coming to market during the last 10 days has declined sharply, and beef production last week was at a very low level. The number of cattle dressed under Federal inspection last week is estimated at 150,000 head, compared with 173,000 head the week before and 237,000 head for the corresponding week in 1942. So far this week receipts, and consequently beef operations, have been on an even lower basis—about 50% of normal.

"2. Beef supplies for the armed forces are seriously threatened.

"3. Reasons for the drastic decrease in production include these:

"(a) Since the first regulation covering maximum prices of beef wholesale cuts went into effect March 15, 1942, cattle prices have risen sharply. In Chicago, for example, the average price of good steers as reported by the U. S. Department of Agriculture, rose 25% from March 15, 1942, to April 10, 1943, declined slightly thereafter, but on June 5, 1943, was around 22% above the level of March 15, 1942.

"(b) Meanwhile, numerous rollback orders have lowered the wholesale value of meat which processors procured from these cattle.

"(c) During the week ending June 19, there was a further rollback in the price which the Army will pay for beef.

"(d) The culmination of all these factors—the inability of many beef processors to continue losing operation, plus the uncertainties surrounding the conditions of payment of the so-called 'subsidy' announced for June 7—resulted in a sharp reduction in the number of cattle being sent to the legitimate market and no relief to beef processors in the form of lower prices was afforded.

"4. As a result, the armed forces cannot get the meat they need despite the new order that meat packers must set aside 45% of their production of certain grades for Government use. It follows without saying that civilian beef supplies will be curtailed drastically. This week the receipts are again very light, in fact being about a 50% reduction.

"5. These low levels of receipts are occurring at a time when Government figures show the cattle population of the United States to be at the highest level for all time and the number of cattle on feed

greater than a year ago. They indicate how greatly the meat industry is handicapped in fulfilling its war obligations because the cattle are not getting into the hands of operators in position to supply the Army. Many of these cattle are shortcircuiting the entire control program and are resulting in maldistribution of meat to consumers, as well as causing shortages of meat for the armed forces.

"6. A still further indication of the serious extent of these black market operations is found in the increased number of 'country' hides 'moving into sight' during recent months. For the six months ending with April, 1943, there was an increase of 41% in these hides. For the same period the production of commercially produced hides actually decreased 5%.

"7. We estimate that considerably more than 100 companies, some of them very substantial, have had to discontinue or sharply curtail beef or other operations since the beginning of the current marketing year (Oct. 1). Published reports and other information disclose that more than 30 companies have discontinued their beef operations with the past two weeks and this figure is mounting daily.

"8. We wish respectfully to point out that this situation will not be relieved one iota by the Government subsidy program since payments to offset a further rollback in meat prices in no way cures, the original and growing maladjustment between the cost of live cattle and the ceiling selling price of meat. The subsidy is designed merely to offset the most recent rollback in wholesale meat prices now in effect. It does this only in part. Moreover, the conditions so far announced concerning the payment of the subsidy are so indefinite and give such broad discretionary powers to the Government official administering the regulations that meat packers cannot be sure that they will receive any money or, if they do, when it will be paid.

"9. While meat packers who have endeavored at all times diligently to observe the letter of the many regulations placed upon them have been forced, in many cases, to curtail or stop their operations because of the losses resulting from observance of existing regulations, the diversion of cattle to the black market continues. More beef goes into illegitimate black market channels to be handled by people who observe no price limits and who, by their action, rob the nation's armed forces and its allies. Meanwhile, the legitimate industry suffers.

"10. In connection with the entire situation, we should like respectfully to urge that it should be remembered that we shall need beef next year and the year after, too. The present situation distinctly is discouraging production.

"11. If the advice of members of this industry is wanted in any of these problems, we are still anxious, as in the past, to be of service.

"It is our earnest belief that the interests of producers and consumers, as well as those in the meat industry, will be best served by achieving the desired control through proper meat management.

"We respectfully and earnestly request that impracticable and theoretical handling be ended and that this entire problem be given immediate consideration and that it be placed in the hands of the War Meat Board for their recom-

Haake A Trustee Of Small Business Ass'n

Dr. Alfred Paul Haake, industrial economist, has been elected a trustee of the National Small Business Men's Association, it was announced June 21 by DeWitt Emery, President of the organization.

Dr. Haake has been actively interested in the problems of small business since 1938, when he conducted a crusade for recovery for small business in Pennsylvania. He conducted a similar campaign in Ohio in 1939 and 1940. He was graduated from the University of Wisconsin in 1914, and received his Ph.D. from the same university in 1916. For two years he headed the Department of Economics at Rutgers University, in 1922 and 1923, and since that time he has been associated in an executive capacity with several business enterprises, including publishing, principally in the furniture industry. He is a regular contributor to magazines on subjects related to economics and political economy and science.

All other officers and trustees of the National Small Business Men's Association have been re-elected Mr. Emery said. Officers of the Association include: Mr. Emery, Monroe Letterhead Corp., Akron, Ohio, President; A. F. Mathews, Consolidated Freight Co., Saginaw, Mich., Vice-President; D. H. Holloway, Holloway Insurance Agency, Akron, Ohio, Treasurer; James Westbrook, Bridgeport, Conn., Secretary; and J. Raymond Tiffany, Hoboken, N. J., General Counsel.

Trustees include all officers and the following: E. J. Barnard, Boston Bookbinding Co., Cambridge, Mass.; C. R. Boyd, H. C. Boyd Lumber Co., Coraopolis, Pa.; Harry E. Brinkman, Foto-Lith, Inc., Cincinnati, Ohio; L. M. Evans, Elliott and Evans, Inc., Cleveland, Ohio; Major John L. Griffith, Chicago; Russell Stover, Stover Candy Co., Kansas City, Mo.; Monroe Shakespeare, Shakespeare Co., Kalamazoo, Mich.; and Dr. Haake, Park Ridge, Ill.

Pa. And Del. Factory Employment Steady

Employment in Pennsylvania factories, although down slightly from April to May, exceeded 1,200,000 for the sixth successive month; payrolls increased 1% to a new high estimated at close to \$50,000,000 a week, according to reports received by the Federal Reserve Bank of Philadelphia from 2,928 establishments. Total working time was about the same as in April. Compared with May, 1942, employment increased 4%, payrolls 24%, and employee hours 11%. The bank also states:

"The weekly income of wage earners at reporting factories in Pennsylvania increased in May to \$44.46, approximately \$7 above a year ago. Average hourly earnings advanced to a new peak of nearly 99½ cents, from about 89 cents in May, 1942. Working time, averaging 45 hours a week per man, was at the highest level since 1930.

"At reporting factories in Delaware, employment increased 2% and payrolls 5% from April to May; gains over a year ago were 31% and 59%, respectively. Total employee hours rose 3% in the month to a level 36% above May, 1942."

mentation of a fair and equitable solution so that this industry can perform its necessary and vital role in the nation's war effort, and be in position to supply the meat which the armed forces need.

"AMERICAN MEAT INSTITUTE
By Wesley Hardenbergh,
President."

Citizenship Cannot Be Cancelled Because Of Membership In Communist Party

The United States Supreme Court, in a 5 to 3 decision, ruled on June 21 that the American citizenship of an alien cannot constitutionally be cancelled merely because he was a member of the Communist party.

Associate Justice Murphy delivered the opinion of the majority, which was concurred in by Associate Justices Douglas, Rutledge, Black and Reed. Chief Justice Stone and Associate Justices Roberts and Frankfurter dissented. Associate Justice Jackson, a former Attorney General, did not participate.

The case concerned William Schneiderman, Secretary of the Communist party in California and a native of Russia who became a citizen in 1927. The government sought to abrogate his citizenship on the ground that he had concealed his communist connection.

The decision, it is stated, constituted a victory for Wendell L. Willkie, who had argued the case before the high tribunal without fee.

In Associated Press Washington advises the decision was reported as follows:

Justice Murphy, who delivered the majority opinion, asserted that cancellation of citizenship was not justified by imputing a "reprehensible interpretation" of an organization to a member unless there were "overt acts" committed by the member "indicating that such was his interpretation."

Justice Murphy declared that "clear, unequivocal and convincing" evidence was required for setting aside a naturalization decree, and that such evidence had not been presented.

"Were the law otherwise," Justice Murphy said, "valuable rights would rest upon a slender reed, and the security of the status of our naturalized citizens might depend in considerable degree upon the political temper of majority thought and the stresses of the times. Those are consequences foreign to the best traditions of this nation and the characteristics of our institutions."

He said the tribunal did not consider whether Schneiderman "was a believer in, and a member of an organization teaching disbelief in organized government, and that his oath of allegiance was false" and that "these issues are outside the scope of the complaint."

Explaining that the court reviewed the case "because of its importance and its possible relation to freedom of thought," Justice Murphy added:

"The question is whether the naturalization of petitioner, an admitted member of the Communist party of the United States, was properly set aside by the courts below some twelve years after it was granted.

"We agree with our brethren of the minority that our relations with Russia, as well as our views regarding its government and the merits of communism, are immaterial to a decision of this case.

"Our concern is with what Congress meant by certain statutes and whether the Government has proved its case under them."

Justice Murphy said that "under our traditions, beliefs are personal and not a matter of mere association" and that "men in adhering to a political party or other organization notoriously do not subscribe unqualifiedly to all of its platforms or asserted principles."

"The constitutional fathers, fresh from a revolution, did not forge a political strait-jacket for the generations to come," Justice Murphy said.

"We should not hold," Justice Murphy added, "that petitioner (Schneiderman) is not attached to the Constitution by reason of his possible belief in the creation of some form of world union of Soviet republics unless we are willing so to hold with regard to those who believe in Pan-Americanism,

the League of Nations, 'Union Now,' or some other form of international collaboration or collective security which may grow out of the present holocaust. A distinction here would be an invidious one based on the fact that we might agree with or tolerate the latter but dislike or disagree with the former . . ."

Regarding the dissenting opinion, the Associated Press said:

"Chief Justice Stone, in a sharply worded dissent, declared the record 'abundantly supported' the lower court's finding that the party and Schneiderman believed in the overthrow of the Government by violence.

"A man can be known by the ideas he spreads as well as by the company he keeps," the Chief Justice said, "and when one does not challenge the proof that he has given his life to spreading a particular class of well-defined ideas, it is convincing evidence that his attachment is to them rather than their opposite. In this case it is convincing evidence that petitioner, at the time of his naturalization, was not entitled to the citizenship he procured because he was not attached to the principles of the Constitution and because he was not well disposed to the good order and happiness of the same."

Canadian Newsprint Shipments Down In May

Canadian shipments of newsprint in May, at 257,756 tons, were 8,687 tons, or 3.3% lower than in the comparable month in 1942, the Newsprint Association of Canada reports in its monthly statement. The following was reported in Canadian Press advices from Montreal, June 11:

"Shipments to overseas customers increased 27.2%, while shipments to the United States and Canada decreased 5.6% each. Shipments represented 69.6% of 1942 capacity, compared with 65.9% in April and 72.0% in May of last year.

"Canadian production amounted to 254,046 tons and was 2,215 tons or .9% higher than in May 1942, the Association stated. Production represented 68.6% of 1942 capacity against 62.0% in April and 68.0% in May a year ago. Shipments exceeded production by 3,710 tons and there was a corresponding reduction in stocks held by Canadian manufacturers.

"Shipments and production by United States mills declined 12.4% and 14.2% respectively from May, 1942. Production exceeded shipments by 1,569 tons and stocks held by United States mills increased by that amount.

"Stocks of all North America manufacturers increased 678 tons in May and amounted to 166,198 tons at the end of the month, the association announced. In 1941 there was a corresponding increase of 340 tons while in 1942 there was a decrease of 3,414 tons."

The association reported on June 16 that apparent total consumption in the United States of newsprint in May amounted to 334,125 tons, which was 7,908 tons, or 2.4% higher than in the same month in 1942. The cumulative decrease for the first five months of this year under the same period in 1942 was 1.4%.

Apparent total stocks of all United States consumers declined 41,239 tons during May and amounted to 493,580 tons at the end of the month. Corresponding stocks at the end of May, 1942, were 599,714 tons.

Agricultural Department General Crop Report As Of June 1, 1943

Crop prospects in the United States are lower than they were a month ago and a little less promising than at this season in any of the last 3 years. By June 1, planting had been seriously delayed by wet weather in important central and northeastern States. At the same time, lack of moisture was causing increasing concern in portions of the Great Plains. Rainfall has been more evenly distributed since June 1 but in the wet-

area planting is progressing under difficulties and farmers probably will not be able to increase the acreage of crops as desired. In the flooded areas and where the rains have continued into June many farmers will have to plant whatever the lateness of the season permits. If weather is reasonably good from now until harvest, the acreage of crops grown should be nearly as large as was harvested last season and crop yields should approach those of the 1937-41 or post-drought period; but either further delays in planting or an early frost would be costly. Some crops may yield well, but aggregate yields averaging as high as those secured last year are no longer within reach.

During May, persistent rains fell from southwestern Oklahoma to central Michigan and northern New York. This strip is roughly 1,500 miles long and 300 miles wide and includes about 90,000,000 acres of crop land, or a fourth of all crop area in the United States. In Oklahoma, northern Arkansas, southeastern Kansas, Missouri, Illinois and Indiana, where May rainfall exceeded eight inches, nearly 4,000,000 acres of crop land were flooded, and on a third of this acreage it is too late to replant with the same crops. In an area extending from Oklahoma into Missouri, where rainfall ranged from 12 to 20 inches, losses from flooding and from erosion have been distressingly heavy. In part of the wet area a favorable break in the weather during late May and early June permitted the delayed planting to go forward with a rush. Farmers are obviously doing their best under handicaps. In Illinois, where many of the tractors were kept running 24 hours per day, the percentage of the corn acreage planted increased at a record rate, from 11% on May 29 to about 65% a week later; but then planting was again interrupted by rain. Presumably nearly the usual acreage of these crops will finally be planted in most of these States, but both the acreage and the kind of crops planted will depend on when the farmers can get into the fields. In Oklahoma the season is so late and damage has been so heavy that some farmers will abandon their crops and seek other employment. Most of them, however, are expected to replant part of the damaged cotton and substitute sorghums, peanuts, soybeans and emergency forage crops for corn and other crops lost. In the eastern Corn Belt, full acreages of corn and soybeans are to be expected if the weather permits. There may be some substitution of quicker maturing varieties for those usually grown if planting is further delayed. In New York and Michigan, where the late Spring and persistent rain have delayed work, some grass land which farmers had intended to plow may be left for hay. Throughout the whole wet area plans and prospects vary, depending in part on the drainage conditions, on breaks in the weather, and on the reserves of power and labor available for the emergency. Farm work is weeks late and there are too many jobs to be done at the same time. As a result, the ordinary operating schedules of individual farmers are badly upset.

