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The Financial Situation

The controversy which has recently arisen between the President and Congress concerning "roll-backs" and subsidies as instruments in the anti-inflationary effort, and which last week gave rise to another veto by the President, has been no more edifying or encouraging than the other controversies preceding it. The measure which the President vetoed was, unfortunately, plainly another of those rather hasty improvisations which left Congress open to the sort of ad hominem attack which the President so quickly and characteristically delivered. Fundamentally, however, the position of Congress is sounder than that of the President, whose success in preventing this particular bill from reaching the statute books leaves the real problems by which both Congress and the President are faced no whit nearer a constructive solution.

Good Politics; Poor Economics

Whatever may be the shortcomings of HR 2869, it is not, as the President asserts, "an inflation bill, a high cost of living bill, a food shortage bill." It may conceivably be true, as the President insists, that "by this measure the Congress will compel every housewife to pay five cents more for every piece of butter that goes on her table, and to pay higher prices for every pork chop, every ounce of beef, every slice of ham or bacon which goes to feed her family." If so, however, this is so small a part of the full story that to cite such facts, while remaining silent about the rest amounts to gross misrepresentation. Argument of this type, if argument is may be termed, is, however, the typical presentation of the shrewd politician. It is designed to attract the attention of millions of individuals who are already greatly disturbed about "inflation"—in substantial part as a result of the terrifying propaganda emanating from Washington for long months past—and to fix them in unalterable opposition to any obstacle which may be placed in the way of the program which the Administration has devised.

Not Helpful

Such tactics may be, probably are, well designed for the purposes they are intended to serve, but they afford

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From Washington Ahead Of The News

By CARLISLE BARGERON

Overshadowed by its fight with the President on subsidies and such spectacular action as its killing of NYA, Congress has succeeded after all these years in effecting a highly important remedy in the National Labor Relations Act. It was the first dent made in Labor's so-called Magna Charta since it was enacted and significantly enough the remedy was sponsored by the American Federation of Labor, particularly by its Metal Trades Department embracing some 15 international unions of the Federation.

Briefly, Congress tacked an amendment onto the NLRB's appropriation providing that none of its funds could be used by the Board "in any manner whatsoever in connection with a complaint arising from an agreement between management and labor which has been in existence for three months without complaint being filed." The provision effectively stops the Board from meddling in industries whose labor relations have been stabilized, particularly war industries, a meddlesomeness upon which it was embarking in a big way.

The action grew directly out of the Board's plan to throw the Kaiser and other shipyards which have had agreements with the A. F. of L. for two years, open to a labor organizing melee to give the CIO an opportunity to see if they could organize these already organized workers. In the agitation which has been going on for several months the Board defended its action on the ground that only a relatively few workers were in the Kaiser yards when the contracts were signed. It repeatedly claimed there were only 67 in one yard and less than 200 in another yard. The fact is there were several thousands in the yards but the NLRB, determined to make a case, separated them into two groups, those building the yards and those actually engaged in ship production at the time. The two groups were interchangeable, the building workers moving over to ship production as fast as their work was completed. All of this, however, was but legal subterfuge with which the Board tried to cover the real issue.

This was the practice of the

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House Sustains President's Veto Of Bill Banning Subsidy Payments; Senate Again Rejects Plan

President Roosevelt vetoed on July 2 the Commodity Credit Corporation bill with its ban on food subsidies and price roll-backs and the House sustained the veto later the same day by a vote of 228 to 154. Since a two-thirds majority was required to override the veto, the House vote was 27 under the 255 needed.

Following this action, the House passed a resolution extending the life of the CCC until Jan. 1, 1944, and increased its borrowing power by $350,000,000—from $2,650,000 to $3,000,000,000.

The Senate, on July 6, however, approved a CCC extension bill containing a ban on the use of subsidies to roll back prices. Thus, the legislation now goes back to a joint conference committee. Unless the Senate measure is substantially revised in conference it is considered likely that the President will veto almost the same subsidy legislation he previously disapproved.

President Roosevelt

The Senate on July 6 first approved by a vote of 32 to 31 a plan for continuing the CCC with a limitation of $525,000,000 on funds for the food subsidy and price roll-back programs for the remaining six months of this year. However, on reconsideration of this proposal, the Senate voted 33 to 31 to refuse this plan. The Senate then by a vote of 36 to 29 rejected the entire CCC resolution but on a reconsideration voted 36 to 28 to adopt the measure with its ban on subsidies.

In his veto message, the President termed the measure "an inflation bill, a high cost of living bill, a food-shortage bill." He said that the legislation "will have a devastating effect upon our economy and our war effort" and warned that it "may cripple our entire food program."

Mr. Roosevelt's three principal objections to the bill were that it "blacks out the program to reduce the cost of living"; makes it "virtually impossible to institute any additional measures to reduce the cost of living or even to hold the line," and that "it denies to the Executive any power to purchase farm products for resale at a loss or to make incentive payments to obtain increased production of foodstuffs without the approval of the Congress."

Final Congressional action on the CCC bill, with its rider abolishing the food price subsidy and roll-back programs, was originally taken on June 30 when the Senate and the House adopted a conference report. The House vote was 160 to 32 and the Senate vote, 62 to 13. The House approved a more restrictive bill on June 25 while the Senate adopted its own version on June 26, thus necessitating a joint conference; this was reported in our issue of July 1, page 22.

The President's veto message follows:

To the House of Representatives:

HR-2869, to continue the Commodity Credit Corporation as an agency of the United States, is before me. This measure will become law only over my strenuous objection and protest. The Congress is aware of my deep interest in the Commodity Credit Corporation. It was created by me under Executive Order issued Oct. 16, 1933, to meet a grave and critical emergency. It has proved to be useful not only in an emergency but under other conditions. It has an essential function to perform in our war food production program. It should and must be continued.

But this is not a bill to continue the Commodity Credit Corporation. It is a bill to hamstring the Commodity Credit Corporation. It places new and unwarranted restrictions on the use of its funds and on the powers heretofore given to the Administration to stabilize the cost of living. These restrictions would prevent our giving to farmers the assistance they need in carrying out our new food production programs, so essential to feed our citizens and our soldiers. They would make it impossible to stop the rising cost of living.

As the measure now stands, this is an inflation bill, a high cost of living bill, a food shortage bill.

There is, for instance, a provision in Section 6 (A) which prohibits the establishment of a maximum price for any raw or

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GENERAL CONTENTS

Editorials

What And When To Buy

Roger W. Babson Gives Four Rules For Buying Stock

Subject to minor corrections, we have had a bull market for some fourteen months. It is not yet time to forecast how high the stock market will eventually go. It is clear, however, that considerably higher averages will ultimately be attained. Further favorable prices are assured by powerful underlying forces. Among these is the fact that one way to compensate increased living costs, occasioned by inflation, is through buying good stocks. How to do this is the basis of my article today.

Roger W. Babson

War Bonds vs. Stocks

Small investors with only a few thousand dollars should NOW stick to War Savings Bonds and NOW steer clear of the stock market. Many wise investors or professional stock speculators would be satisfied with a **sure** 33⅓% increase in their capital over a period of ten years, which gain the Series E bonds will give not considering interest. To obtain such a gain otherwise NOW more than the usual businessman's risk may be incurred.

Through the medium of both Series E and F War Savings Bonds, all investors, large and small, can automatically increase their capital. There is no risk to these appreciation bonds which, bought at a discount, will, upon maturity, return 33⅓% more than they cost. I get provoked at some New Deal measures, but I certainly believe these short War Bonds to be both a safe investment **and a good speculation. I say the latter because there may be some great panic bargains before the time these ten-year bonds mature.** People with very little money should buy stocks only during panics.

What to Buy?