While floods were covering crop lands farther East, drought was severely reducing crops in two Western areas, one centering in South Dakota and the other extending from southwestern

Kansas into New Mexico. A general lack of rain was also beginning to be felt over a much larger Western area. Rains about the last of May and since the first of June appear to have provided temporary and, in places, substantial relief to crops in Northern and Central Plains areas; and crop prospects now appear good quite generally north of a line from Chicago to Los Angeles. Rain is still urgently needed for ranges, pastures and non-irrigated crops in western Texas, New Mexico, Arizona and southern Colorado. Crops appear to have secured an unusually good start in the Southeast, including nearly all sections south of a line extending from Dallas to New York City.

Although the season has not advanced far enough to permit precise forecasts, signs of success and failure are beginning to appear. The heavy May rainfall, averaging an inch more than normal in farming areas of the United States, and the liberal and better distributed rains in early June give promise of a good growth of grass for hay and pasture. With a record number of cattle being raised and hay in demand, farmers will cut a large acreage of hay if the labor is available and the weather permits. The production that may be expected, plus the large carry-over, would result in a slightly larger total hay supply than was available in any year prior to 1942, but the supply per unit of livestock now seems likely to be only about normal and slightly less than in any of the last five years.

Winter wheat has been hurt by drought in the Great Plains area and by wet weather in the eastern Corn Belt. Spring wheat, including a considerable acreage sown where the winter wheat was killed is now favored by generally good moisture conditions. The total wheat crop now seems likely to be about 731,000,000 bushels. This would be about the same as the average for the 1932-41 decade, which includes the drought years, but about 150,000,000 bushels below the average of the last five years. Oats and barley could not all be planted in Michigan, Ohio and New York because of wet weather, and yields will be low in the Southwest, but prospects are better in the main producing States and a large crop of barley and a fairly good crop of oats are now indicated. Corn is off to an abnormally late start, with probably 15,000,000 acres still to be planted after June 1. Good growing weather will be needed to mature late plantings ahead of frost.

Farm pastures, although heavily stocked are now furnishing an abundance of feed in most areas and prospects appear excellent. The condition of Western ranges on June 1 was about the same as the 20-year average for the date. In only a few States were they as good as on June 1 last year, and in Arizona the condition was the lowest for June 1 since 1925. In most range areas the feed supplied has been only fair, for new grass has started slowly owing to lack of moisture and late frosts. Rains in early June have been helpful over a wide area and range prospects now appear fairly good except in the dry Southwest where some reduction in herds will soon be necessary if the drought continues.

Excessive moisture over most Northern commercial truck crop areas delayed planting, prevented

cultivation and retarded growth of some crops. Acreage of early-season crops in these areas may fall below expectations because of the inability of growers to plant at the proper time, but where possible later-maturing crops will be planted on this acreage. In Southern and Western sections, which furnish the bulk of supplies for shipment during the Spring months, conditions during the second half of May were favorable for the most part.

Combined production of all commercial truck crops for the fresh market estimated to date is 13% below corresponding production in 1942, but 2% above the 1932-41 average. About one-half of the total value of truck crops is included in these estimates to date. Snap beans, carrots and kale are the only crops showing greater production in 1943 than in 1942, with beets showing a reduction of only 3% and asparagus and tomatoes 5% each. Estimates covering about four-fifths of the total acreage of truck crops indicate an 11% reduction from the corresponding acreage harvested in 1942. Excluding cantaloups and watermelons, the reduction is only 7%.

Growers of processing crops in important Northern producing areas were unable to do much field work during May because of excessive rains and floods. The delay was particularly serious in New York and westward to Illinois. The net effect of this condition on the acreage that will finally be planted to processing crops has not yet been determined.

June 1 conditions indicate deciduous fruit production in 1943 may be below 1942 by as much as 10%. The prospective peach crop is the smallest since 1932, and pear production is also light at 21% below the crop of 1942. Cherry prospects are 15% below last year's crop but remain 11% above the 10-year average production. Condition of commercial apples is 6 points below that on June 1, 1942, indicating a somewhat smaller crop in prospect. The apricot crop will be the smallest since 1921, and California plums show a 10% decline from 1942. Offsetting these reductions to some extent are the larger crop of prunes, figs and grapes in prospect in California for 1943.

Present condition of citrus fruits from the bloom of 1943 (for marketing from the Fall of 1943 to the Fall of 1944) points to an aggregate tonnage of oranges, grapefruit, and lemons not greatly different from that of the 1942-43 season. If present favorable conditions continue for citrus fruits, the total tonnage of all fruits for marketing during the 1943-44 season probably will be 5% less than marketings in 1942-43.

Corn

In the Northern half of the country corn planting was delayed materially by cool and rainy weather during May. In Ohio, Michigan and in the Northeastern States fields were too wet for plowing and very little planting was accomplished by June 1. Planting is expected to be from one week to more than a month late in most of the Corn Belt. At the beginning of the month the farmers were taking every advantage of the clear and warmer weather to complete the huge task of planting the corn crop in the shortest possible time. Nearly one-half of the Illinois corn crop was planted in a week's time, with about two-thirds of the crop planted by June 4. Approximately 70% of the Indiana crop was planted by the end of the first week in June. In Iowa, about 87% of the corn was planted by June 1, but excessive rains in the southern part caused poor stands and necessitated much replanting. By June 1, planting was 90% complete in Nebraska. In gen-

eral, corn was planted on time in Minnesota and South Dakota. Newly planted corn was germinating rapidly as soil temperatures rose, and warmer weather was welcome in Kansas and northward, where germination has been very slow and early growth retarded.

In the Southern States, corn is in good condition except where damaged by excessive rains and floods, but wet weather delayed planting in Kentucky and Tennessee. Corn is tasseling in the extreme South and June 1 prospects in all the Gulf States are better than a year ago.

Wheat

The total wheat production of 730,524,000 bushels indicated June 1 is 26% less than the 981,327,000-bushel crop last year and 1% smaller than the 10-year (1932-41) average of 738,412,000 bushels.

The indicated winter wheat production of 501,702,000 bushels is about 29% less than last year's crop of 703,253,000 bushels, but only 9% less than the 10-year average of 550,181,000 bushels.

The decline in prospects since May 1 is due largely to additional abandonment of volunteer wheat in western Kansas caused by dry weather, and to flood damage which was particularly severe in Missouri, eastern Kansas, Illinois and Indiana.

During the first part of May continued dry weather caused a decline in prospects in the southwestern hard red winter wheat States, including western Oklahoma, southwestern Kansas, the Panhandle of Texas and New Mexico. Some volunteer wheat was abandoned early in May because of dry weather. Rains came during the last half of May and improved prospects in Oklahoma, Colorado and northwestern Kansas. Loss of acreage from floods lowered prospects in southeastern Kansas, northeastern Oklahoma, and throughout the southern two-thirds of Missouri. The decline in crop prospects amounted to 1½ bushels per acre in Kansas and to a half bushel decline in Nebraska, Oklahoma and New Mexico. The indicated crop in Texas is the same as last month but yield prospects in Colorado improved about one bushel per acre. There was some decline in New York, Illinois and Michigan because of excess rainfall, but in Indiana no change, while in Ohio and Pennsylvania there was some improvement.

For the United States the indicated probable yield of 15.1 bushels of winter wheat per acre compares with 19.7 bushels last year and the 10-year average of 14.3 bushels.

The indicated production of Spring wheat as of June 1 is 228,822,000 bushels, about 18% below last year's production of 278,074,000 bushels but nearly 22% more than the 10-year average production of 188,231,000 bushels.

Yields per seeded acre indicated by June 1 condition were applied to the prospective acreage as published in March. Since March, however, Spring wheat has replaced abandoned winter crops in some States, and an approximate allowance was made in the production estimate for such replacement.

Prospective Spring wheat yields are below last year but were above average in most of the important producing States.

Oats

Production of oats was indicated at 1,168,000,000 bushels, based on the prospective acreage estimated in March and factors affecting acreage and yield to June 1. This is nearly 14% below the excellent 1942 crop of 1,358,730,000 bushels, but nearly 15% above the 1932-41 average of 1,018,783,000 bushels.

Conditions have been favorable for the crop in Wisconsin, Minnesota and North Dakota and by June 1 had improved in most

other North Central States to indicate better than average prospects. Seeding was nearly on time, but growth had been delayed by weather conditions until they improved in late May. Loss by flood was slight except in parts of Illinois, Missouri and Kansas, but wet weather has affected the color of the crop in the flooded areas. In Michigan and the Northeast heavy rains had delayed seeding, resulting in prospects for light yields on late seeded acreage and a strong probability that much of the intended acreage would be shifted to other crops. Lateness of the season in Western and Northwestern States was being overcome under improved growing conditions in late May and early June.

Harvesting of winter oats was under way by June 1 in the Southern States. Yields were fair to good in the South Carolina-Georgia area. Freezing in April and dry weather in the first half of May had resulted in widespread abandonment of some fields, or thin, short stands in others; this was particularly true in Oklahoma and Texas, where more than half of the acreage of the Southern States is located. Spring-sown oats were benefited by rains in mid-May after a slow start.

Barley

Indicated production of barley based on June 1 condition is estimated at 371,044,000 bushels, which is smaller than the 1942 crop of 426,150,000 bushels, by 55,000,000 bushels, or 13%. Yield prospects are down this year because of very unfavorable growing conditions to date. The June 1 condition of the crop was reported at 78% of normal, 6 points below the same date in 1942. Winter killing and freeze damage in the winter-barley States has been rather widespread, with thin stands, flood damage, and abandonment reported throughout the area, particularly from Nebraska through Texas. There was severe injury from green bugs in Oklahoma. In the Southeastern part of the country the stands are irregular but yield prospects range from fair to good.

Growth in the principal Northern producing States, where the crop is Spring planted, was progressing favorably on June 1 despite the backwardness of the season and unfavorable weather during May. Some shifting in acreage is indicated because of flood damage and substitution of barley for oats where growers failed to get oats planted at usual seeding dates. Much barley acreage was still unplanted on June 1 in States north of the Ohio River where planting has been delayed.

In the Western States progress is favorable except in California where yields on early threshed fields have been disappointing.

Barley Stocks

Farm stocks of barley on June 1, estimated at 95,272,000 bushels, were 22.4% of the 1942 production. June 1 carryover stocks of barley this year are 18,500,000 bushels greater than on the same date last year, and are nearly 2½ times as large as the average of the eight years (1934-41) for which estimates have been made.

Rye

Prospects on June 1 indicate a crop of 33,841,000 bushels of rye. This indicated production is 41% below the 1942 crop and 12% below the 10-year (1932-41) average, which includes three years of very low rye production, 1933, 1934 and 1936. Such a crop would be the smallest production since 1936, but is more than twice the crop produced in the drought year of 1934. The indicated yield per acre is only six-tenths of a bushel below the 10-year average. The decline in prospects since May 1 is largely due to deterioration of the crop in South Dakota, where apparently heavy abandonment of rye has taken place since May

1. Prospective harvested yield per acre has declined five bushels in South Dakota and one bushel in North Dakota since May 1. In Nebraska the June 1 indicated yield is the same as on May 1. These three States contain about half the nation's acreage of rye for grain.

Farm stocks of old rye on June 1 amounted to 19,063,000 bushels, about 39% more than the 13,741,000 bushels on farms a year ago and almost twice as much as the eight-year (1934-41) average June 1 farm stocks of 9,696,000 bushels.

Early Potatoes

In the ten Southern States and California, early potato condition averaged 76% on June 1 in comparison with 78% a year earlier and the ten-year (1932-41) average for this date of 72%. May weather was generally favorable for potatoes in the Southeastern area where normal temperatures and abundant rainfall helped to overcome an unfavorable start. In Oklahoma, however, damage from heavy rains and floods dropped the condition of early potatoes from 82% on May 1 to 64% on the first of June. By contrast, lack of rain in Mississippi and Louisiana lowered the condition for these States. In California, there was no change from the generally favorable conditions of a month ago. The 1943 production of commercial early potatoes in the four earliest groups, which include the ten Southern States, California and Tennessee, is forecast at 36,614,000 bushels in 1943, compared with 29,938,000 bushels in 1942, and the ten-year (1932-41) average production of 23,748,000 bushels.

Mexico Will Resume Foreign Debt Payment

The Mexican Government, through its Finance Minister, Eduardo Suarez, announced on June 23 resumption of service on its external public debt. The payments will be made on the basic terms of an agreement reached last November between the International Committee of Bankers on Mexico, by its Chairman, Thomas W. Lamont, and the Mexican Government, through Mr. Suarez. This agreement was ratified by the Mexican Congress Dec. 29.

Before holders of the Mexican securities may avail themselves of the terms of this offer it was necessary for them to present their securities on or before June 30 to the Mexican Government's registry agents for registration as to non-enemy ownership pursuant to the decree of President Camacho, dated Aug. 4, 1942. In the "Wall Street Journal" of June 24 it was also stated:

"The Pan American Trust Co., New York City, fiscal agent of the Mexican Government under the agreement, also announced that it has received sufficient funds from Mexico to meet the payments due April 1, 1943, for the interest in arrears. The first coupon payable under the new agreement is due July 1, 1943. The necessary forms for registration and for accepting the offer of the Mexican Government may be obtained from the trust company.

"The securities affected by the agreement of Nov. 5, 1942, and the presidential decree for registration include: Republic of Mexico 5% consolidated external gold loan of 1899; Republic of Mexico 4% external gold loan of 1910; Republic of Mexico 6% 10-year treasury notes of 1913 series A, \$6,000,000; City of Mexico 5% sterling loan of 1899; Institution for Encouragement of Irrigation Works and Development of Agriculture (S. A.) 35-year 4½% sinking fund gold bonds, due Nov. 1, 1943 (Caja de Prestamos, etc.); United States of Mexico 4% gold bonds of 1904; Republic of

Mexico consolidated 3% internal debt of 1885; United States of Mexico 5% internal redeemable bonds of 1895; State of Vera Cruz 5% bonds due April 1, 1927; State of Vera Cruz 5% bonds dated Jan. 1, 1907; State of Tamaulipas 5% bonds dated July 1, 1903; State of Tamaulipas 5% bonds dated Jan. 1, 1907; State of Sinaloa 5% bonds dated Jan. 1, 1907; Tehuantepec National Railway 5% gold loan, due June 30, 1953; Tehuantepec National Railway 4½% gold loan, due June 30, 1953."

The New York Stock Exchange directed on June 25 that beginning June 30 Mexican bonds listed on the Exchange shall not be a delivery unless a certificate of registration as to non-enemy ownership is attached to such bonds. A circular to this effect was issued by the Exchange to its members on June 25.

This agreement was reported in our issue of Dec. 17, 1942, page 2169.

Earnings And Payrolls At New Peak In April

Earnings and payrolls rose to new peak levels in April, according to the regular monthly survey of labor statistics in 25 manufacturing industries by the National Industrial Conference Board. The Board reports that the average number of hours worked in one week also increased in April and was greater than in any previous month since May, 1930. Employment, reversing the trend of the previous 15 months, declined slightly in April but exceeded all other levels except those for February and March. Total man hours worked remained at the March peak level. Under date of June 29, the Conference Board further said:

"Hourly earnings of workers averaged \$.997 and were 1.0% higher than in March. They were \$.896 in April, 1942. Since January, 1941, the base month of the Little Steel formula, they have advanced 31.4%. The increase from March to April resulted chiefly from additional overtime worked at the premium rate. The average number of hours worked in one week rose 0.4% in April to 44.9 against 42.8 in April, 1942. Wage-rate increases granted during the month averaged only 0.04% for all workers. In the year-period, however, when working hours were lengthened by only 4.9%, both wage-rate increases granted and the employment of larger numbers of workers in the more lucrative, skilled occupations contributed substantially toward the rise in hourly earnings.

"Weekly earnings, showing the combined effect of higher hourly earnings and longer working hours, rose 1.6% in April to a new peak level. The April average of \$44.99 was 16.3% above that of a year before and 47.0% higher than in January, 1941. 'Real' weekly earnings, or dollar weekly income in terms of the commodities and services it will purchase, increased 0.7% in April. Since April of last year, real weekly earnings of manufacturing wage earners have advanced 9.0% and since January, 1941, 22.0%, despite the rises in living costs.

"Total man hours, which reflect changes in both employment and average hours a week, remained unchanged at the March level with increased average working hours offset by a reduction in average employment for the 25 industries. They were, however, 17.9% greater than in April, 1942, and 36.0% greater than in 1929.

"Employment in the 25 industries declined in April for the first time in 16 months. The reduction in the aggregate resulted from declines in 16 of the individual industries. The reduction

in employment which amounted to 0.5% was only sufficient to reduce the average slightly below the February level. There were, therefore, more workers employed in the 25 industries in April than in any other month since these surveys were begun, except during February and March of this year. Since April, 1942, employment gains have amounted to 12.3% and since January, 1941, the increase has been 35.4%.

"Because weekly earnings rose more than employment declined, total payrolls advanced in April for the 21st consecutive month. They were 1.1% greater than in March, 30.6% larger than in April, 1942, and 99.0% more than in January, 1941."

New Uses Of Business Statistics Are Seen

New methods of assembling business statistics in order to make them more useful for the war effort were described on June 22 by Frank R. Wilson, Assistant to the Secretary of Commerce, in an address before the convention of the Special Libraries Association in New York City.

Mr. Wilson said that "a great wealth of economic data is being collected each month by the Census Bureau and by other war agencies" as a result of the creation of a new division of current manufacturers' reports which was organized so that the time lag between the collection, tabulation and publication of data would be greatly reduced.

He added that the Commerce Department's statistical program now being formulated will permit tracing "with some degree of accuracy" the flow of materials through the gigantic manufacturing plant which has been set-up for the war effort. Mr. Franklin further said that this information on metering the flow of materials at various points will also be of value "when it becomes necessary to divert the flow of materials and manpower from industries producing for war use into industries producing commodities essential for a high standard of living in times of peace."

President Sends Letter To Polish Premier

President Roosevelt has sent a secret letter to Premier Wladyslaw Sikorski by Ambassador Anthony J. Drexel Biddle Jr., the Polish Telegraph Agency said on June 26, according to Associated Press London advices, which further stated:

The agency likened the message to the one delivered to Premier Stalin of Russia by Joseph E. Davies recently.

Informants close to Mr. Biddle's office said that the embassy did not know the contents of the letter, but that it was a reply to a letter from Premier Sikorski to Mr. Roosevelt.

The President's letter was handed to Mr. Sikorski's office on June 16 and dispatched immediately to the Middle East, where the Premier was visiting Polish Army units.

Alaska Military Highway

Brig. Gen. James A. O'Connor, of the United States Army's Northwest Service Command, announced on June 16 that the 1,600-mile lifeline to the north is now "The Alaska Military Highway," instead of "Alcan Highway," according to a Canadian Press dispatch from White Horse, Yukon territory.

"We called it Alcan to include some mention of Canada," he said. "Yet Canadians themselves took the lead in urging us to name the road the Alaska Highway."

Anti-Strike Bill Provides Basis For Revising National Labor Policy, Says Guaranty Trust

"The enactment of the anti-strike bill over the President's veto can and should mark the first step in a thoroughgoing revision of Government labor policy," states the Guaranty Trust Company of New York in discussing labor and the war in the June 29 issue of **The Guaranty Survey**, its monthly review of business and financial conditions.

"The new act was hastily drafted at a time when public opinion was aroused by the action of the coal miners' representatives in calling three nationwide strikes within two months in plain defiance of the President and the War Labor Board and in clear violation of labor's pledge to renounce the right to strike for the duration of the war," says **The Survey**, but it adds "despite its faults, the law provides the basis for a national labor policy conforming to the needs of wartime. It places at the disposal of the Government the means of assuring the uninterrupted operation of production facilities affected by labor disturbances. Its provisions go far toward settling the broader issues involved in the contest between the Government and the representatives of the miners." In part **The Survey** continued:

"It is in no sense a condonement of the attitude of the miners' representatives to point out that some measure of responsibility for the coal crisis rests upon recent public policies on labor and related matters. Anti-strike bills have been introduced in Congress before and have been opposed by the Administration. The National Labor Relations Act and other Federal statutes have placed close restrictions on employers and none on labor organizations in the handling of industrial relations, encouraging labor in the belief that it can do no wrong. Numerous proposals to make labor organizations and leaders take the same measure of responsibility for their actions that is imposed on other economic groups have been defeated.

"Radical changes in labor conditions and requirements due to the war point with increasing insistence to the need for revision of public policy along several lines. The coal crisis emphasizes the urgency of this need. Such an overhauling would have no necessary connection with the long-term social objectives at which public policy is aimed. It would be purely an emergency measure, designed to secure what is unanimously sought—maximum utilization of the nation's industrial resources in the prosecution of the war.

"A logical first step in policy revision would be to give definite expression to the principle that the suspension of operations in vital war industries cannot and will not be tolerated. Actual seizure of plants by the Government on several occasions has shown that this is the case. The anti-strike law marks an important step toward the open avowal of this essential principle. It is difficult to understand, however, why it should be necessary for the Government to allow a dispute to reach the strike stage, and then to go through the formality of 'seizing' the plant, in order to make it clear that no stoppage will be permitted. It would be more realistic and candid, and probably more conducive to industrial peace, to lay down the rule at the beginning that war production must continue under any conditions and that compliance can remain 'voluntary' as long as it continues to be compliance, but no longer.

"Such a system would, of course, require an arbitration board with full statutory powers and with a personnel and organization capable of handling promptly any volume of business that might come before it. In this respect, also, the anti-strike law makes a good beginning by broad-

ening the authority of the National War Labor Board, giving it, among other powers, that of subpoenaing witnesses and records.

"Besides providing for the peaceful settlement of industrial disputes, a suitable wartime labor policy would aim at the removal of impediments to the maximum utilization of manpower resources, including the statutory forty-hour week and any other legal or contractual restrictions preventing employers or employees from working and producing up to the limits consistent with health and efficiency. In justice to labor, as well as to the war economy in general, the policy would require a more adequate price-control mechanism than now exists. Stabilization of farm prices should be recognized as indispensable to control over the cost of living. And fiscal policy should be fully enlisted in the program, since no system of direct price control can safely be relied upon to hold prices steady unless accompanied by a stabilization of purchasing power."

WMC On Life Ins. Jobs As Deferrable, Non-Deferrable

James L. Madden, Chairman of the Insurance Department Committee of the Chamber of Commerce of the United States, made public on June 17 the following letter received from Paul V. McNutt, Chairman of the War Manpower Commission:

"In view of the nature of the cases which you presented to Mr. Appley the other day I feel it advisable to give you the following interpretation of the situation you presented. Mr. Appley has discussed this with General Hershey and since we feel this is an accurate statement you may feel free to release copies of it to representatives of the life insurance fraternity.

"The War Manpower Commission's Committee on Essential Activities has not included either life insurance as an activity or life insurance selling as an occupation in its List of Essential Activities. However, the Committee clearly has excluded these activities and occupations from its list of non-deferrable activities and occupations released Feb. 2, 1943.

"It is the wish of the War Manpower Commission that employees not engaged in non-deferrable occupations remain on their present jobs until specific need for a change has been indicated by the Commission."

Hoyt OWI Domestic Head

Palmer Hoyt, publisher of the Portland "Oregonian," on June 21 assumed his duties as director of the Office of War Information's domestic branch.

Mr. Hoyt, who succeeds Gardner Cowles, Jr., publisher of the Des Moines "Register and Tribune," resigned, said that he had accepted the post because he is convinced its operations are absolutely vital to the conduct of the war and to the interests of the entire country.

In a prepared statement, Mr. Hoyt said his office "will not be concerned with propagandizing the American people" but that his policy "is to give the country the straight information about the war, and to give it to them straight."

The appointment of Mr. Hoyt was noted in these columns on May 27, page 1983.

Byrd Committee Urges Federal Government To Reduce Civilian Personnel By 300,000

The Joint Committee on Reduction of Non-Essential Federal Expenditures recommended on June 17 that a 300,000 reduction in personnel be promptly carried out by all departments and agencies of the Federal Government.

The Committee, which is headed by Senator Byrd (Dem., Va.), is of the opinion that this is a conservative estimate of the reduction that can be effected without injury to the war effort. The Committee believes that further reductions can be safely effected without interference with the war effort by a firm determination of all branches of the Government to eliminate all unnecessary personnel.

In presenting the Committee's report, Chairman Byrd said Federal civil-service personnel totaled 3,008,519 in April, as compared with 917,760 employees on Nov. 11, 1918, the peak of the employment in the last World War.

Senator Byrd further said, according to the Congressional Record:

"Utilization of the available manpower is one of the greatest responsibilities of our Government. The Federal Government is attempting to direct the use of manpower in private employment, but has done nothing of a constructive character in utilizing in the most effective way the more than 3,000,000 civil-service employees. Of these 3,000,000 approximately 1,349,098 are engaged in what may be termed direct mechanical war-production work, such as work in arsenals, camps, navy yards, airports, and so forth. Those so engaged represent less than 45% of the civilian employees in the Federal Government. The balance of about 1,700,000 are engaged in work other than direct mechanical war production and many in purely clerical work."

Mr. Byrd stated that a reduction of 300,000 would mean an approximate saving of \$750,000,000 in the annual pay-roll. He fur-

ther said that the Government "cannot expect full measure of sacrifice from the civilian population unless it sets an example," adding that "it is time to clean house in these various bureaus."

Other recommendations made in the Committee's report as indicated in the "Congressional Record" included:

"That the Civil Service Commission and the respective personnel offices of the Federal departments and agencies cease all unnecessary recruiting of employees, particularly from sources outside the Government service.

"That the Federal labor-utilization program be strengthened by the Civil Service Commission by forming an effective manpower pool to use fully the services of those employees already in the Federal Government.

"That steps be taken to improve the selection of employees as to quality in order that the number of new employees hired may be held to a minimum.

"That a sound employee promotion system be adopted by the Federal Government.

"That the Civil Service Commission and the Bureau of the Budget take steps to prevent the wasteful personnel malpractices prevalent within the Federal service.

"That the Civil Service Commission and the Bureau of the Budget adopt a procedure to reduce recruiting, eliminate overstaffing, and make effective the war-transfer program."

Blames Washington For Home Front Dangers But Urges Public To Put War Interests First

Declaring that "Washington is not winning the war on the economic front, and Washington is the key city of the world, the hub of the war effort of the United Nations," Eric A. Johnston, President of the Chamber of Commerce of the United States, added on June 24:

"Washington dilly-dallies, argues about the jurisdiction of Federal war agencies, plays politics, experiments with social measures, acts with indecision or not at all."