Usually it is better for the small investor to confine his purchases to stocks listed on the New York Stock Exchange. Generally speaking, nearly all stocks will rise to some extent in a bull market. For the purpose of this article, there-

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The Financial Situation

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little help in arriving at a sound understanding of the problems out of which they arise, or in formulating policies which may reasonably be expected to serve the interests of these same millions to whom this ad hominem appeal is made. The President is careful, of course, to omit the fact, for fact it is, that whatever the housewife is enabled by his program to save when she stocks her larder with butter, beef, pork and the rest, she, her husband, or posterity, must pay in the form of taxes. He says nothing that would disturb that comfortable, but highly illusory, popular assumption that somehow Government can make something out of nothing, provide "benefits" for Tom, Dick and Harry—and Helen, give aid to all "deserving" elements in the population, and like "Daddy" in nursery talk, "fix" any and everything in need of "patching up"—all without cost to any one, unless it be the fabled financial barons who deserve whatever they get. The politician could not ask for better bread, but the sensible man should know that it cannot be made from wheat.

The public cannot afford to ignore these facts which the President so persistently and studiedly ignores, or else the consequences of mistaken policies must inevitably be ruinous. It is obvious enough that if the consumer is permited to obtain goods at a price which does not cover the cost of producing these goods and placing them in his hands, either one or the other of two things must occur. Either production ceases or is reduced to the point where the product will bring at least what it costs, or else someone must pay the difference between the price and the cost of the goods. This difference, the President insists that Government pay. But Government has no funds which are not provided it by the community—or which are not created by fiat to the ultimate ruin of us all. Hence no argument is necessary to make it clear that any reduction in the cost of living, or any stabilization in living costs obtained at the price of subsidies, is illusory, hardly more than a snare and a delusion.

Theoretical Advantages

But the unreal nature of the "savings" to the consumer afforded by subsidy programs is but a part of the picture. Other more important aspects remain for consideration. The advantages claimed for subsidy programs as an aid in combating "inflation" claims, that is, by those more interested in public welfare than in the political considerations, are, first, that only the high-cost producers need to be paid subsidies in order to promote production, and, second, that subsidies paid at the point of production do not, as in the case of higher prices, tend to become pyramided through the steps remaining between the producer and the ultimate consumer. It is cheaper, so the argument runs, to pay 10 or 20% of the producers who cannot operate at current prices whatever subsidy is necessary to get them into production than it is to permit prices to rise sufficiently to serve the same purpose, since in the latter case the low-cost producers obtain "wind-fall" profits. Since under subsidy arrangements the products enter the economic stream at low prices, successive mark-ups as the goods pass from one hand to another to the consumer are not, continues the argument, nearly so great—assuming, of course, that such mark-ups are computed on a percentage of cost basis, as indeed they usually are.

Practical Considerations

But try to apply this doctrine to goods which flow from many thousands, even millions of producers. Who is to determine who are the low-cost producers and who are the high-cost producers? How are low-cost producers—who under this theory would draw no subsidies—to be prevented from selling their wares to illegitimate buyers, or so-called black markets, or even to legitimate buyers willing to pay more than the official price? How can the millions of dealers and others through which goods pass to the consumer be so effectively regimented that mark-ups are held to what the authorities think they should be? Consider for a moment the opportunities for paying political debts and for buying political favors embodied in efforts to control all elements in the economic system as are thus indicated! And, fully as important, consider the vast bureaucracy which must be supported by the taxpayer to administer any such program! Can any reasonable man suppose that money would in the end be saved the rank and file (who are, of course, the consumers) by any such device applied so generally as the President evidently envisages?

A Thousand-and-One "Ratios"

There are other even more serious difficulties and dangers in such a subsidy program. A good deal of publicity has been given to the so-called "corn-hog ratio" in recent years, and it is now widely said that this ratio, having been distorted by New Deal tinkerings with prices, is now responsible for a number of very threatening situations with which the authorities are attempting to deal by an application of the dog that did the biting. But the economic system is shot through with such "ratios," recognized or not recognized, publicized or known only to a few. Let any one of them be thrown badly out of line and consequences, often most troublesome, are to be traced through many labyrinths of the economic process down to the ultimate consumer. **Where is the man, or the group of men, wise enough to sit in some air-conditioned office in Washington and keep all the "ratios" in line? There is, of course, no such man, or group of men.**

And it is upon such a myriad of inter-relationships that full and continuous production depends!

Finally, what could be expected to happen when such a subsidy program as the President envisages comes to an end, as sooner or later it must? Then it will be that no one can longer pretend, or believe, that the cost of living really has been controlled. Then it will be that vested interests in largesse will dominate the political situation. Then it will be that the housewife will be obliged to adjust herself to the realities of the situation, and adjustments made obligatory upon her will not by far be the only ones. The President plainly left most of the story untold.

Easy Assumptions

"It is too easy to act on the assumption that all consumers have surplus purchasing power, and that the high earnings of some workers in munitions plants are enjoyed by every worker's family. This easy assumption overlooks the 4,000,000 wage workers still earning less than 40 cents per hour, and millions of others whose incomes are almost as low.

"It ignores the fact that more than 4,000,000 families have not had an increase of more than 5% in their income during the last eighteen months. It further ignores the millions of salaried, white-collar workers—the school teachers, the clergymen, the State, county and city officials, the policemen, the firemen, the clerks—whose salaries have remained low but whose living standards are being cruelly and inequitably slashed by higher food prices.

"It equally ignores others on fixed incomes—the dependent mother of the soldier boy with her scant $37 per month, the widow living off the proceeds of her husband's insurance policy, and the old-age pensioner.

"These millions are entitled to be protected against skyrocketing food costs. It is my duty to guard them against the ravages of inflation—and I shall guard them unless the Congress shackles my hand.

"These unorganized millions must not become the forgotten men and women of our war economy."—The President.

"It is too easy to act on the assumption" that any program labeled "anti-inflationary" is so in fact—fully as easy, so it would appear, as to do any of the things to which the President objects.

If the Administration does not soon alter its course in some of these matters, all of us may find ourselves "the forgotten men and women of our war economy."

The State Of Trade

A decided drop in coal production and substantial decline in carloadings for the week, caused the business index to drop several points.

With coal production still below normal, although the miners' strike has officially been called off, "Iron Age" estimates that 170,000 tons of steel have been lost so far in 1943 through coal work stoppages, and that it is now feared that coal and coke stockpiles cannot be rebuilt to a point of safety for the duration of the war. In April, prior to the trouble with John L. Lewis and his followers, stocks of coal at by-products plants were equal to only 5.4 days supply. In July, 1939 prior to the outbreak of war in Europe, such stocks equaled twenty five days' operations.

Strikes in the nation's coal mines this year have caused a production loss of approximately 26,000,000 tons of bituminous coal, a survey based on statistics of the Department of Interior and of the National Coal Association indicates.

Spurred by warnings that invasion plans depend upon increased steel production, Pittsburgh district steel workers and management plunged anew into their two-fold task: to regain the ground lost by the coal strike and to do their share in boosting national steel production by two million extra tons in the next six months.

For two days high officials of the War Production Board launched their steel for victory drive to step up production by the needed two million tons, toured major plants of the Pittsburgh area to appeal personally to both workers and management for more and more steel.

A third consecutive new record in electric power output was reported by the Edison Electric Institute in its weekly compilation showing a total of 4,120,038,000 kilowatt hours for the week ended June 26th, as against 4,098,401,000 for the preceding week, and 4,040,376,000 in the week ended June 12th. In the week ended June 27th 1942, total power output was 3,547,024,000 k.w.h.

The Pacific Coast area continued its lead over all other regions in percentage gains from the figures of a year ago, with a rise of 25%. Southern States' demand was up 23.5%, with the mid-Atlantic region registering a gain of 17.2%.

Reflecting the heavy demand for power for war production purposes by industries in this area, an all-time record for electricity generated by Consolidated Edison System companies was established when 31,220,070 kilowatt hours were produced. The previous record was 29,779,500 established on June 25th.

Carloadings of revenue freight for the week ended June 26th totaled 760,844 cars, according to the Association of American Railroads. This was a decrease of 107,397 cars from the preceding week this year, 92,574 cars fewer than the corresponding week in 1942 and 147,760 cars below the same period two years ago.

This total was 104.03% of average loadings for the corresponding week of the ten preceding years.

Freight car loadings in the third quarter this year will approximate 9,959,651 cars, an indicated increase of 1.5% above the 9,814,974 loaded a year ago, according to estimates furnished the Association of American Railroads by the thirteen regional shippers' advisory boards.

The pre-Independence Day buying rush was less pronounced this year, although ticket sales point toward record week-end travel and the need for hot-weather goods boosted sales of seasonal items, according to the weekly review of Dun & Bradstreet, Inc.

While retail stores commenced Saturday closings earlier this year, retail sales for the country as a whole were estimated to be 12 to 16% above last year. Retail sales in the New England area advanced 5 to 9%, while the East showed a rise of 7 to 12%. The Middle West showed a rise of 12 to 15%, the Northwest 11 to 13% and the South 12 to 20%. Southwest sales advanced 27 to 31%, while the Pacific Coast gained 25 to 28%.

Department store sales on a country-wide basis were up 19% for the week ended June 26th, compared with the like week a year ago, according to the Federal Reserve Board.

Store sales were up 19% also for the four weeks ending June 26th, compared with the same period a year ago, according to the same source.

Department store sales in New York City in the week ended June 26th were 6% larger than in the like 1942 week, and in the four weeks ended June 26th, rose 16% over the corresponding period last year, according to the New York Federal Reserve Bank.

Sales of apparel stores in the week ended June 26th were 8% higher than in the corresponding week last year, and in the four-week period were 30% above those of the like 1942 period.

Congress Expected To Recess, But With Right To Reconvene

Congress is expected shortly to take a two-months' Summer recess under a resolution which would retain for that body the right to reconvene during the recess without waiting for a call from President Roosevelt.

The recess is likely to begin around July 10 and continue until Sept. 13. Under the procedure decided upon by the leaders of both major parties, the recess resolution will provide for calling Congress back into session before that date if necessary. The Speaker of the House and the Vice-President could end the recess upon the request of the Democratic or Republican leaders of both the Senate and the House.

Under normal procedure Congress cannot reconvene during a recess unless recalled by the President or unless it has fixed by resolution a specific date for reconvening the next regular session.

Speaker Rayburn said on June 28 that adoption of this unusual procedure was not to be construed as a reflection on the President.

House Democratic Leader McCormack of Massachusetts and Republican Leader Martin of Massachusetts also said there was no intention on their part to reflect upon the President when they drafted the resolution.

It was also stated by the Associated Press that Representative McCormack explained that the "unusual but justifiable" procedure was necessary because of the war with its accompanying uncertainties.

Items About Banks, Trust Companies

The National City Bank of New York reported, as of June 30, total resources of $3,735,625,234 as compared with $3,568,434,805 as of March 31, last, and $3,128,263,792 as of June 30 one year ago; total deposits of $3,512,094,114 against $3,352,958,745 and $2,917,113,053. Holdings of U. S. Government obligations were $2,072,406,287 compared with $1,865,903,179 and $1,277,330,145. Cash on hand and due from banks was $806,918,420 against $860,032,174 and $935,698,027. Loans and discounts were $584,133,089 against $532,584,826 and $595,152,147. Capital remains unchanged at $77,500,000 and surplus was $85,000,000 against $77,500,000 previously reported. Undivided profits were $26,851,580 compared with $25,110,800 and $20,031,715.

Combined net current operating earnings of the bank and City Bank Farmers Trust Co. for the second quarter of the year, it is announced, were 58 cents per share and for the first half year amounted to $1.08 per share as compared with 91 cents per share for the first half of 1942. As is customary, these earnings are exclusive of bond profits and recoveries which, together with the earnings of the trust company, have been transferred to reserves, except for $1,250,000 of the recoveries, which was added to $6,250,000 distribution from the City Company of New York to constitute the total of $7,500,000 added to surplus account in June, 1943. The bond profits transferred to reserves for the first six months were equivalent to 21 cents per share, compared with 12 cents per share for the first half of 1942.

The City Bank Farmers Trust Co. reports total deposits as of June 30 of $107,285,551 against $91,990,907 on March 31, and $89,451,423 on June 30 one year ago. Total resources were $134,495,057 compared with $119,091,854 and $116,901,479. Cash amounts to $18,007,453 against $28,985,612 and $34,978,492. Holdings of U. S. Government securities were $97,717,740 against $69,855,600 and $56,784,334. Capital and surplus were unchanged at $10,000,000 each and undivided profits were also unchanged at $5,830,103.

Resources, deposits and holdings of U. S. Government obligations are reported at their highest totals on record, in the statement of condition of the Guaranty Trust Co. of New York as of June 30, 1943, published July 2. The comparative figures show total resources of $3,073,489,040 on June 30, as compared with $3,015,473,615 at the time of the last published statement, March 31, 1943; deposits of $2,758,836,791, as compared with $2,666,261,390, and holdings of U. S. Government obligations of $1,841,302,186, as compared with $1,827,681,573. The company's capital and surplus remain unchanged at $90,000,000 and $170,000,000, respectively, and undivided profits total $25,453,136, as compared with $23,445,680 on March 31, 1943.

The Chemical Bank & Trust Company of New York reported as of June 30, 1943, deposits of $1,108,817,304 and total assets of $1,203,538,173 as compared respectively with $1,041,405,430 and $1,133,964,753 on March 31, 1943. Cash on hand and due from banks amounted to $244,628,666 compared with $261,910,314; holdings of United States Government securities to $610,219,501 against $509,560,659; bankers' acceptances and call loans to $48,294,227 against $37,472,099; and loans and discounts to $125,642,126 against $149,273,845.

Capital and surplus were unchanged at $20,000,000 and $55,000,000 respectively, and undivided profits are now $6,288,537 against $5,805,606 at the end of March. The indicated net earnings on the bank's 2,000,000 shares (par $10.00) amount to $.69 per share for the second quarter of 1943, as compared with $.60 for the same quarter a year ago.

J. P. Morgan & Co., Incorporated, New York, in its statement of condition as of June 30, 1943, reports total resources of $780,853,643 and total deposits of $734,037,118, compared with $744,722,361 and $697,866,820 on March 31, 1943. According to the current statement, cash on hand and due from banks amounted to $138,444,766, against $155,399,860 three months ago; U. S. Government securities (direct and fully guaranteed) are now $518,857,917, compared with $464,815,117; State and municipal bonds and notes at the latest date are $19,674,853, against $25,130,519, and loans and bills purchased are $77,351,887, compared with $69,611,052. The capital and surplus are unchanged from the close of the first quarter at $20,000,000 each, with undivided profits also the same at $1,817,503.

At the regular meeting of the Board of Directors of The National City Bank of New York, held on July 6, James A. MacKay was appointed Vice-President. Following his association with the Canadian Bank of Commerce, Mr. MacKay joined National City's foreign branch inspection staff on Dec. 1, 1925. Attached to the Bank's Comptroller's Division, he served in the capacity of branch inspector where he attained the distinction of having inspected almost all of National City's foreign branches throughout the world. Mr. MacKay was appointed Assistant Comptroller of the Bank on June 30, 1931, and Assistant Vice-President on Sept. 15, 1931. He is now engaged at Head Office in the administration of the bank's affairs in the Far East. As Assistant Vice-President and Supervisor of National City Chinese branches for the past 12 years, Mr. MacKay was in Shanghai when the Japanese occupied the city and he was included in the group of American nationals which was taken into custody for "questioning" by the Japanese gendarmerie. He was released after 59 days in prison and permitted to return to New York on the S. S. Gripsholm which arrived August 25 last year. During the first World War Mr. MacKay served as a member of the British Royal Air Force.