His remarks were made in a radio address over the Mutual Broadcasting System, at which time he also said that the threat of inflation hangs over the land "like the sword of Damocles." He decried the growing food shortage and charged failure of the government to formulate a tax policy adequate to meet the costs of war and forestall inflation. He called the current price policy "chaotic" and said the manpower problem is a "mess."

The foregoing is from United Press advices from Washington June 24, which in reporting Mr. Johnston as saying that the nation is confronted by a home-front crisis which enables Adolf Hitler and Premier General Hideki Tojo to hold out hopes of victory despite their military reverses, further reported his warning as follows:

"Calling for Americans to 'snap out of it' or prepare for a day of reckoning when the fighting men come home, he said that the country faces a condition 'so serious that its dangers cannot be over-emphasized.'

"He placed much of the blame on Washington, but emphasized that throughout the land there are too many people who allow other interests to come ahead of winning the war.

"Hitting at the citizens' attitude, he said, 'there is a singular disregard throughout the land for law and order. It is considered smart by too many people to evade rationing, to patronize black

markets and to violate other rules which we must promulgate in war time.'

"Contrasting the mild regulations and production requirements placed on civilian groups with the hardships imposed upon the fighting forces, he warned that the time must come when the men at the front will know who is 'placing petty, selfish desires and ambitions above patriotism. When the war is won, those guilty ones will be held accountable.'

"Mr. Johnston recommended specifically that food administration, production and price administration be 'revamped drastically.'

"He said the time has passed when the nation can experiment with new home-front agencies, and declared that the recently created Office of War Mobilization must be made to work or the effects of 'economic disorganization will eventually extend to the battle fronts.'

President Lauds China

President Roosevelt sent a congratulatory message on June 21 to Generalissimo Chiang Kai-shek in response to the Generalissimo's message of greeting to the United States on United Nations Day, June 14. The President said:

"The long-standing admiration of the people of the United States for the heroic resistance of the Chinese people against the brutal aggressor has been increased by the recent brilliant victories of the Chinese armies under your inspiring leadership."

May Truck Freight Volume 16.4% Over '42

The volume of freight transported by motor carriers in May decreased 3.5% under April, but held 16.4% over May, 1942, according to reports compiled and released on June 28 by the American Trucking Associations.

Comparable reports were received by ATA from 229 motor carriers in 41 States. The reporting carriers transported an aggregate of 1,778,476 tons in May, as against 1,843,138 tons in April, and 1,523,273 tons in May, 1942.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 180.86.

A little more than 86½% of all tonnage transported in the month was hauled by carriers of general freight. The volume in this category showed a 4.6% decrease under April, and an increase of 15% over May of last year.

Transporters of petroleum products, accounting for almost 6% of the total tonnage reported, increased 2.5% over April and 66.1% over May, 1942.

Haulers of iron and steel products reported slightly less than 3% of the total tonnage. The volume of these commodities increased 5.9% over April, and held 45.1% over May of last year.

Approximately 4½% of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, coke, bricks, building material, cement and household goods. Tonnage in this class increased 5.6% over April, but dropped 8.7% under May, 1942.

Urge War Damage Ins. Extension Without Added Premium Payments

In an effort to save thousands of property owners the cost of additional premiums on Government War Damage Insurance, the American Business Congress, through its National President, George J. Seedman, on June 21, sent telegrams to Senator James E. Murray, Chairman of the Senate Small Business Committee and Representative Wright Patman, Chairman of the House Small Business Committee, calling upon them to propose legislation which would extend the coverage of the insurance without the payment of additional premiums. Mr. Seedman said:

"To date there have been no losses and we sincerely trust there will be none in the future. When this form of Government insurance was proposed, it was stated that it was not the intent of the Government to make a profit. Thus the premiums already collected should remain a fund sufficient to care for emergencies. I am confident that this proposal will have the support of thousands of property owners affected by this premium."

The full text of the wire follows: "War Damage Insurance is not a governmental business venture for profit but merely protection for civilian property. Therefore since government has suffered no losses the fund already created should be sufficient without further premiums. Those who are most affected by this additional cost are small property owners, a large majority of whom are not enjoying normal income due to war dislocations, but instead are faced with mounting operating costs. We recommend extension of coverage beyond July 15 premium date without additional premiums."

Would Protect Central Business Districts In Plan For Rebuilding Of Blighted Areas

In-lying areas of American cities can be made just as attractive for residential purposes as the suburbs under a recent bill introduced in the United States Senate, Charles T. Stewart, Director of the Urban Land Institute, told the annual conference of the National Association of Building Owners and Managers at St. Paul, Minn., on June 21.

The bill, Mr. Stewart noted, was introduced by Senator Robert F. Wagner of New York. It incorporates the proposal for redevelopment of cities worked out by the Urban Land Institute, a private organization devoted to the study of land trends and city development. A reference to the bill appeared in these columns June 24, page 2388. In his reference thereto, Mr. Stewart said:

"A few days ago Senator Wagner of New York introduced in the United States Senate, at the request of the Urban Land Institute, a bill which embodies a plan for private reconstruction of deteriorated areas. Under this proposal, which has grown out of the work of the institute, the Federal government would lend funds to cities for the purchase of land in worn-out areas so that it can be assembled in sufficiently large areas to permit the creation of an entirely new environment that can compete with new areas built on raw land. The cities would purchase the land, using the power of condemnation when necessary, and would offer it for sale or lease to private builders, who would be required to adhere to the city plan in redeveloping it. Proceeds of land sales and rentals would be used to repay the Federal loan. The plan seeks to use the factors of low interest rates and long terms of loans, attainable only through use of Federal credit, to absorb any discrepancies between the acquisition cost of land and the new values which must be

placed on it to encourage the type of rebuilding that is needed.

"As long as good neighborhood environment is a commodity supplied only at the edges of cities, we can expect the public to continue its game of leap frog and the unending building of new urban edges. But that does not have to happen. There is an alternative. We can begin to replace wornout city areas with precisely the type of environment that has been luring the public away. It is a case of competition. If close-in areas are to meet the competition they must supply the commodity that is in demand. That is why the dismal areas that form the 'dirty collar' around central business areas must be attacked on a large scale. Complete redevelopment can transform them into park areas, parking terminals, or any other use that is appropriate in specific cases. Generally, the greatest need in redevelopment is for the creation of new residential neighborhoods."

Mr. Stewart added: "The central business district is the one type of urban area that can be generally regarded as basically sound. Thoughtful proposals for rebuilding old residential areas are gaining ground because nothing short of complete rebuilding can rescue neighborhoods sunk in obsolescence and an environment that is not adaptable to modern urban requirements."

Guarantee Of Essential Civilian Supply Is Integral Part Of War Economy, McBain Says

If the civilian population is to successfully produce war materials for the armed forces and Allies, its standard of living should be maintained at the highest level consistent with the war effort, Hughston M. McBain, President of Marshall Field & Co., Chicago, declared on June 22.

"The guaranteeing of essential of our war economy," Mr. McBain said. "After the requirements of the armed services are amply supplied the essential needs of retailing should be met because retailing is the service of supply for the people."

Besides making the weapons of war, Mr. McBain pointed out, the civilian population is financing the war by buying bonds, stamps and payment of taxes. He stated further that it is the duty of the retailers of America, as suppliers for the home front, to keep the civilian population properly housed, clothed and fed so that it can function effectively in the war effort. Mr. McBain went on to say:

"It is tremendously important that everything humanly possible is done to maintain home-front morale. Retailing is not essential, but it is vital, especially in a war-production area. It is disastrous to home-front morale if the essentials of life are unavailable.

"We cannot afford to neglect the production and distribution of food, clothing, medical supplies, home appliance repair parts and other necessities required by the people who are supplying the military needs. Success of home front strategy, like war front strategy, is based entirely upon having the necessary amount of goods, services and manpower at the right time and the right place."

Mr. McBain pointed out that since 95% of all American small business concerns are engaged in civilian supply they should be permitted to mobilize their full capacities and resources so as to successfully produce and distribute

civilian supply is an integral part of civilian goods and services. They should be given consideration in the allocation of materials, manufacturing facilities, operating supplies and other productive resources, he added.

He stated that while the present dollar volume of goods and services available for the civilian population may look reassuring from a statistical standpoint, the over-all figures are misleading. He explained that while some manufacturers will produce more than enough of certain types of goods, others will turn out far less than enough to meet the demand. Goods produced in sufficient quantities will be unevenly distributed, he added. He further said:

"Many retailers will lose out in the struggle for a share of the available supplies. Others, particularly those located in crowded industrial areas where war production has made them over-dependent on goods transported from other sections of the country, will have shipments of quantities of goods delayed for weeks and months because of an overloaded transportation system.

"With war production reaching huge proportions, the country is just beginning to feel the results of the insufficient attention given to civilian supply. During the early phases of the war it was possible to neglect the problems of civilian supply because war production was at modest levels. However, today, certain sections of the country are experiencing acute shortages of the necessities for even a war-time standard of living."

Estimates 900,000 New Homes Will Be Needed In First Peace Year

About 900,000 new homes entailing close to \$5,000,000,000 in construction work will be built in the United States during the first year of peace, Louis Segal, President of Segal Lock & Hardware Co., estimated on June 21 in discussing the post-war outlook in the hardware industry at the annual meeting of stockholders held at the company's offices in New York City. "Surveys which have been

made indicate that a huge pent-up demand for new houses will be released as soon as the war ends and manufacturers of housing materials and equipment can return to large-scale civilian production," Mr. Segal told stockholders. He added:

"Upwards of a million families throughout the country are looking forward to building or buying new homes when the Government gives the nation's industries the green light to go back to peacetime operation. It is estimated that the ambition to own their own homes of about 900,000 of these families will be realized

during the first year of peace. The building of these 900,000 new houses will entail the letting of contracts for upwards of \$5,000,000,000 in construction work. The approximate value of the hardware of the type manufactured by the company which is involved in this construction would come to about \$15,000,000."

Mr. Segal was reelected President of the Company for the 14th consecutive year. The board of directors, consisting of Sidney Kuttin, Frederick H. Tabor, Mr. Segal, Charles Levy and Walter E. Corwin, was reelected.

Public Wants Definite Federal Labor Relations Policy, NAM Survey Reveals

Eighty-four percent of the American people favor creation of a Federal board with exclusive power to make final, binding decisions in labor disputes, according to a survey made for the National Association of Manufacturers by Opinion Research Corporation.

Although approving swift-acting machinery for handling labor disputes, the man in the street, according to the survey, made available June 23 holds that Congress

and NOT the Administration should determine policy. It reports that 62% of the public with an opinion would have the Congress write a definite labor policy into law while only 38% would leave policy determination and enforcement to the Administration. A fairly large group of the public—13%—expressed no opinion. The NAM further states:

"The survey revealed also that the public believes that both parties to a dispute—labor and management—should have the right to protest and attempt to get the proposed all-powerful board changed, but that once decisions are handed down they should be obeyed.

"A total of 57% of the public say that either side should be able to protest and ask for a new board; 76% indicated that if organized labor refuses to accept the board's decisions the President should order compliance.

"The survey further revealed that the public, even before the coal miners' walkout, was irritated by the frequency of strikes. Sixty-one percent believe the strike problem has not largely been solved since labor leaders gave their no-strike pledge. Sixty-nine percent of the public have heard of wildcat strikes, and, of those expressing an opinion concerning them, 60% think union leaders condone them rather than try to prevent them.

"Support for the closed shop has made no headway since Pearl Harbor, the survey showed; in fact, a slight reverse tendency was noted. With open, union and closed shops defined for them, the persons interviewed expressed their views as follows:

	December 1941	April 1943
Favor open shop	65%	67%
Favor union shop	26%	25%
Favor closed shop	9%	8%
No opinion	3%	9%

"The latest NAM survey finds the public again and in greater measure voicing highest confidence in the job done by management during the war effort. Government officials drop in favor and organized labor drops to a new low in public esteem.

"The survey showed 71% of the public are satisfied with management's accomplishments, 29% were not. This figure compares with 69% satisfied and 31% dissatisfied with management's performance during a similar survey last year.

"But a total of only 27% polled

working in war plants—I do not hesitate to say that the payroll savings plan is the greatest single factor we now have in protecting ourselves against inflationary spending.

"This is a great record, both from the standpoint of curbing inflation and from the standpoint of financing the war. However, I heartily endorse your present drive to improve that record, and I agree it must be improved if we are to keep pace with the increasing demands of the war.

"I therefore join you in calling upon the American people—and upon labor and management particularly—to do still more. Additional people should be convinced of the necessity of participating. Everyone now on the payroll savings plan should materially increase the amount of bonds he is buying. We originally asked for 10%, but now we need considerably more.

"I hope every American on a payroll will figure out for himself the extent to which he can curtail his spending, and will put every dollar of additional saving thus made into the payroll savings plan."

WPB Continues Order Closing Gold Mines

After a study of the effects of its order closing non-essential gold mines, the War Production Board announced on June 23 that it has decided to continue the order in effect.

Gold-mining operators and some members of Congress, it is said, had requested the WPB to set aside or modify the order but the Board decided against the rescinding of the order.

Advices from its Washington Bureau to the New York "Journal of Commerce" states that evidence submitted to WPB revealed that the closing order has resulted in an increase in available labor supplies and stepped up production of other critical minerals such as copper, zinc and lead. These advices further states:

"Since the labor situation in the mining industry (especially copper) has been extremely critical for some time, it is imperative that every available relief be sought and every possible remedy be applied at this time in order to meet the essential needs of the armed forces, WPB has decided.

"Investigation has revealed that, to date, at least 1,200 of the displaced gold miners have been moved into non-ferrous metal mines, 500 have been placed in other essential industries and 800 referred to other jobs with placement not yet reported.

"In addition to this valuable labor pool acquired by the closing order, much critical material has become available for essential uses. This material has been estimated as valued at some \$75,000,000 and is moving into essential production at the rate of about \$100,000 a week. Also large quantities of critical materials heretofore consumed in gold mine operation are now being saved. The saving has been estimated as high as \$15,000,000 annually.