The statement of condition of Manufacturers Trust Company of New York, as of June 30, 1943, shows deposits of $1,416,802,430 and resources of $1,517,315,839. Resources are reported in excess of one and one-half billion dollars for the first time. These figures compared with deposits of $1,344,604,197 and resources of $1,443,510,368 shown on March 31, 1943. On Dec. 31, 1942, the respective figures were $1,322,420,807 and $1,419,495,474. Cash and due from banks is listed at $330,842,294 as against $375,714,378 shown on March 31, 1943, and $370,862,493 shown six months ago. United States Government securities stand at $805,566,229; three months ago it was $676,984,890 and six months ago it was $635,564,410. Loans, bills purchased and bankers' acceptances is now $276,254,774, which compares with $279,375,385 on March 31, 1943, and $300,378,843 on December 31 last year. Preferred stock is shown as $8,307,640, common as $32,998,440 and surplus and undivided profits as $46,255,896. Net operating earnings for the six months ending June 30, 1943, after amortization, taxes, etc., as well as dividends on preferred stock, was $3,577,591, or $2.17 a share on the common stock. Of this amount $1,649,919 was paid in dividends on common stock, $113,644 was used to write down banking houses and $1,814,028 was credited to undivided profits. During the first six months 14,595 shares of preferred stock were retired, which had the effect of reducing preferred stock account $291,900 and undivided profits account $458,100.

The statement of condition of the Irving Trust Co., New York City, for June 30, 1943, shows deposits on that date of $945,997,683, compared with $888,494,020 on March 31, 1943, and $780,348,990 on June 30, 1942. Total resources at the latest date amoutned to $1,058,686,151, compared with $1,001,746,245 on March 31 and $892,255,004 a year ago; cash on hand and due from Federal Reserve Bank and other banks now at $203,704,260, compared with $220,466,028 and $282,750,437 on the respective dates; investments in U. S. Government securities, $655,260,719, contrasting with $570,048,590 and $365,776,256; loans and discounts, $163,910,371, as against $167,053,280 and $201,873,957. The bank's capital stock is $50,000,000, unchanged from earlier dates, while surplus and unlivided profits on June 30 amounted to $55,339,985, compared with $55,083,702 on March 31, 1943, and $54,323,292 on June 30, 1942.

Joseph C. Rovensky, who recently resigned as Assistant Coordinator of Inter-American Affairs, returned on July 1 to his former post as a Vice-President of the Chase National Bank of New York. Mr. Rovensky went to Washington in July, 1940, when the office of Co-ordinator was established. Prior to that time he had been an officer in the foreign department of the Chase National Bank for more than 18 years. He has long been prominently identified with the field of foreign trade financing and several years ago was elected President of the Bankers Association for Foreign Trade.

The New York Trust Co., New York City, reported as of the close of business June 30 total assets of $695,936,739 and total deposits of $642,830,902, compared with assets of $641,756,214 and deposits of $596,585,149 on March 31. Cash items amount to $142,651,569, against $142,845,896 three months ago; United States Government obligations (direct and guaranteed) to $384,316,653, compared with $333,369,710, and loans and discounts to $142,366,410, against $135,094,626. The bank's capital and surplus now stand at $15,000,000 and $30,000,000 respectively, compared with $12,500,000 and $25,000,000 on March 31, while undivided profits on June 30 total $5,101,911, as against $4,786,418 three months ago.

Statement of condition of Corn Exchange Bank Trust Company as of the close of business June 30, 1943, shows total assets of $578,465,299 as compared with $568,935,217 at the end of 1942. The bank reports deposit and other liabilities of $541,936,058 and capital surplus and undivided profits of $36,519,241 compared with deposit and other liabilities of $532,798,687 and capital surplus and undivided profits of $36,136,530 on Dec. 31, 1942. The increase in surplus and undivided profits in the first six months of the year, representing the excess of assets over liabilities, was $382,711.

Cash in vaults and due from banks decreased during the six months from $152,476,572 to $142,612,944, whereas holdings of U. S. Government securities increased from $324,312,363 to $361,882,546. Holdings of other securities are reported as $15,070,405 as compared with $25,486,298 at the year-end, while loans and discounts at $32,249,327 compared with $37,035,466 on Dec. 31, 1942.

The First National Bank of the City of New York, in its report (Continued on page 144)

The News Behind The News

By PAUL MALLON

Fathers have been fed almost daily confusing and conflicting statements by Government officials as to when and if they will be drafted.

Paul Mallon

The last authoritative word is that they will be taken in October, but, only a few weeks ago, the equally authoritative official prediction was that they would be drafted in July.

Negotiations are afoot whereby they may not be taken at all. The official goal has been an 8,000,000-man Army, but certain authorities, including the chairman of the House Military Affairs Committee, Andrew May, have discovered that fighting efficiency might be sharply increased if the goal is trimmed to perhaps 5,000,000.

The equipment for training, feeding, shipping abroad, and supplying 8,000,000 men is obviously limited. The available facilities would enable the training and supplying of a 5,000,000-man force to a far greater degree of efficiency than the currently announced program would permit.

Also lately, the military men have come to place greater reliance on air power. Since the air events of the final portions of the North African campaign, Army authorities have come to believe that bombing may do more of the job ahead of us than they expected, a job for which they formerly anticipated the need of foot soldiers.

A curtailment of 3,000,000 likewise would meet the manpower situation, as Mr. McNutt has announced exactly 3,300,000 persons must be added to the labor force.

Signs are plentiful that the directing officials already are moving toward curtailment. A Senator has received information that the draft quota for August has been cut from 238,000 men to 150,000.

Official announcements also have been made that the Army is releasing the hotels it seized for training purposes at Miami, Atlantic City, Chicago, and elsewhere.

Jim Petrillo, the musicians' union's fuehrer called in reporters a few days back to laugh publicly at John Lewis and the coal strike and to say:

"When I call a strike, I call a strike."

He certainly does, Petrillo has conducted the longest strike of the war. Since last August 1, nearly a year ago, he has caused his musicians to strike against any radio transcriptions of music.

He was "out of town" (to put it politely) when John R. Steelman's labor conciliation bureau started seeking him out a few weeks ago, and reappeared only for the press conference to laugh at Lewis, who was getting the public opprobrium which Petrillo equally deserved.

A labor union boss who does that requires attention even from this Administration and Mr. Petrillo shortly will find himself facing the War Labor Board where his case is bound to go.

FDR's veto of the Smith-Connally war measure against strikes has left a situation in Congress which will be a long time mending.

He did not exactly promise the Senate and House leaders that he would accept their measure, but two unreported incidents led Senator Connally and others to believe that he would.

His left-hand man, War Mobilizer Byrnes, is quoted by House members as having said to them that the measure was acceptable, even with the House amendments.

Dr. Kemmerer Retires From Princeton Post

The retirement of Dr. Edwin Walter Kemmerer, Walker Professor of International Finance at Princeton University was announced on July 2 by Dr. Harold W. Dodds, President of the institution. Retiring with him are four other professors, Dr. Harvey W. Hewett-Thayer, Chairman of the Modern Languages Department; Dr. Douglas Larabee, of the same department; Professor William Starr Myers, of the Department of Politics, historian of the Republican party and editor of the papers of Herbert Hoover, and Professor Walter L. Whittlesey, also of the Department of Politics.

The following regarding Dr. Kemmerer's career was contained in Associated Press advices from Princeton, N. J.:

The 68-year-old Dr. Kemmerer was Banking and Currency Adviser of the Dawes committee, which drafted the reorganiaztion of the German Reichsbank and the stabilization of German currency in 1924. He reconstructed currency systems for the Philippines, Mexico, Guatemala, Colombia, Germany, the Union of South Africa, Chile, Poland, Ecuador, Bolivia, China and Peru.

After his graduation from Wesleyan University in 1899, he won a fellowship in economics and finance at Cornell University under which he studied for two years. From 1901 to 1903 he was instructor in economics at Purdue University and in 1903 received his doctorate of philosophy.

Dr. Kemmerer got his first job as financial diagnostician on the strength of a college thesis at Wesleyan on money and prices, which he developed into a thesis for his doctor's degree. The thesis attracted attention, and by the end of 1903, at the invitation of the United States Government he was in the Philippines as financial adviser to the Philippine Commission under William Howard Taft.

The youthful expert stayed there three years while he drafted a new currency system, a postal-savings system and a government agricultural bank law.

Returning home in 1906 after visits to the Straits Settlements and Egypt to report on currency conditions, he settled at Cornell, first as Professor of Political Economy then as Professor of Economics and Finance until 1912. That year he moved to Princeton, also as Professor of Economics and Finance.

In 1927 the "money doctor" began his world-wide practice in Mexico. He frequently explained that he was not a general practioner for national finances. He merely diagnosed, he said, prescribed remedies and left it to the various governments he advised to administer treatments.

House Sustains President's Veto Of Bill Banning Subsidies—Senate Again Bars Use—President Holds Measure Inflationary

(Continued from first page)

processed agricultural commodity which will reflect to the producers thereof a price less than the support price heretofore or hereafter announced by the War Food Administrator, or less than the higher of the maximum prices provided in Section 3 of the Act of Oct. 2, 1942.

I have tried to analyze this section and to translate it into common sense English. Frankly, I do not know what it means.

If the provision merely means that if the support price is higher than the maximum price established under the Act of Oct. 2, 1942, the commodity must be purchased from the producer at the support price or the farmer must be paid the difference between the support price and the maximum price, the provision would serve no purpose. That is now as I understand it, the law.

If, on the other hand, despite language which looks the other way, the provision were construed to mean that the maximum price must be fixed so as to yield to the producer the support price without the payment of any subsidy, the provision would require the immediate upward adjustments in the ceiling prices for many basic food products.

Prices for dry edible beans, cheese, canned vegetables, sugar and, in some markets, fluid milk would immediately go up because the support prices for these products are higher than their present ceiling prices.

If the provision were so construed, it would not only immediately increase the cost of living but it would make it impossible for us to adopt support programs needed to increase production without causing a still further rise in the cost of living. Undoubtedly if we must in each case weigh the advantages of a support program against the disadvantages of an increase in the cost of living, many support programs which might otherwise be adopted will be rejected, and other support programs, although finally adopted, will inevitably be delayed.

Section 6 (B) of the bill prohibits, with specified exceptions, the making of any subsidy or other payment other than those which have accrued prior to Aug. 1, 1943, if such a payment is designed either (1) to reduce or roll back maximum and support prices or (2) as a substitute for increasing maximum prices or support prices, unless such payments are specifically authorized by the Congress.

The specified exceptions are rigidly limited. Subsidies or other payments can be made until the end of the current crop year on any agricultural commodity other than milk or livestock, if, prior to June 15, 1943, the Government was committed to make them. Wheat can be sold for feeding purposes at not less than the parity price for corn. Maximum and support prices of domestic fats and oils and oil seeds can be adjusted as necessary to assure adequate production.

Section 7 seeks to subject to the War Food Administration's control all the powers given under Section 2 (E) of the Emergency Price Control Act in respect to the purchase, sale, storage and use of foods. I am sure that the War Food Administration is amply capable of handling such a task. But even its hands are shackled by the imposition of rigid restrictions which were included neither in the original Price Control Act nor in the Act of Oct. 2, 1942.

Section 7 provides that purchases can be made only at prices which reflect to the farmer not less than the maximum price provided in the Act of Oct. 2, 1942, or the announced support price, whichever is the higher. No purchases can be made for the purpose of reducing any maximum price. No purchases can be made for the purpose of resale at a loss unless made under a program announced prior to July 1, 1943.

Even under pre-existing commitments, the Government is not authorized to make purchases which will involve losses in excess of $150,000,000. It apparently prohibits any purchase and sale program involving any loss for the 1944 crop. Commodities purchased are not to be sold for less than the maximum price limitations provided in the Act of Oct. 2,1942, or contrary to Section 2 (F) of the Price Control Act.

It is far from clear that this last restriction does not nullify the exception in Section 6 permitting wheat to be sold for feed at the corn parity price.

It is not clear whether the restrictions in Sections 6 and 7 are cumulative or whether the Congress wished to draw a distinction between direct subsidies and trading losses resulting from the purchase and resale of foods.

Reputable lawyers could, I am advised, argue that Section 6 completely nullifies Section 7. If I should agree, then the bill would be even more inflationary. If I should take the contrary view, I may be sure that I will be accused of misconstruing the law.

Many other serious complications and difficulties in administering and construing the bill have been brought to my attention. But if I attempted to deal with all of them here my message would become as complicated and confused as the language of the bill itself.

When farm prices were low, in time of peace, no one in either branch of Government ever suggested that the Commodity Credit Corporation should be forbidden to take losses in its operations. Now, in the critical emergency of war, it is proposed to tie the corporation's hands in ways undreamed of in less strenuous days.

No matter how this measure is interpreted, it will have a devastating effect upon our economy and our war effort about which I believe the Congress and the American people ought clearly to be warned.

1. This bill blacks out the program to reduce the cost of living. In other words, it completely outlaws the recent reductions in the price of meat and butter which we instituted in order to help get the cost of living back down from the height to which it has risen in recent months.

By this measure the Congress will compel every housewife to pay 5 cents a pound more for every piece of butter that goes on her table, and to pay higher prices for every pork chop, every ounce of beef, every slice of ham or bacon which goes to feed her family.

2. This measure will make it virtually impossible to institute any additional measures to reduce the cost of living or even to hold the line.

3. The bill denies to the Executive any power to purchase farm products for resale at a loss or to make incentive payments to obtain increased production of foodstuffs without the approval of the Congress. I do not believe that the Congress has had an opportunity to know or to consider how seriously it may cripple our entire food program.

It is proper for the Congress to set the limits within which our food programs must operate and the principles to which they must conform. But there is not time to submit each specific food program for Congressional approval. Crops will not wait for Congressional debate. To require specific approval of each specific program is, in effect, a prohibition.

In order to obtain a greater production of important war foods it may be necessary to establish special incentives for our farmers. We are asking our agricultural producers to change their farming methods and to grow new crops to which they are unaccustomed and which we need greatly in place of the old crops to which they are accustomed and which we may not need so greatly.

It may often be difficult for the War Food Administrator to decide just how great an incentive is required for this purpose. This bill does not prevent the continued use of generous incentive payments to obtain strategic war materials other than food. Yet food is as important as any other strategic war material.

This measure, however, would mean that every additional dollar paid to the farmer to get the extra war crops we need to feed our soldiers abroad would reduce the purchasing power of the limited allowances of their wives and children at home.

Such a restrictive measure would serve only to set the soldier, the worker and the unorganized consumer at war with the farmer.

The original price control act gave the Government certain powers to regulate prices. In the summer of last year I informed the Congress that the Administration could not control the cost of living and prevent inflation unless it was given more adequate power to stabilize wages and food prices. Thereafter the Congress passed the act of Oct. 2, 1942, which authorized me to stabilize prices, wages and salaries affecting the cost of living so far as practicable on the basis of the levels which existed on Sept. 15, 1942.

The measure now before me virtually nullifies the act of Oct. 2, 1942. This Government cannot effectively stabilize the cost of living if it cannot stabilize the cost of necessary foods. As a matter of fact, this measure even takes from the Government powers which it was given under the first price control act.

As the danger of inflation grows, the Congress would by this bill put new shackles on those whose duty it is to fight inflation. The fight against inflation cannot be won that way.

To get our economy to work I realize that we cannot rigidly freeze all prices or all wages. In some cases we must pay higher prices to producers to get the extra war production which we need because that extra production costs more to produce. We must likewise put more money in the worker's pay envelope when he works longer hours or when he does more skilled or efficient work, or when his pay is insufficient to keep him on a decent subsistence level. But with a well-balanced combination of measures we must keep wage rates and consumers' food prices from rising if we wish to hold down living costs.

Our wage stabilization program is and must be dependent on the stabilization of the cost of living. This is expressly recognized in the act of Oct. 2, 1942. The Little Steel formula was based on the fact that there had been a rise of approximately 15% in the cost of living between January, 1941, and May, 1942, for which rise workers could be compensated by wage increases.

The cost of living is now about 8% above the level of May, 1942, and about 6% above last September. There has been an increase in the average worker's weekly pay check since September. This increase has come primarily through longer hours and through the shift of workers in war industries from lower-paid civilian occupations, although increases in wage rates to correct inequities have played a part. But there are many workers who have enjoyed no increase in earnings.

It is too easy to act on the assumption that all consumers have surplus purchasing power, and that the high earnings of some workers in munitions plants are enjoyed by every worker's family. This easy assumption overlooks the 4,000,000 wage workers still earning less than 40 cents per hour, and millions of others whose incomes are almost as low.