"The War Production Board in its study of the gold mine situation took cognizance of many proposals advanced toward a solution of the problems involved. A continuation of the order was decided upon, with the right to appeal for exemption only if:

"(a) The critical material output of the individual mine makes an equal or larger contribution to the war effort than the materials and labor absorbed in operations, and

"(b) The necessary labor can be obtained without drawing upon any essential war activities, and certification to this effect can be obtained from the War Manpower Commission."

The WPB order closing the gold mines was reported in our issue of Oct. 22, 1942, page 1437.

Steel Production At Lowest Point In Two Years—Despite Shifts, Mill Backlogs Gain

"A week after John L. Lewis called off the third and most serious walkout, the steel industry still is dangerously low on coal and coke because of the slowness of the miners' return to work," the "Iron Age" stated in its issue of today (July 1), further adding: "Stocks at by-product plants were only 5.4 days in April prior to the big drains caused by the trouble with Mr. Lewis. In July, 1939, they equaled 25 days.

"Only a 2% increase in steel ingot output will be achieved in the first six months of this year compared with the same part of 1942. In third and fourth quarters, barring another coal strike, output is scheduled to rise and for the full year will set an all-time record but will be short of the 92,000,000-ton goal commonly mentioned at the start of 1943. (According to H. G. Batcheller, head of the WPB steel division, who soon will be promoted to Vice President of WPB in charge of industry operations, the steel expansion program as of July 1 shapes up as follows: coke ovens, 42% complete; blast furnaces 56% finished; open hearths 44%; electric furnaces, 60%; total steel ingots, 48% complete. He said annual steel-making capacity is now about 91,000,000 net tons.) All through the balance of this year the lack of coke will be more or less of an obstacle. Furthermore, the need for repairs on blast furnaces, certain coke ovens and blooming mills is growing more serious.

"Testifying to the success of the war against submarines, orders for steel for ship repairs are well below what they were a year ago. The opening of new routes, which are shorter and better protected, has been an important factor in the decline of Allied vessel sinkings.

"Extreme pressure is being exerted to produce and ship quickly 500 locomotives to Russia. Meanwhile, Russian inquiries for around \$15,000,000 in steel mill equipment have reached the letter-of-intent stage.

"With the tank program ahead of schedule and new foreign plants now operating and filling their nations' requirements, domestic railroad equipment companies which were making tanks on a big scale are able to push hard now toward the completion of railroad motive power, rolling stock and accessories.

"July 1, an important date for the CMP plan which now becomes fully effective, finds the big problem of balancing steel requirements with supplies still unsolved. Manufacturing economics by contractors are being asked by WPB to help overcome the unbalance. Mills have been juggling the problem of unvaluated CMP tonnages with considerable perplexity. By this week it was expected about 85% of most steel backlogs will carry allotment numbers and some of the remaining unfiled tonnage, dating back to 1940 in a few cases, undoubtedly will be suspended."

The American Iron and Steel Institute on June 28 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 90.3% of capacity for the week beginning June 28, or at the lowest rate for any week in the last two years because of work stoppages occasioned by the coal strike. This compares with 97.6% one week ago, 98.4% one month ago and 95.8% one year ago. The operating rate for the week beginning June 28 is equivalent to 1,563,700 tons of steel ingots and castings, compared to 1,690,100 tons one week ago, 1,704,000 tons one month ago, and 1,639,200 tons one year ago, which included the July 4 holiday.

"Steel" of Cleveland, in its summary of the iron and steel markets, on June 28 stated in part as follows:

"Cancellations of steel orders due to cutbacks in the ordnance

program appear to have run their course, few having been received for the past few days. In their stead is an expanding volume of tonnage affecting most major products.

"Increase in plate demand is particularly noticeable over the past fortnight, and most plate-makers are booked solidly through third quarter, with October capacity rapidly disappearing. Maritime Commission is responsible for at least 50% of tonnage now on order with expansion in demand from other sources. High-test gasoline refinery tonnage is increasing as a new program gets under way.

"Mills are making a final drive to have all orders on books validated under CMP, which assumes full control July 1. While most orders have been validated, a small percentage has not, either through carelessness of buyers or inability to obtain allotment numbers. A large producer estimated about 5% of orders are in this condition.

"Sheet mills, in spite of recent cancellations, are booked through third quarter except for some capacity for galvanized sheets and specialties. Narrow cold-rolled strip capacity is filling rapidly for fourth quarter and some producers have none to offer for that delivery. Aircraft inquiries for this material are appearing for delivery in June, 1944.

"Reduced volume of scrap is being received by melters in some areas, a result of labor shortage and inability to draw out as large volume of dormant material as was available last year.

"Six additional zones have been set up by OPA for control of steel warehouse prices, effective June 21. Methods of pricing are similar to those provided in the four Atlantic Coast zones first established, varied in some details to fit customary procedure in the various areas. Southern and Pacific Coast States have not yet been zoned but will be similarly treated later in the year.

"Consumption of Lake Superior iron ore in May totaled 7,373,972 gross tons, third largest tonnage smelted this year, the peak being attained in January with 7,765,174 tons. Ore at furnaces and on Lake Erie docks June 1 aggregated 21,297,098 tons, a gain of almost 3,000,000 tons over stocks held a month earlier, but considerably less than tonnage on hand June 1, 1942, when 25,165,003 tons were at furnaces and on docks. Furnaces in blast June 1 numbered 173 against 169 a month earlier, in the United States."

New Wheat-For-Feed Sales

Legislation authorizing the sale of an additional 50,000,000 bushels of Government-held wheat for feed purposes was signed by President Roosevelt on June 14.

Under the legislation, which passed the House on June 4 and the Senate on June 8, the Commodity Credit Corporation is authorized to raise the amount of sales from 225,000,000 to 275,000,000 bushels. The CCC recommended the sale of the additional 50,000,000 bushels in view of demands from many parts of the country that it be released to ease feed shortages. In the summer of 1942 Congress authorized the sale of 125,000,000 bushels and last March an additional 100,000,000 bushels were sold.

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) and MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices) tables with columns for dates, U.S. Govt. Bonds, Corporate by Ratings, and Corporate by Groups.

offset by substantial decreases in potatoes and beef quotations. In the farm products group declines in prices for grains were not sufficient to change the group average since livestock prices again increased after last week's decline.

During the week price changes in the index were evenly balanced with 6 price series advancing and 6 declining; in the preceding week 7 advanced and 8 declined; and in the second preceding week there were 8 advances and 7 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Table showing Weekly Wholesale Commodity Price Index with columns for Group, Latest Week, Preceding Week, Month Ago, and Year Ago.

Electric Output For Week Ended June 26, 1943, Shows 19.2% 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 26, 1943, was approximately 4,120,038,000 kwh., compared with 3,457,024,000 kwh. in the corresponding week last year, an increase of 19.2%.

PERCENTAGE INCREASE OVER PREVIOUS YEAR table with columns for Major Geographical Divisions and Week Ended.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours) table with columns for Week Ended, 1943, 1942, and % Change.

Industrial Activity Maintained High Level In May, Federal Reserve Board Reports

The Board of Governors of the Federal Reserve System announced on June 23 that industrial activity and retail trade were maintained in large volume during May and the early part of June.

The Board's summary of general business and financial conditions further says:

Production Total volume of industrial production, as measured by the Board's seasonally adjusted index, remained in May at the level reached in April. Activity in munitions industries continued to rise, while production of some industrial materials and foods declined slightly.

Distribution During May the value of sales at department stores decreased more than seasonally, and the Board's adjusted index declined 5%. Sales, however, were about 15% above a year ago, and during the first five months of this year showed an increase of 13% over last year.

est percentage increases in sales have occurred in the Western and Southern sections of the country where increases in income payments have been sharper than elsewhere.

Freight-car loadings advanced seasonally in May but declined sharply in the first week in June, as coal shipments dropped 75% from their previous level, and then recovered in the second week of June as coal production was resumed.

Commodity Prices

Prices of farm products, particularly fruits and vegetables, advanced during May and the early part of June, while wholesale prices of most other commodities showed little change.

Retail food prices showed further advances from the middle of April to the middle of May. On June 10 maximum prices for butter were reduced by 10% and on the 21st of the month retail prices of meats were similarly reduced, with Federal subsidy payments being made to processors.

Agriculture

Prospects for major crops, according to the Department of Agriculture, declined during May while output of livestock products continued in large volume as compared with earlier years.

Bank Credit

Excess reserves at all member banks declined from \$2,000,000,000 in early May to \$1,500,000,000 in the latter part of the month and remained at that general level through the first half of June.

During the four weeks ending June 16, Treasury bill holdings at member banks in 101 leading cities fluctuated widely, reflecting primarily sales and repurchases on option account by New York City banks in adjusting their reserve positions.

Government security prices advanced during May following the close of the Second War Loan Drive, but in the early part of June there were small declines.

Moody's Daily Commodity Index

Table showing Moody's Daily Commodity Index with columns for dates and index values.

National Fertilizer Association Commodity Price Average Again Declines

The general level of wholesale commodity prices was again slightly lower last week, according to the wholesale price index compiled by The National Fertilizer Association and made public on June 28. This index, in the week ended June 26, 1943, declined to 135.0 from 135.1 in the preceding week.

The slight recession in the all-commodity index during the week was due principally to rather marked declines in prices of some food products. The quotations for oranges was higher, but the effect of this increase on the food products group average was more than

Federal Reserve May Business Indexes

The Board of Governors of the Federal Reserve System issued on June 23 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time the Board made available its customary summary of business conditions. The indexes for May, together with comparisons for a month and a year ago, are as follows:

BUSINESS INDEXES						
1935-39 average = 100 for industrial production and freight-car loadings; 1939=100 for factory employment and payrolls; 1923-25 average = 100 for all other series						
	Adjusted for Seasonal Variation			Without Seasonal Adjustment		
	May 1943	Apr. 1943	May 1942	May 1943	Apr. 1943	May 1942
Industrial production—						
Total	1203	203	174	1203	201	175
Manufactures—						
Total	+216	215	183	+216	214	183
Durable	+300	300	239	+302	300	240
Nondurable	+148	147	138	+147	145	137
Minerals	+129	131	126	+122	125	131
Construction contracts, value—						
Total	*	63	158	*	71	192
Residential	*	33	76	*	39	90
All other	*	87	226	*	98	275
Factory employment—						
Total	+168.1	168.4	149.1	+167.1	167.5	148.0
Durable goods	+225.8	225.7	184.2	+225.7	225.3	184.1
Nondurable goods	+122.7	123.2	121.4	+120.9	122.0	119.6
Factory payrolls—						
Total	*	*	*	*	309.4	228.7
Durable goods	*	*	*	*	430.2	300.0
Nondurable goods	*	*	*	*	191.4	159.0
Freight-car loadings—						
Total	141	141	143	137	132	138
Department store sales, value	+122	128	108	+122	133	108
Department store stocks, value	*	187	127	*	191	130

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

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

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

INDUSTRIAL PRODUCTION

INDUSTRIAL PRODUCTION (1935-39 average = 100)						
	Adjusted for Seasonal Variation			Without Seasonal Adjustment		
	May 1943	Apr. 1943	May 1942	May 1943	Apr. 1943	May 1942
Manufactures—						
Iron and steel	196	209	200	196	209	200
Pig iron	196	197	192	196	197	192
Steel	233	235	219	233	235	219
Open hearth and Bessemer	184	186	182	184	186	182
Electric	584	580	488	584	580	488
Machinery	363	362	279	363	362	279
Transportation equipment	598	592	372	598	592	372
Non-ferrous metals & products	194	194	180	194	194	180
Lumber and products	+122	124	130	+122	125	135
Lumber	+113	115	124	+113	115	131
Furniture	+141	143	143	+141	143	143
Stone, clay, & glass products	*	144	155	*	141	163
Cement	*	134	172	*	128	178
Polished plate glass	47	42	35	47	42	35
Textiles and products	+157	155	156	+157	155	156
Cotton consumption	169	166	175	169	166	175
Rayon deliveries	+185	181	169	+185	181	169
Wool textiles	*	156	150	*	156	150
Leather products	*	115	126	*	115	124
Tanning	*	115	129	*	115	126
Cattle hide leathers	*	131	148	*	131	145
Calf and kid leathers	*	92	94	*	89	90
Goat and lap leathers	*	90	105	*	93	102
Shoes	*	116	124	*	116	123
Manufactured food products	+148	150	134	+143	135	130
Wheat flour	+117	121	105	+106	114	96
Meat packing	+162	143	140	+162	136	140
Other manufactured foods	+151	156	136	+138	137	123
Tobacco products	*	133	120	*	125	123
Cigars	*	108	108	*	103	107
Cigarettes	*	160	137	*	149	142
Manufactured tobacco & snuff	*	87	89	*	86	89
Paper and products	*	134	143	*	136	144
Paperboard	150	150	141	150	150	141
Newsprint production	*	89	104	*	89	105
Printing and publishing	+111	110	112	+114	116	115
Newsprint consumption	102	100	100	106	107	104
Petroleum and coal products	*	120	116	*	121	117
Petroleum refining	*	113	109	*	114	110
Gasoline	+103	101	103	+103	101	103
Fuel oil	*	144	122	*	144	122
Lubricating oil	*	114	122	*	118	127
Kerosene	*	121	100	*	124	101
Coke	+167	169	163	+167	169	163
Byproduct	+157	159	153	+157	159	153
Beehive	+502	519	508	+502	519	508
Chemicals	+220	217	167	+219	220	166
Minerals						
Bituminous coal	+128	131	121	+128	131	121
Anthracite	+143	151	147	+143	151	147
Crude petroleum	+124	129	115	+124	129	115
Metals	+122	124	111	+122	124	111
Iron ore	+136	133	157	+136	133	157
Miscellaneous	242	235	232	321	60	372

†Preliminary or estimated. *Data not yet available.