It ignores the fact that more than 4,000,000 families have not had an increase of more than 5% in their income during the last eighteen months. It further ignores the millions of salaried, white-collar workers—the school teachers, the clergymen, the State, county and city officials, the policemen, the firemen, the clerks—whose salaries have remained low but whose living standards are being cruelly and inequitably slashed by higher food prices.

It equally ignores others on fixed incomes—the dependent mother of the soldier boy with her scant $37 per month, the widow living off the proceeds of her husband's insurance policy, and the old-age pensioner.

These millions are entitled to be protected against skyrocketing food costs. It is my duty to guard them against the ravages of inflation—and I shall guard them unless the Congress shakles my hand.

These unorganied millions must not become the forgotten men and women of our war economy.

The plea has been urged on behalf of industrial workers that if the cost of living is not cut to September, or even to May, 1942, levels, wage rates should be raised to compensate. But to raise wages because living costs have risen will be at best only a temporary solution. Raising wage rates increases the cost of production, both of war goods and of the goods whose prices make up the cost of living. It also increases consumers' spending power.

The combined effect of increased spending power and increased production cost is inevitably a further rise in the cost of living, and at the same time the money cost of the war increases. In short, to give people more money because prices are rising does not cure the evil, but makes it worse. This is precisely what is meant by the "inflationary spiral."

To prevent this spiral of rising costs and prices we must hold firm to the stabilization of wage rates. But to do this we must assure workers that they can get a fair share of available goods on legitimate markets and at prices "so far as practicable on the basis of the levels which existed on Sept. 15," as prescribed by the act of Oct. 3.

Whatever theoretical choices may conceivably be open to us, practically we will have only two. We must keep the cost of living more nearly in line with the level prescribed in the law or we will not be able to hold the wage line or protect the millions of men and women living on low salaries and small fixed incomes. If wages rise, the cost of living will not stand where it is; it will go up and the inflational spiral will gain strength.

I do not think that a reduction of all living costs or wage increases to the September level is practicable. We all must be prepared in total war to accept a substantial cut in our accustomed standards of living. But we must definitely stop the rising trend of living and push back the price to consumers of important key commodities in the family market basket.

When I talk of important key commodities, I do not mean fur coats, or tailored suits or caviar. I mean the necessities of life, things like bread, milk, butter, sugar, coffee, ordinary meats, fats and canned foods, things that plain working folk must have.

We must not only keep the price of these necessities down, but we must increase, when we can, the supply which helps relieve the pressures for higher prices and helps reduce the temptation of the black barkets. With the improvement in the war against the submarine we may even be able soon to remove sugar and possibly later coffee from the ration list. But we can not hope in a period of total war to increase the supply of all necessities sufficiently to relieve the price situation.

To reduce the price of key necessities or even to hold some of them at present levels, we either will have to reduce producers' prices and distributors' margins or we will have to use subsidies.

That does not mean that we can achieve stabilization by subsidies alone, without firm price and wage policies, adequate fiscal measures, and positive programs to assure that adequate supplies of essentials at legitimate prices will be available in the legitimate markets.

But the experience of other countries like Canada and England does demonstrate that limited subsidies can and must be effectively used as a key weapon to control inflation.

The alternative to such action would be more costly to the Treasury and to the people. If we do not take the course of action I have suggested, we shall be charged with having failed to stabilize the cost of living, as the Act of Oct. 2, 1942, directed us to do, and there will be increasing demands from the workers of the nation for a drastic modification of the Little Steel Formula.

If a 10% over-all increase in wages should occur as a consequence of our failure to stabilize living costs, that added cost of labor alone would cause an increase of not less than 4½% in the general level of prices. That would increase our annual war costs approximately four and one-half billion dollars. For we are spending 100 billions per annum for war and every rise of 1% in the prices the Government pays adds approximately one billion to the Government's war expenditures.

I say approximately, because some of the expenditures would not automatically be increased. A 10% wage increase would, moreover, increase the cost of living by at least 4½% and would cost consumers at least four billion dollars a year.

And, what is more, if we should have to abandon the hold-the-line order and to allow wages to rise we would have no assurance that we would be able to hold living costs stable even at a higher level. Rising costs would continue to press against the price and wage levels and these would be forced higher still. Rising wages would add to the excess purchasing power, and an enlarged inflationary gap would make the fiscal task of absorbing excess purchasing power by higher taxes and enforced savings unmanageable. Those with meager wages and small fixed incomes would be ground below the margin of fair subsistence.

I need not tell the Congress the devastation which will be wrought, far and wide, on the farmer, the worker and the business man, if the fires of inflation ever got out of control. The farmers will never forget the deflation following the last war and the sufferings they then endured.

To protect the farmer it is not

necessary to oppress the consumer. The way to protect the farmer is to authorize the Commodity Credit Corporation to pay the farmer what he should get for his products and to sell those products at a loss, if need be, to keep the cost of living down.

That may be a subsidy, but that is the only way to avoid inflation which will be ruinous to farmer and consumer alike. If we prohibit subsidies and allow the cost of living to rise, as this bill does, whatever support prices we make to the farmer will be nullified by the inflation of all prices and all costs.

I have just been informed that the preliminary figures indicate that between May 15 and June 15 there was a decrease of 1% in food prices. This is the first decline in the food price index in more than a year. This bill would wipe out that decline and start anew a rise in the cost of living. I cannot by signing it share the responsibility for that rise and its disastrous consequences.

Those in command of our war economy, like those in command of our armies, must be endowed with adequate authority to meet emergency situations as they arise.

Subsidies to help hold down living costs and at the same time protect the farmer should be applied only in strictly limited and clearly defined circumstances. Such subsidies should be confined to goods essential to the maintenance of a reasonable wartime standard of living for the people. Wherever the grant of subsidies at flat rates would involve gross windfall profits for low-cost producers, processors or distributors, they should be granted on a differential basis to cover the special burdens of small business and high-cost producers.

I do not intend to permit farm prices and farm incomes to be depressed. Today the aggregate net income of farmers, like that of the workers, is larger than ever before. As a result of my recommendation of Sept. 7, 1942, that a floor be established for farm prices, Congress, by the act of Oct. 2, 1942, guaranteed to farmers 90% of parity on most farm products during the war and for at least two crop years thereafter —a guarantee given to no other group.

If further payments to farmers are necessary to enable them to make the added outlays required to increase the production of war crops, these payments should and will be made.

But unless the Congress leaves with the executive branch the means of seeing to it that further increases in producers' prices do not increase the cost of living, the executive branch cannot accept responsibility for holding the wage line or for stopping the inflationary spiral.

If I am to hold the line, my hands must be left reasonably free to hold it even-handedly.

In this task of saving our free economy, Congress and the Executive must work together, as a team. H. R. 2869 marks a definite retreat from economic stability toward uncontrolled inflation. That retreat cannot be made with my approval.

I sincerely hope that if the Congress cannot agree before its recess on legislation which will remove the serious defects in this bill, it will pass a joint resolution continuing the life of the Commodity Credit Corporation and providing the increase in borrowing power until the Congress has time to agree upon an appropriate measure. The officials of the executive departments will welcome an opportunity to furnish information and be of assistance.

I return the bill without my signature.

From Washington

(Continued from first page)

CIO of standing by until the expanding war plants had expanded to the point where the laborers outnumbered the skilled workers, and then demanding that the A. F. of L. contracts be voided and they be given a shot at the spoils, this after the wages had been negotiated by the A. F. of L., and the CIO's inducement would be cheaper dues. In 1938 the A. F. of L. sought an amendment to the Wagner Act to protect its skilled craftsmen. The amendment would have provided they could have their own election, the common laborers could have theirs. The New Dealers seeking to advance the CIO as their sociopolitical adjunct, bottled the amendment up. Thus, the NLRB has gone right along giving encouragement to the CIO and trying to obliterate the A. F. of L.'s craft unionism. Had it not been checked it could have given the A. F. of L. an awful wallop in these war days. In normal times the craft unionists, dyed-in-the-wool, could protect themselves by striking. It was the Board's intention to move in on them now while striking is decidedly unpopular.