FREIGHT-CAR LOADINGS

FREIGHT-CAR LOADINGS (1935-39 average = 100)						
Coal	156	158	163	132	133	139
Coke	195	208	197	179	183	181
Grain	144	145	115	123	124	99
Livestock	112	118	98	101	105	88
Forest products	138	138	155	143	138	161
Ore	209	209	289	269	106	303
Miscellaneous	143	142	142	145	143	144
Merchandise, l.c.l.	62	62	62	62	63	62

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

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 19, 1943, is estimated at 12,100,000 net tons, thus crossing the 12,000,000-ton mark for the first time since the middle of May. In the corresponding period last year, 11,006,000 tons were produced. For the present year to June 19, soft coal production was 1.9% in excess of that for the same period last year.

The U. S. Bureau of Mines estimated that the output of anthracite for the week ended June 19 was 1,345,000 tons, an increase of 28,000 tons (2.1%) over the preceding week. When compared with the output in the same week last year, there was an increase of

126,000 tons, or 10.3%. The calendar year to date shows a gain of 3.0%.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States in the week ended June 19 showed a decrease of 200 tons when compared with the output for the week ended June 12. The quantity of coke from beehive ovens increased 24,000 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL

	Week Ended			January 1 to Date		
	June 19 1943	June 12 1943	June 20 1942	June 19 1943	June 20 1942	June 19 1937
Bituminous coal and lignite—	12,100	11,735	11,006	275,758	270,638	213,017
Total, incl. mine fuel	2,017	1,956	1,834	1,911	1,873	1,485
Daily average	*	*	*	*	*	*

*Revised. †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

	Week Ended			Cal. Year to Date		
	June 19 1943	June 12 1943	June 20 1942	June 19 1943	June 20 1942	June 22 1939
Penn. anthracite—	1,345,000	1,317,000	1,219,000	28,828,000	27,987,000	34,160,000
Total, incl. coll. fuel	1,291,000	1,264,000	1,170,000	27,675,000	26,868,000	31,700,000
Commercial production	160,100	136,100	179,900	3,740,800	3,879,900	3,200,800
By-product coke—	1,197,700	1,197,900	1,186,700	29,575,700	28,766,400	†
United States total	*	*	*	*	*	*

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

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

State—	Week Ended					June 1937
	June 12 1943	June 5 1943	June 13 1942	June 14 1941	June 12 1937	
Alabama	382	109	381	344	219	387
Alaska	6	5	5	4	3	**
Arkansas and Oklahoma	78	38	80	14	14	70
Colorado	136	24	115	87	87	175
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,458	285	1,149	806	561	1,243
Indiana	506	63	325	358	250	416
Iowa	36	16	35	34	16	88
Kansas and Missouri	144	94	126	84	75	128
Kentucky—Eastern	908	228	999	952	669	661
Kentucky—Western	310	170	246	146	115	183
Maryland	41	5	41	35	24	47
Michigan	5	††	7	††	3	12
Montana (bituminous and lignite)	87	45	49	45	39	38
New Mexico	29	8	31	26	27	51
North and South Dakota (lignite)	30	18	22	21	13	**14
Ohio	663	263	738	591	453	888
Pennsylvania (bituminous)	2,765	780	2,861	2,834	1,939	3,613
Tennessee	126	33	149	149	97	113
Texas (bituminous and lignite)	2	1	6	7	17	21
Utah	110	24	108	50	34	89
Virginia	418	120	408	398	218	240
Washington	22	18	39	30	34	44
West Virginia—Southern	2,321	445	2,253	2,285	1,558	1,380
West Virginia—Northern	1,005	203	890	792	540	856
Wyoming	145	39	139	92	85	104
Other Western States	1	††	1	1	††	**5
Total bituminous and lignite	11,735	3,035	11,204	10,186	7,090	10,866
Pennsylvania anthracite	1,317	137	1,179	1,325	1,136	1,956
Total all coal	13,052	3,172	12,383	11,511	8,226	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 22% Above Week Ago

Civil engineering construction volume in continental U. S. totals \$53,742,000 for the week. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 22% higher than in the preceding week, but is 66% lower than in the corresponding 1942 week as reported by "Engineering News-Record" on June 24. Public construction gains 33% over a week ago, but is down 67% compared with a year ago. Private construction is 49 and 58% lower, respectively, than last week and last year.

The current week's construction brings 1943 volume to \$1,766,252,000, an average of \$70,650,000 for each of the 25 weeks. On the weekly average basis, 1943 volume is 63% below the \$4,905,294,000 reported for the 26-week period in 1942. Private construction, \$222,484,000, is down 32%, and public construction, \$1,543,768,000, is 65% lower than a year ago when adjusted for the difference in the number of weeks reported.

	June 25, 1942	June 17, 1943	June 24, 1943
Total U. S. Construction	\$158,839,000	\$44,234,000	\$53,742,000
Private Construction	7,720,000	6,250,000	3,212,000
Public Construction	151,119,000	37,984,000	50,530,000
State and Municipal	11,682,000	3,671,000	4,544,000
Federal	139,437,000	34,313,000	45,986,000

In the classified construction groups, gains over a week ago are in bridges, public buildings, streets and roads, and unclassified construction. All classes of work are lower than a year ago. Subtotals for the week in each class of construction are: waterworks, \$543,000; sewerage, \$611,000; bridges, \$463,000; industrial buildings, \$412,000; commercial buildings, \$1,975,000; public buildings, \$26,834,000; earthwork and drainage, \$315,000; streets and roads, \$7,404,000; and unclassified construction, \$15,185,000.

New capital for construction purposes for the week totals \$729,000, and is made up entirely of state and municipal bond sales. The new

Daily Average Crude Oil Production For Week Ended June 19, 1943 Declined 21,650 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended June 19, 1943 was 2,966,150 barrels, a decrease of 21,650 barrels from the preceding week, and 252,750 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of June, 1943. The current figure, however, is 245,350 barrels per day more than produced in the week ended June 20, last year. Daily output for the four weeks ended June 19, 1943 averaged 3,964,300 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 3,905,000 barrels of crude oil daily and produced 11,152,000 barrels of gasoline; 1,652,000 barrels of kerosine; 3,734,000 barrels of distillate fuel oil, and 8,198,000 barrels of residual fuel oil during the week ended June 19, 1943; and had in storage at the end of that week 79,806,000 barrels of gasoline; 7,372,000 barrels of kerosine; 33,558,000 barrels of distillate fuel, and 67,455,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

	*P. A. W. Recommendations June	*State Allowables Begin June 1	Actual Production Week Ended June 19, 1943	Change from Previous Week	4 Weeks Ended June 19, 1943	Week Ended June 20, 1942
Oklahoma	373,500	373,500	1334,100	550	330,150	377,600
Kansas	300,000	300,000	1302,200	3,500	294,600	279,850
Nebraska	2,400		12,050	50	2,050	3,700
Panhandle Texas			90,100		90,400	88,400
North Texas			131,800		131,800	144,000
West Texas			228,950		228,250	204,850
East Central Texas			123,500		123,750	93,950
East Texas			334,900		336,350	362,750
Southwest Texas			207,350	+ 1,000	209,400	143,650
Coastal Texas			380,200		378,600	243,100
Total Texas	1,602,000	\$1,603,709	1,496,800	+ 1,000	1,498,550	1,280,700
North Louisiana			85,800	50	86,050	88,350
Coastal Louisiana			240,850		247,350	219,500
Total Louisiana	330,800	350,550	326,650	50	333,400	307,850
Arkansas	72,800	75,043	75,750	+ 1,950	73,850	73,800
Mississippi	50,000		53,400	+ 750	53,600	79,850
Illinois	246,200		216,400	-10,400	216,900	279,600
Indiana	15,500		15,200	+ 1,150	13,550	20,350
Eastern (not incl. Ill. Ind., Ky.)	88,400		77,900	- 1,450	78,800	86,100
Kentucky	23,100		21,400	- 350	21,850	11,800
Michigan	58,900		54,400	- 6,600	58,750	65,200
Wyoming	97,000		93,300	- 1,400	93,250	90,900
Montana	22,300		20,900		20,900	21,850
Colorado	7,000		7,150	50	7,000	6,350
New Mexico	105,700	105,700	97,150		97,000	64,900
Total East of Calif.	3,395,600		3,194,750	-19,550	3,194,200	3,050,400
California	823,300	\$823,300	771,400	- 2,100	770,100	670,400
Total United States	4,218,900		3,966,150	-21,650	3,964,300	3,720,800

*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. East records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline prorations. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in March, 1943, as follows: Oklahoma, 27,700; Kansas, 5,600; Texas, 105,800; Louisiana, 20,400; Arkansas, 2,500; Illinois, 10,600; Eastern (not including Illinois, Indiana or Kentucky), 9,700; Kentucky, 3,500; Michigan, 100; Wyoming, 2,200; Montana, 300; New Mexico, 5,500; California, 43,400.

†Oklahoma, Kansas, Nebraska figures are for week ended 7 a.m., June 17, 1943.
 ‡This is the net basic allowable as of June 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 14 days, the entire state was ordered shut down for 10 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 10 days shut-down time during the calendar month.
 §Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JUNE 19, 1943

District—	Daily Refining Capacity Potent % Re- Rate	Crude Runs to Stills Daily % Op- Average	Production at Re- fineries				Stocks of Gas Oil and Distillate Fuels	Stocks of Residual Fuel Oil
			Includ. and Un- Natural finished Gasoline	Blended Gasoline	Gasoline	Gasoline		
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,832	75.0	5,118	31,638	13,944	11,991
Appalachian	177	84.8	157	88.7	459	2,330	933	575
Ind., Ill., Ky.	824	85.2	711	86.3	2,345	17,203	4,609	3,181
Okl., Kans., Mo.	416	80.1	356	85.6	1,165	6,329	1,773	1,569
Rocky Mountain	147	54.1	106	72.1	314	1,846	339	603
California	817	89.9	743	90.9	1,751	20,460	11,960	49,536
Tot. U. S. B. of M. basis June 19, 1943	4,825	86.4	3,905	80.9	11,152	179,806	33,558	67,455
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
U. S. Bur. of Mines basis June 20, 1942			3,450		9,889	89,693	31,477	78,934

*At the request of the Petroleum Administration for War. †Finished, 69,499,000 barrels; unfinished, 10,307,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,652,000 barrels of kerosine, 3,734,000 barrels of gas oil and distillate fuel oil and 8,198,000 barrels of residual fuel oil produced during the week ended June 19, 1943, which compares with 1,459,000 barrels, 3,520,000 barrels and 7,674,000 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 20, 1942.
 Note—Stocks of kerosine amounted to 7,372,000 barrels at June 19, 1943, against 6,833,000 barrels a week earlier and 9,107,000 barrels a year before.

Wholesale Commodity Index Declined 0.5% During Week Ended June 19, Says Labor Dept.

The U. S. Department of Labor announced on June 24 that as a result of sharp declines in prices for meats, fruits and vegetables, the Bureau of Labor Statistics' index of commodity prices in primary markets dropped by 0.5% during the week ended June 19. At 103.5% of the 1926 average the all-commodity index is at the early May level, 0.3% lower than it was at this time last month.

The Department's announcement further stated:

"Farm Products and Foods—Markets for farm products dropped sharply and the average was down 0.5% during the week. Prices were lower for livestock, particularly calves, steers and hogs, and for wheat, hay, onions and potatoes. Grains advanced slightly, with increased prices for barley, oats and rye. In addition higher prices were reported for sheep, for cotton, eggs, and for apples in the New York market.

"Led by declines of 5.2% for meats, and 1% for fruits and vegetables, average prices for foods in primary markets fell 1.7%. Wheat flour and butter declined slightly. On the other hand, quotations were higher for rye flour and oatmeal.

"Industrial Commodities—There were very few changes in industrial commodity markets during the week. Petroleum products as a group advanced 0.2% as a result of higher prices for kerosene. Neutral oil in the Pennsylvania area was up over 4%. The movement in prices of coal was slight but varied in different cities. Turpentine and rosin declined fractionally as did also maple flooring and red cedar siding."

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 22, 1943, and June 20, 1942, and the percentage changes from a week ago, a month ago and a year ago:

Commodity groups—	(1926=100)			Percentage changes to June 19, 1943 from—		
	6-19 1943	6-12 1943	6-5 1943	5-22 1943	6-20 1942	6-20 1942
All commodities	*103.5	*104.0	*103.9	*103.8	98.1	-0.5 -0.3 + 5.5
Farm products	*127.0	*127.6	*126.3	*125.8	104.5	-0.5 +1.0 +21.5
Foods	109.0	110.9	110.6	110.3	98.4	-1.7 -1.2 +10.8
Hides and leather products	118.4	118.4	118.4	118.4	118.9	0 0 -0.4
Textile products	96.9	96.9	96.9	96.9	97.3	0 0 -0.4
Fuel and lighting materials	81.4	81.4	81.4	81.3	79.0	0 +0.1 + 3.0
Metals and metal products	*103.9	*103.9	*103.9	*103.9	104.0	0 0 -0.1
Building materials	110.4	110.4	110.4	110.3	109.9	0 +0.1 + 0.5
Chemicals and allied products	100.2	100.2	100.2	100.2	97.2	0 0 + 3.1
Housefurnishing goods	104.3	104.3	104.2	104.2	104.5	0 +0.1 -0.2
Miscellaneous commodities	91.8	91.7	91.7	91.7	90.0	+0.1 +0.1 + 2.0
Raw materials	*114.5	*114.8	*114.1	*113.8	98.7	-0.3 +0.6 +16.0
Semimanufactured articles	92.9	92.9	92.9	92.9	92.6	0 0 + 0.3
Manufactured products	*100.0	*100.7	*100.9	*100.9	98.8	-0.7 -0.9 + 1.2
All commodities other than farm products	*98.4	*98.9	*99.1	*99.1	96.7	-0.5 -0.7 + 1.8
All commodities other than farm products and foods	*96.9	*96.9	*96.9	*96.9	95.9	0 0 + 1.0

*Preliminary.

Non-Ferrous Metals—Domestic Copper Output May Be Lifted—Labor Supply Is Studied

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 24, stated: "Though price developments in non-ferrous metals were insignificant during the last week, interest in lifting production remains high. The War Production Board has asked for increased production of domestic copper. The bottleneck is a shortage of labor. Endeavoring to obtain mine workers from the lead industry, officials in Washington learned last week

that little could be expected from that quarter. The situation in zinc is no different. Postwar stockpiling looms large as a delicate problem in economics. Secondary aluminum ingot prices were adjusted downward by OPA to bring the price structure in line with virgin metal quotations." The publication further went on to say:

Copper
 Producers disposed of July allocations of copper during the last week, and the problem of marketing available supplies presented no difficulties. The price situation on both domestic and foreign copper remains unchanged.

The move (Scrugham bill) to stock-pile domestic production of copper in the postwar period is receiving increased attention among copper executives. The Government will own large stocks of both foreign and domestic copper and copper products when the war ends.

According to the Metal Bulletin, London, Boliden, having a plant in Sweden, is operating at a higher rate. It is believed that the company will soon be produc-

connection with the meeting of the industry's advisory group in Washington last week disclosed that domestic production has declined, owing to the labor developments, and miners cannot be spared for production elsewhere without disrupting schedules. WPB stated after meeting that the necessity exists for stepping up production of lead.

Zinc

Canada is producing about 20% of the United Nations' zinc supply, according to C. D. Howe, Munitions Minister.

Zinc allocations for July are expected to come through in volume shortly, which will be followed by the usual active period for moving metal to consumers. The price situation continues unchanged, Prime Western holding at 8¼c., East St. Louis.

Tin

The movement of tinned scrap, including used tin cans, last week was placed under the control of the Salvage Division, WPB. Formerly, control was in the hands of the Tin-Lead Division.

Quotations for tin remain unchanged. Straits quality tin for shipment was as follows:

	June	July	August
June 17	52.000	52.000	52.000
June 18	52.000	52.000	52.000
June 19	52.000	52.000	52.000
June 21	52.000	52.000	52.000
June 22	52.000	52.000	52.000
June 23	52.000	52.000	52.000

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

Magnesium

C. D. Howe, Munitions Minister of Canada, disclosed recently that \$4,169,504 has been advanced to the Dominion Magnesium Co. by the government, and that total production to April 30 of this year was 1,186 tons. Average operating cost for March was 36.042c. a pound, and total cost 39.709c. Capacity of the plant is 10 tons of magnesium ingot a day.

Quicksilver

Canada now produces 20% of the combined quicksilver output of the United Nations, according to Munitions Minister C. D. Howe. This would indicate that Canada is producing more quicksilver than Mexico, with the United States still firmly set as the most important source of supply.

The price situation in quicksilver remains unchanged. Metals Reserve is making metal available to those consumers who require large supplies to fill rush orders. Quotations in New York held at \$196@198 per flask.

Silver

The Senate last week passed a bill which provides for the sale or lease of Treasury silver for industrial purposes. On silver held as backing for currency, the measure stipulates that ownership of the metal must be retained by the Treasury. The bill now goes to the House.

During the last week the silver market in London has been quiet and unchanged at 23½d.

The New York Official and the United States Treasury prices also were unchanged at 44¼c. and 35c., respectively.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" of July 31, 1942, page 380.

Revenue Freight Car Loadings During Week Ended June 19, 1943 Increased 13,755 Cars

Loading of revenue freight for the week ended June 19, 1943 totaled 868,241 cars, the Association of American Railroads announced on June 24. This was an increase above the corresponding week of 1942 of 23,228 cars, or 2.8%, but a decrease below the same week in 1941, of 17,298 cars or 2.0%.

Loading of revenue freight for the week of June 19 increased 13,755 cars, or 1.6% above the preceding week.

Miscellaneous freight loading totaled 386,596 cars, an increase of 5,182 cars above the preceding week, and an increase of 6,778 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 98,209 cars, a decrease of 554 cars below the preceding week, but an increase of 4,134 cars above the corresponding week in 1942.

Coal loading amounted to 176,829 cars, an increase of 6,416 cars above the preceding week, and an increase of 12,359 cars above the corresponding week in 1942.

Grain and grain products loading totaled 49,708 cars, an increase of 4,242 cars above the preceding week, and an increase of 10,762 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of June 19 totaled 35,718 cars, an increase of 4,793 cars above the preceding week and an increase of 9,544 cars above the corresponding week in 1942.

Live stock loading amounted to 11,198 cars, a decrease of 1,693 cars below the preceding week, but an increase of 167 cars above the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of June 19, totaled 7,793 cars, a decrease of 1,076 cars below the preceding week, and a decrease of 240 cars below the corresponding week in 1942.

Forest products loading totaled 45,022 cars, an increase of 724 cars above the preceding week but a decrease of 4,948 cars below the corresponding week in 1942.

Ore loading amounted to 86,365 cars, a decrease of 982 cars below the preceding week and a decrease of 5,899 cars below the corresponding week in 1942.

Coke loading amounted to 14,214 cars, an increase of 420 cars above the preceding week, but a decrease of 25 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 decreases under 1941 except the Southwestern.

	1943	1942	1941
5 weeks of January	3,520,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
4 weeks of March	3,073,426	3,174,781	3,066,011
4 weeks of April	3,136,253	3,350,996	2,793,630
5 weeks of May	4,149,703	4,170,548	4,180,060
Week of June 5	667,575	854,689	852,940
Week of June 12	854,486	832,635	862,974
Week of June 19	868,241	844,913	885,539
Total	19,336,178	20,209,983	18,942,128

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 19, 1943. During this period 78 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED JUNE 19

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1943	1942	1943	1942
Eastern District—				
Ann Arbor	244	359	641	1,643
Bangor & Aroostook	936	924	1,380	178
Boston & Maine	6,335	5,766	9,013	15,169
Chicago, Indianapolis & Louisville	1,401	1,530	1,422	2,068
Central Indiana	44	29	22	50
Central Vermont	1,023	953	1,468	2,687
Delaware & Hudson	6,651	6,362	7,023	12,331
Delaware, Lackawanna & Western	8,209	7,983	10,591	13,576
Detroit & Mackinac	266	313	365	130
Detroit, Toledo & Tronton	1,904	1,638	3,081	1,410
Detroit & Toledo Shore Line	301	240	436	2,656
Erie	13,428	13,192	16,387	19,186
Grand Trunk Western	3,912	3,702	6,693	8,519
Lehigh & Hudson River	194	182	210	2,317
Lehigh & New England	2,142	2,072	2,447	1,802
Lehigh Valley	9,216	8,939	10,361	15,207
Maine Central	2,194	2,026	3,333	2,265
Monongahela	6,552	6,412	6,375	418
Montour	2,479	2,428	2,407	144
New York Central Lines	56,826	46,946	53,956	54,939
N. Y., N. H. & Hartford	9,995	9,722	12,314	18,194
New York, Ontario & Western	1,667	1,195	1,378	2,238
New York, Chicago & St. Louis	6,559	7,117	6,971	16,329
N. Y., Susquehanna & Western	557	525	435	1,538
Pittsburgh & Lake Erie	7,372	8,238	8,896	9,447
Pere Marquette	5,016	5,390	7,451	7,697
Pittsburgh & Shawmut	1,001	785	658	35
Pittsburgh, Shawmut & North	358	390	476	302
Pittsburgh & West Virginia	1,183	1,145	1,210	3,582
Rutland	331	326	577	1,086
Wabash	5,396	5,263	6,427	13,301
Wheeling & Lake Erie	6,584	6,227	5,487	5,026
Total	170,216	158,319	189,891	235,470
Allegheny District—				
Akron, Canton & Youngstown	846	632	746	1,145
Baltimore & Ohio	43,250	41,329	41,768	31,411
Bessemer & Lake Erie	6,595	7,488	7,340	1,922
Buffalo Creek & Gauley	302	284	249	54
Cambria & Indiana	1,626	2,052	2,017	7
Central R. R. of New Jersey	7,245	7,143	8,702	23,431
Cornwall	627	690	691	43
Cumberland & Pennsylvania	295	253	330	11
Ligonier Valley	152	151	97	32
Long Island	1,108	776	830	3,981
Penn-Reading Seashore Lines	1,753	1,729	1,762	3,100
Pennsylvania System	82,949	84,043	89,129	67,641
Reading Co.	14,690	13,864	17,992	29,028
Union (Pittsburgh)	21,374	21,344	20,156	7,758
Western Maryland	4,210	4,321	4,278	12,567
Total	187,022	186,099	196,087	182,061
Poconant District—				
Chesapeake & Ohio	29,840	28,697	29,072	14,336
Norfolk & Western	23,053	23,367	24,619	7,326
Virginian	4,890	4,747	4,811	2,078
Total	57,783	56,831	58,502	23,740

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Southern District—					
Alabama, Tennessee & Northern	284	358	381	312	292
Atl. & W. P.—W. R. R. of Ala.	573	654	807	2,680	2,415
Atlanta, Birmingham & Coast	746	772	793	1,275	1,042
Atlantic Coast Line	13,130	13,072	11,309	10,403	8,728
Central of Georgia	3,941	4,406	4,497	4,339	4,237
Charleston & Western Carolina	459	392	460	1,815	1,547
Clinchfield	1,733	1,723	1,694	2,692	2,756
Columbus & Greenville	329	286	351	133	200
Durham & Southern	102	136	196	765	1,009
Florida East Coast	1,689	799	455	1,860	687
Gainesville Midland	34	34	39	106	188
Georgia	1,181	1,453	1,148	3,044	2,905
Georgia & Florida	364	383	442	517	464
Gulf, Mobile & Ohio	3,512	4,017	3,805	4,233	3,993
Illinois Central System	25,349	25,561	23,707	19,315	16,126
Louisville & Nashville	25,042	26,395	26,671	12,436	10,170
Macon, Dublin & Savannah	199	160	170	766	764
Mississippi Central	155	174	171	351	553
Nashville, Chattanooga & St. L.	3,320	3,845	3,807	4,896	3,948
Norfolk Southern	1,448	2,799	1,718	1,554	1,799
Piedmont Northern	355	348	474	1,299	1,075
Richmond, Fred. & Potomac	833	517	408	11,045	10,734
Seaboard Air Line	10,232	11,446	10,255	7,843	8,059
Southern System	20,842	22,944	25,421	23,427	21,815
Tennessee Central	563	609	567	1,007	1,116
Winston-Salem Southbound	100	80	141	854	883
Total	116,555	123,453	119,887	118,967	107,505

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Northwestern District—					
Chicago & North Western	19,465	21,603	22,263	13,162	12,399
Chicago Great Western	2,878	1,977	2,882	2,959	3,002
Chicago, Milw., St. P. & Pac.	19,899	18,223	22,427	11,208	9,888
Chicago, St. Paul, Minn. & Omaha	3,155	3,329	3,904	3,688	3,581
Duluth, Missabe & Iron Range	27,422	28,422	24,048	4,003	318
Duluth, South Shore & Atlantic	1,230	1,809	1,200	537	524
Elgin, Joliet & Eastern	8,249	9,802	10,535	10,937	10,321
Ft. Dodge, Des Moines & South	441	523	623	146	119
Great Northern	26,203	25,476	24,165	6,212	5,529
Green Bay & Western	438	496	591	1,008	707
Lake Superior & Ishpeming	3,410	2,541	2,563	22	56
Minneapolis & St. Louis	1,912	2,048	1,969	2,219	2,547
Minn., St. Paul & S. M.	7,021	7,748	7,904	3,029	3,286
Spokane International	11,352	11,014	10,792	5,486	4,973
Northern Pacific	97	102	332	522	427
Spokane, Portland & Seattle	2,808	2,607	2,720	3,361	2,966
Total	135,980	137,810	138,918	64,899	60,609

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Central Western District—					
Atch., Top. & Santa Fe System	25,092	24,460	25,463	11,861	10,474
Alton	2,896	3,040	3,749	4,666	4,393
Bingham & Garfield	616	724	665	82	121
Chicago, Burlington & Quincy	17,930	15,545	17,421	11,536	10,627
Chicago & Illinois Midland	3,155	2,405	2,670	709	855
Chicago, Rock Island & Pacific	12,514	11,888	14,266	13,289	11,368
Chicago & Eastern Illinois	2,423	1,820	2,762	5,733	2,762
Colorado & Southern	802	701	671	1,795	1,858
Denver & Rio Grande Western	3,275	3,243	2,222	5,880	5,073
Denver & Salt Lake	675	566	373	18	15
Fort Worth & Denver City	1,310	1,398	1,428	2,338	1,194
Illinois Terminal	1,846	1,863	2,073	2,284	2,361
Missouri-Illinois	1,048	1,255	1,143	471	368
Nevada Northern	2,070	2,027	2,091	128	119
North Western Pacific	1,076	1,118	843	704	487
Peoria & Pekin Union	7	11	12	0	0
Southern Pacific (Pacific)	32,897	30,313	31,543	14,231	9,998
Toledo, Peoria & Western	232	257	239	1,800	1,514
Union Pacific System	12,919	12,546	14,915	17,001	12,273
Utah	494	597	296	5	6
Western Pacific	2,179	2,105	1,732	4,405	3,380
Total	125,456	117,882	126,637	98,936	79,246

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1943	1942	1943	1942
Southwestern District—				
Burlington-Rock Island	1,041	177	222	200
Gulf Coast Lines	5,146	4,441	2,494	2,706
International-Great Northern	2,849	2,809	2,303	3,435
Kansas, Oklahoma & Gulf	244	345	286	938
Kansas City Southern	6,001	4,916	2,446	2,988
Louisiana & Arkansas	4,102	3,640	2,152	2,782
Litchfield & Madison	340	321	371	1,358
Midland Valley	714	662	474	290
Missouri & Arkansas	167	145	187	385
Missouri-Kansas-Texas Lines	6,246	5,266	4,436	5,692
Missouri Pacific	17,397	15,363	16,982	18,391
Quanaah Acme & Pacific	131	109	77	316
St. Louis-San Francisco	8,762	8,873	9,035	9,310
St. Louis Southwestern	3,524	2,710	2,778	6,570
Texas & New Orleans	13,578	10,234	7,347	6,283
Texas & Pacific	4,868	4,571	3,826	7,292
Wichita Falls & Southern	101	112	187	55
Weatherford M. W. & N. W.	18	25	14	19
Total	75,229	64,519	55,617	69,010

*Previous week figure.
Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

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

Items About Banks, Trust Companies

At its meeting on June 24, the Board of Directors of The Public National Bank and Trust Co. of New York voted to transfer \$2,000,000 from undivided profits to surplus account. As of June 30, therefore, capital stands at \$7,000,000, surplus \$9,000,000 and undivided profits approximately \$2,900,000. This transfer does not affect the bank's reserves, which remain unchanged.