Much will be heard about Congress' action having frozen the closed shop contracts. It also froze the company union contracts, and the A. F. of L. leaders were quite aware of this. There are many of these leaders, believe it or not, who do not like the closed shop. But the dual unionism which the Wagner Act spawned, particularly as administered, forces the closed shop, otherwise the recognized union is continually subject to attack by a rival union.

The closed shop in the Pacific Coast shipyards was first proposed by the operators. They had a dread of dealing with the CIO which out there is dominated by Harry Bridges, and there is not the slightest doubt that had the CIO been in the yards in the first part of 1941, before Hitler turned on Stalin, they would been the victim of party line quickie strikes.

Aside from the situation that led up to the clipping of the NLRB's wings, you can best understand what it means when you realize that it was the Conservatives in Congress who voted for it, that it is the "Liberals" and Leftists who are screaming. In an appropriation bill the action only holds for a year but the door has been opened and during that time there will very likely be permanent legislation revising the whole Wagner Act. It should be returned to its original and primary purpose, that of guaranteeing a worker the right to join a union without fear of employer retaliation. From this simple and easily administered purpose, administration of the act has grown into one grand and glorious carnival for hundreds of young lawyers just out of school and countless numbers of other lawyers who have found a lucrative practice in specializing in labor law.

Significant, too, is that the A. F. of L. is trying as hard to get from under Bureaucracy's yoke as the U. S. Chamber of Commerce and the National Association of Manufacturers. You would be surprised to know how many A. F. of L. leaders realize that a large part of the sentiment behind the recent Smith-Connally Act was not anti-labor sentiment per se, but a sentiment against the tie-up between labor and F. D.

The A. F. of L., as an organization, has taken mostly grief from this tie-up. These leaders to whom I refer would like the public to understand that the tie-up is between the CIO and F. D.

You will recall that Henry Wallace was one of the first ones to enunciate the philosophy that criticism of the New Deal these days was propaganda for the Axis and the critics were Axis agents in but thin disguise. His recent blast against Jesse Jones made a field day for the Axis radio. Those who keep a tab on the Axis radio report it has not been so jubilant since it expected Britain to capitulate. Milo Perkins prepared the blast and put Wallace up to sounding it. Milo recently remarked to friends that he intended to continue his fight on Jesse because he is an old man and sooner or later, he will have to give up. The feud had its inception back in Houston, Texas, where, when Milo was a very young man, the widespread Jones' interests stepped on his ambitious toes.

The height of a radio commentator's abuse of "freedom of the air" was the action of Drew Pearson who plays ball with Wallace and Perkins, in asking his listeners to write in demanding Jones' resignation.

You will remember that the Leftists' first attack on Jesse was that he was responsible for our rubber shortage. Now it develops we are to have more synthetic rubber next year than we need. The Wallace-Perkins school, as a result, has just found out that the rubber will be defective or unadapted to our purposes. The fact is they have been conducting a do-or-die fight against our having a synthetic rubber industry. It will want tariff protection after the war, they say, and in that event we won't have this world trade. Without world trade we might not have world wars, an awful situation to contemplate.

What And When To Buy

(Continued from first page)

fore, let us assume that the trend of the market is definitely up and consider certain basic rules that govern successful investing.

(1) **Depressed Stocks.** These come first in order. They should represent well-established companies selling for less than the amount of their working capital per share. In such situations, the investor is buying net current assets at a discount and paying nothing for the equipment, earning power, or for the experience and ability of the management. Mack Truck and certain auto accessary companies illustrate this test.

(2) **Dividend Stocks.** No well-balanced portfolio is complete without a backlog of dividend-paying stocks. To be really safe, earnings should—over a normal term of years—amount to nearly twice the established dividend rate in the company selected. Yield and stability are the factors most sought for in this group. But at the same time one can be assured that such stocks will not lag behind in any bull market. Gulf Oil, Monsanto and certain chemicals illustrate this test.

(3) **Low Labor Cost Stocks.** A large number of labor union employees, if headed by unwise labor leaders, make many otherwise attractive companies poor investments. One reason why I have not liked the rail stocks, as a group, is because of the enormous amount of organized labor it takes to run the railroads. As a direct opposite of these stocks, fire insurance stocks appeal to me. They are not much involved with labor unions, and, in proportion to the volume of their business, employ very little help.

(4) **Diversified Stocks.** Investors should, moreover, pay attention to **Long Growth** companies. **Good Management** cannot be emphasized too much. **One Hundred Per Cent Equity** is also always wise to consider. In other words, select companies without bonds or cumulative preferred stocks ahead of the common. Do not be misled by technical and lengthy "write ups" of individual companies. **Diversification is a good guide to good stocks.** Lehman Corporation appears to qualify under this classification.

When to Buy?

There is a factor of timing involved in the buying of stocks which is most important. In my estimate of timing I am entirely disregarding the averages and the chart readers. Today, the so-called PEACE STOCKS are examples of timing in buying. These may represent almost any company that has not profited as a direct result of the War.

I cannot here name individual issues; but, as a group, grocery chains are worth considering. Others may include building supplies companies, certain publishing companies, automobile and personal financing companies, certain utilities and various farm equipment and produce companies. Many PEACE STOCKS have chalked up impressive gains but in the main they have a lot further to go. Whatever may temporarily happen to the market during the next few months, I believe this is a safe time for many investors to buy a diversified number of listed stocks which pass at least one of the above four tests.

Growth Of AIB Cited By Irwin In Address

Because it has always had leaders who held the rooted conviction that ability should not be hampered, that intelligence should be afforded opportunity, and that initiative should be assured its just reward, the American Institute of Banking has grown to its present stature in the opinion of Dr. W. A. Irwin, National Educational Director of the Institute.

In an address before the organization's wartime conference in Chicago on June 10, Dr. Irwin said that the war is "an appalling human tragedy for which it is impossible to find any moral justification." However, he added, let us remember that there are some compensations coming out of it. Dr. Irwin described these as follows:

"There is the outstanding speeding up of aviation which is shrinking our world and making it one human community. There is the development of new and swifter industrial techniques that are amazing the whole world and confounding our enemies. We are seeing what American management can really accomplish, and we know that these improved techniques have in them the promise of 'a more abundant life' for millions of people after the war is won.

"There is also a sense of oneness that has been created in the face of peril. We have found it advisable, not to say profitable, to work with others toward the common end of self-preservation, even with people whose poverty contrasts with our wealth and with nations whose ways of life are different from our own. If we can do these things for purposes of war, surely we can do them for those of peace!

"We are rapidly developing new methods in training and in education which will be invaluable to us in the post-war world to fit men and women very swiftly into a changing economy. Indeed, technical skills are being learned today in a mere fraction of the time formerly taken. What promise that holds!

"There is one other compensation in which we, as Americans, can well take pride, and that is the rediscovery of fundamental things by our own people. We are actually reviving the intense loyalty that earlier Americans had for this land of ours. Patriotism is becoming a characteristic of our people in a sense in which we have lately seemed to be losing it."

FDR's 'Obstinacy' Seen Cause Of Disputes

Alfred M. Landon warned on July 2 that the "obstinacy" of President Roosevelt and the "interdepartmental potshotting" in government bureaus constitute as great a threat to the nation's war effort as absenteeism, strikes, public indifference and overconfidence.

In reporting this, United Press advices from Topeka, Kan., also stated:

The former Kansas Governor and 1936 Republican Presidential nominee said that continuance of such "knockdown bouts as has featured the current feud" between Vice-President Wallace and Commerce Secretary Jones would serve to put the American public in a "turmoil of uncertainty and doubt."

"Now that we are on the offensive on several fighting fronts," Mr. Landon said, "it is not only necessary but imperative that the American home front be solidly united behind the men in uniform."

Referring to the "obstinacy of the President," Mr. Landon added: "Mr. Roosevelt has steadfastly and stubbornly refused to grant his appointees the power and authority to accomplish the job they are supposed to do."