At a meeting of the Board of Directors of the Grace National Bank of New York on June 23, Luis Aguirre-Edwards, Manager of the Foreign Department, was appointed Vice-President. Mr. Aguirre-Edwards was born in Chile and has been associated with the Grace National Bank for the past 19 years in the Foreign Department, during which time he has been in charge of the bank's South American business.

Arthur S. Kleeman, President of the Colonial Trust Co. of New York, announces that Freeman Koo, son of Dr. Wellington Koo, Chinese Ambassador to Great Britain, has joined the Foreign Department of the bank.

Graham H. Anthony, President of Veeder-Root, Inc., of Hartford, Conn., was elected a trustee of The New York Trust Company at a meeting of the trustees on June 29. A graduate of the University of North Carolina, Mr. Anthony has been chief executive of Veeder-Root, Inc., since 1932. He is also a director of the Colts Patent Firearms Manufacturing Co., Hartford Electric Light Co., Hartford National Bank & Trust Company, Aetna Insurance Co., Connecticut Mutual Life Insurance Co., Holo-Krome Screw Corp., Billings & Spencer Co. and Mechanics Savings Bank of Hartford.

The County Trust Co. of White Plains, N. Y., has filed application with the State Banking Department for permission to change the location of a branch office from 26 Wheeler Avenue, Pleasantville, to the southeast corner of Wheeler Avenue and Bedford Road. This application was filed in connection with the purchase of assets and assumption of deposit liabilities of the First National Bank of Pleasantville which is situated at the proposed location. Plans for consolidation of the two institutions were reported in these columns June 10, page 2196.

The State Bank of Newfane, Newfane, N. Y., has been authorized by the State Banking Department to increase its capital stock from \$60,000, consisting of 600 shares of the par value of \$100 each, to \$75,000, consisting of 750 shares of the par value of \$100 each.

The election of Ebert B. Johnson as President and a Director of the First National Bank, Springfield, N. J., was announced by the Board of Directors on June 24. Mr. Johnson, who is Traffic Manager of I. T. Williams & Sons, New York, succeeds the late Gabriel Larsen. Mr. Johnson is also a Director of the Battle Hill Building and Loan Association of Springfield.

Roland L. Taylor, retired Philadelphia banker, died on June 23 at his home in Gwynedd Valley, Pa., at the age of 74. At the time of his death, Mr. Taylor was Chairman of the Board of the Tubize Chatillon Corp. A native of Philadelphia, Mr. Taylor started his banking career with Barker Brothers & Co., Philadelphia, in 1887. Later he was connected with the Real Estate Trust Co. and in 1910 became President of the Philadelphia Trust Co. Shortly afterward Mr. Taylor became a member of William A. Read & Co., which

later became Dillon, Read & Co. He remained a member of this firm until his retirement last year.

Directors of the Manufacturers National Bank of Detroit, Mich., have elected Benson Ford a director of the bank, succeeding his father, the late Edsel B. Ford, founder of the Bank in 1933. Mr. Ford is a director of the Ford Motor Company and is now in active service as a lieutenant in the United States Army.

Paul S. Dick, President of the United States National Bank of Portland, Ore., announced the election of David B. Simpson to the bank's Board of Directors. Mr. Simpson is Vice-President and Secretary of Norris, Beggs & Simpson of Portland and President of the Portland Chamber of Commerce. In 1938 he was elected Vice-President of the National Association of Real Estate Boards and in 1941 became President of that body.

ABA To Aid In Solving Small Plants Problem

As a further aid to small business in fitting into production for both materials of war and essential civilian goods, the active support of the American Bankers Association has been enlisted, it was announced June 21 by Brig. Gen. Robert W. Johnson, Chairman of the Smaller War Plants Corporation. The action comes as a direct result of numerous conferences between officials of SWPC and the ABA.

General Johnson issued excerpts from a letter which he received from W. L. Hemingway, President of the American Bankers Association, which read:

"Bankers are close to the problems of small plants and are very much interested in their welfare, so I am sure that they will gladly take advantage of this opportunity to help solve the problems of small business. They will do this not only because it is good business for them to do so, but also because it will benefit the community and further the war effort.

"While this is a national problem, we believe that the quickest and most effective solution will come about through the cooperation of the State Bankers Associations directing the efforts of local groups and individual banks. I am, therefore, writing to the President, Vice-President and Secretary of each of the State Bankers Associations, asking for their cooperation. . . ."

Mr. Hemingway's statement was in reply to General Johnson's letter, which said: "The problems of small business properly cannot be regarded as the exclusive responsibility of the Federal Government. They must rather be viewed as problems of even more vital concern to each community in which such distressed enterprises are located. For, inevitably, the difficulties and hardships that develop have their immediate and most damaging effects in local cities and towns.

"We believe that the members of ABA can perform a tremendously valuable service in helping solve the problem of smaller plants, which are adversely (and mostly through no fault of their own) affected by the war. We believe, too, that both business and patriotic motives will prompt your members to recognize and carry out the important role they can play. In the interests of our common welfare, we need and solicit such bank help."

The ABA is also arranging to have officials of the SWPC appear at State banking meetings to

explain the details and operations of the plan.

Mr. Hemingway has sent to officers of State Bankers Associations an outline of the corporation's program for helping small plants locally.

The SWPC ten-point program is as follows:

1. To analyze manufacturing accounts, loans, etc., to determine what companies having relations with the banks are adversely affected by the impact of war and limitations on their normal operations.

2. To consult the heads of such firms and determine in what lines of local manufacture—military or otherwise—each firm could apply its facilities, and manpower.

3. To examine the possibility of the larger and busier manufacturing customers of the bank sharing some part of their load with such distressed smaller plants.

4. To arrange meetings at banks or in plants of representatives of both groups between whom such collaboration appears to be possible.

5. To act as liaison in effecting some working plan between them.

6. To enlist when needed the services of Smaller War Plants Corporation's nearest field office for handling any special elements of a technical or financial nature, which cannot be covered by the banks or manufacturers involved.

7. To coordinate such activities of a given bank with similar action of other banks in order to effect such manufacturing arrangements with such other banks' customers when the clients of any single bank cannot effectively be matched.

8. To obtain special price allowances, through the Smaller War Plants Corporation when cost differentials would otherwise defeat such a "share-the-work" arrangement.

9. To learn from a representative of the Smaller War Plants Corporation's nearest office the purposes, policies, procedures, which SWPC has set up to help solve the problems of small business.

10. To be a constructive, alert, resourceful intermediary in bringing about such broader distribution of the current production load, so that by such increased participation on the part of the smaller enterprises, local values, payrolls, etc., may be more soundly sustained and the unearned penalties of war may not crush and kill the numerous and valuable firms thus affected.

War Bond Sales Down Due To Income Taxes

War bond purchases were reduced sharply this month, possibly to meet the heavy second quarter tax bill which fell due on June 15.

The Treasury's daily statement issued June 16 showed that during the first 14 days of this month sales of war savings bonds totaled \$331,218,987, the lowest level in the last three quarterly tax payment periods.

Associated Press Washington advices also reported:

Redemptions of war savings bonds so far this month amounted to \$64,685,968.

June war bond sales are running about half what they were in May when a total of \$779,415,477 was sold in the first 14 days of the month. April sales for a similar period amounted to \$343,121,344.

Although war bond purchases this month dropped, bond sales for the fiscal year which began last July 1 are substantially ahead of sales for a similar period in the 1942 fiscal year. The Treasury's statement showed that war bond sales for the fiscal 1943 year totaled \$11,357,591,108 compared with \$5,742,861,477 in the corresponding period in the 1942 fiscal year.

Banks Increase Gifts To Greater N. Y. Fund

Gifts to the Greater New York Fund's 1943 campaign from commercial banks and trust companies in Manhattan are 24½% higher than they were in 1942, according to a report made to W. Randolph Burgess, campaign chairman, by Pierpont V. Davis, President of Harriman, Ripley and Co., who is Chairman of the Finance Section of the Fund's campaign, and Harry E. Ward, Chairman of the Board of the Irving Trust Co. and also Chairman of the Banks and Trusts Division of the appeal.

Mr. Davis and Mr. Ward told Mr. Burgess that 52 commercial banks and trust companies had contributed \$344,550 this year, which is an increase of \$70,420 over the gifts from the same companies last year. The Greater New York Fund, in setting a minimum goal of \$4,500,000 for the current campaign, asked publicly owned corporations to increase their gifts this year by at least 25%.

"The Greater New York Fund is most grateful to you," Mr. Burgess told Mr. Davis and Mr. Ward, "for the splendid record you have made in our appeal. The commercial banks and trust companies of New York also are to be congratulated on their generous response to the Fund's plea on behalf of the 406 voluntary welfare and health agencies and hospitals affiliated with it."

The Fund's appeal is limited to business firms and employee groups. It seeks money to help support the 406 voluntary welfare and health agencies and hospitals affiliated with it. The agencies must raise \$21,000,000 this year from the generosity of the public. Of that amount approximately \$16,500,000 is expected to be raised by the agencies in their individual appeals. The remaining \$4,500,000—the Fund's minimum goal to be raised from business firms and employee groups—represents a vital share in maintaining the agencies' services at their present levels, Mr. Burgess explained.

A total of 7,073 volunteers are canvassing the business field of New York to put the Fund's 1943 campaign over the top.

A previous reference to contributions to the Fund appeared in our issue of June 24, page 2388.

May Lend-Lease Aid Totaled \$790,000,000

Edward R. Stettinius, Jr., Lend-Lease Administrator, announced on June 20 that lend-lease aid during May amounted to \$790,000,000, bringing the total since the beginning of the lend-lease program to \$11,893,000,000. Of this amount, \$9,930,000,000 represents goods transferred and \$1,963,000,000 services rendered (rental and repair of ships, etc.). Of the amount for the month of May, \$716,000,000 was for goods transferred and \$74,000,000 for services rendered. The advices from the OWI stated:

"Mr. Stettinius pointed out that the total of transfers and services represents the best over-all measure of lend-lease aid. He said, however, that exports, since they show the amount of goods actually leaving this country and where the goods are going, give a better picture of the part being played by lend-lease on the various fronts of the war. Cumulative exports of lend-lease goods to the end of April, the last month for which these figures are available, totaled \$8,260,000,000. Exports for the month of April totaled \$839,000,000, the highest mark ever reached in a single month."

The announcement gave the following additional details:

"The difference between the

cumulative value of goods transferred under lend-lease and the value of lend-lease exports is due to three factors—the value of ships transferred to lend-lease countries and sailed to their destination under their own power; goods turned over to lend-lease countries and used in the United States; and good transferred but not yet exported.

"These three items are included in lend-lease transfers but not in lend-lease exports. In addition to these differences, Mr. Stettinius pointed out that the cumulative figures on lend-lease transfers cover one month more than the figures on exports.

"Exports of munitions to April 30, 1943, amounted to \$4,278,000,000, or 52% of total lend-lease exports; exports of industrial materials amounted to \$2,177,000,000, or 26%; and exports of food and other agricultural products amounted to \$1,805,000,000, or 22%. Food-stuffs constitute the most important single item of lend-lease exports, totaling \$1,495,000,000, with aircraft second, totaling \$1,387,000,000.

"In April, munitions led all exports with \$512,000,000, or 61% of the total; industrial materials comprised \$205,000,000, or 24%; and food and other agricultural products \$122,000,000, or 15%. Exports of munitions and industrial items exceeded those of the preceding month by \$127,000,000 and \$29,000,000 respectively; food and other agricultural products declined by \$29,000,000. Among the individual items of exports, aircraft led for the month with \$186,000,000, followed in order by tanks, foodstuffs, ammunition, metals, motor vehicles, machinery, general industrial items, ordnance, petroleum products, agricultural products other than foodstuffs and watercraft.

"In April, exports of lend-lease goods to United Kingdom totaled \$363,000,000, those to Russia amounted to \$233,000,000 and to Africa and the Middle East \$111,000,000. The increasing importance of exports to the U.S.S.R. is indicated by the fact that her total is now \$2,123,000,000, or 26% of all lend-lease exports, despite the fact that she did not begin to receive aid until the latter part of 1941."

ODT Clarifies Order On Parcel Delivery

In answer to consumer and retailer queries, the Office of Defense Transportation on June 19 clarified its new regulation issued June 16 on package deliveries as applied to mail, phone and other special retail orders in the Eastern gasoline shortage area. The ODT advices on June 19 stated:

"Merchandise purchased by mail or phone cannot be sent to consumers by store or city delivery truck if the package weighs less than five pounds or measures under 60 inches in combined length and girth. Restrictions, the ODT added, do not apply to ordinary retail store use of U. S. Mail channels.

"Purchases needing alteration or processing may be delivered in the usual manner provided the processing is done as part of the original sale.

"No pick-up of exchanges, delivery COD purchases or other special services on under-size packages may be made by delivery trucks. At the retail store's discretion, however, such special service may be rendered by messengers using bicycles, regular local passenger transit facilities or by walking."