Hat Union Takes 1st Action Under Anti-Strike Bill

In the first action of its kind since the Smith-Connally anti-strike bill became law a Philadelphia union served notice on July 2 of a 30-day "cooling off" period before calling a strike in a war plant. The anti-strike act makes such action mandatory.

In reporting this action, Associated Press Philadelphia advices as given in the New York "Herald Tribune" said:

"The notice was served upon the National War Labor Board, the National Labor Relations Board and Frances Perkins, Secretary of Labor, by Local 6 of the United Hatters, Cap and Millinery Workers' International Union.

"It stated that production of caps for the Army and Navy in the plant of the Diamond Hat Co. faces interruption at the end of the month.

"Simon Lenno, business agent of the union, in his message of notification accused the hat company of 'efforts to destroy and undermine the effectiveness of collective bargaining' and 'persistent refusal to abide by wage adjustments.'

"The cap industry operates under oral agreements, with the 'average wage' the determination point for increases. Mr. Lenno said the contract average in Philadelphia is $40 weekly."

Passage of the anti-strike bill over the President's veto was noted in our issue of July 1, p. 25.

Signs Ind. Offices Bill

President Roosevelt approved on June 26 the $2,621,366,879 Independent Offices Supply Bill. This measure passed the House on Feb. 17 and the Senate on May 27. The delay in its final enactment was occasioned by a controversy over funds for the National Resources Planning Board. The Budget Bureau requested $1,400,000 to run this agency in the 1944 fiscal year. The House failed to vote any funds for its continued operations, whereas the Senate was in favor of running the Board on a vastly reduced scale, providing $200,000. In the final version, the bill provides $50,000 to wind up the Board's affairs by Aug. 31. A conference report to this effect was adopted by the House on June 16 and by the Senate on June 18.

U. S. And Mexico Extend Stabilization Agreement

Extension of the 1941 Stabilization Agreement between the United States and Mexico for a period of two years beyond June 30 was announced in Washington on June 3 in a joint statement issued by Secretary of the Treasury Morgenthau and Antonio Espinosa de los Monteros, representing the Secretary of the Treasury of Mexico. Also signing the extension agreement for Mexico was Rodrigo Gomez, the representative of the Bank of Mexico.

Under the agreement the United States Stabilization Fund undertakes to purchase Mexican pesos to the amount of $40,000,000 for the purpose of stabilizing the U. S. dollar-Mexican peso rate. The agreement also provides for periodic conferences among representatives of the two treasuries and the Bank of Mexico.

The joint statement said:

"The extension of the 1941 Agreement is in accord with the policy of the Mexican and the United States Treasuries of maintaining the stability of the rate of exchange between the currencies of the two countries. In so doing, the foundation for stable economic and financial relations between Mexico and the United States is maintained. It is a concrete demonstration of what is meant by the Good-Neighbor Policy and of the ability of the United States and Mexico to cooperate effectively as allies in war."

Lend-Lease Shipments To Russia Extensive

Edward R. Stettinius, Jr., Lend-Lease Administrator, on June 14 issued the following statement on the subject of lend-lease materials shipped by the United States to Soviet Russia, in the 19-month period ended April 30, 1943:

"Our most recent figures indicate that lend-lease is providing vital assistance to the Soviet army in the field, the vast industrial population behind the lines, and the men and women who are rebuilding Russia's agricultural life where it was badly damaged by invading troops.

"The most important single contribution of lend-lease to the Soviet ally is completed weapons —tanks, planes and guns, by the thousands. These have been shipped over a variety of routes, and many of the planes have been flown all the way or assembled en route after being delivered part way in American ships. Against the enemy they have made themselves felt with effectiveness.

"A close second in importance as a vital contribution to the Russian offense has been the volume of raw materials shipped by lend-lease and fabricated into weapons of war by Russia's own industrial plants. Of these materials, the largest single item up to April 30 was 725,000 tons of steel and steel products, followed by 145,000 tons of copper, brass, nickel, molybdenum and other materials, 60,000 tons of aluminum and duraluminum, and 32,000 tons of zinc.

"The vastness of the area in which lend-lease goods for Russia are to be used is reflected in the single item of telephone wire. Up to April 30 shipments of this material had totalled 670,726 miles, an amount sufficient to encircle the earth at the equator 27 times. And in the field, maneuvers are facilitated by 181,875 field telephones shipped to date. The Soviet railroad system, vital to the transport of men and materials, has received through lend-lease, 85,000 tons of rails and accessories, and 27,000 tons of other equipment. As a further aid to Russia's transportation system, we have shipped more than 135,000 motor vehicles (including trucks, motorcycles, tractors, scout cars, personnel carriers, tank transporters, etc.). In producing the vast quantities of ammunition needed by the Soviet army, Russia's factories have been helped by lend-lease shipments of 62,000 tons of toluol and TNT, and 105,000 tons of other chemicals.

"Russia must maintain hundreds of thousands of men in the field, and as an aid to their upkeep we have shipped 1,077,000 tons of food, the most important item of which is 233,052 tons of wheat and wheat products. We have also shipped 196,660 tons of canned meat, 89,113 tons of meats other than the canned, 99,010 tons of dried fruits and vegetables, 61,804 tons of lard, 26,316 tons of dried eggs, 47,355 tons of cereals and cereal products, 13,470 tons of dried milk powder and 96,423 tons of vegetable oil.

"Large as food shipments have been they have been small in comparison with the critical Russian needs. The Soviet is making heroic efforts to restore food production in the areas liberated from the Axis and to raise more food in newly developed regions behind the Urals. To aid these efforts we have sent more than 10,000 tons of seeds.

"The Russian army has been supplied through lend-lease with nearly 4,000,000 pairs of boots, and 21,410 tons of sole leather to keep them in repair and for the manufacture of new boots."

$1,573,000,000 Spent Abroad By RFC

Subsidiaries of the Reconstruction Finance Corp. have spent $1,573,000,000 on foreign purchases and development work, much of it as a result of directives issued by two officials of the Board of Economic Warfare, Will Clayton, Assistant Secretary of Commerce, told the Byrd Economy Committee on June 22, according to the Associated Press, which added:

"Expenditure of more than twice that total has been obligated. Mr. Clayton said the Rubber Reserve Co., Metals Reserve Co., and other subsidiaries of the big Government financing agency had made commitments since July, 1940, for the purchase of $3,400,000,000 worth of critical and strategic materials from foreign countries.

"Mr. Clayton appeared for his chief, Secretary Jones, to answer questions of the Byrd group—known formally as the Joint Committee on Reduction of Non-Essential Federal Expenditures—concerning the financial relations between the war-born BEW and the RFC.

"He said that since an executive order was issued April 13, 1942, defining BEW's duties, it had initiated commitments aggregating $350,000,000 for various development and purchase programs. Most of the directives, he testified, were signed by Morris Rosenthal, chief of BEW's office of imports, and by Arthur Paul, Mr. Rosenthal's assistant.

"The four RFC subsidiaries which carry out the bulk of BEW's directives, he added, are the Metals Reserve Co., the Defense Supplies Corp., which handles non-metallic purchases, the U. S. Commercial Co., principally interested in preclusive purchases of materials which it is desired to keep out of the hands of the enemy, and Defense Plants Corp.

"'Were you consulted about the various development programs carried out by the BEW?' Chairman Byrd (Dem., Va.) asked.

"'Members of our staff were allowed to express their views,' Mr. Clayton replied, 'but they were very seldom adopted. There have been numerous instances where our views differed materially—but theirs prevailed.'

"Responding to questions, Mr. Clayton testified that:

"In general, no funds have been advanced for erecting housing and supplying living quarters for workmen in foreign countries.

"A labor clause incorporated in many of the contracts obligates the contractor to pay wages at least as high as those paid for any comparable operations in the country in question.

"He knew of no cases in which incentive payments had been made to the workmen, although provision is made for them where necessary.

"Discussing other angles of the program, Mr. Clayton said the U. S. Commercial Corp. already had spent about $35,000,000 in Spain, $9,000,000 in Portugal and $17,000,000 in Turkey.

"In general, he expressed the belief that there had been no noticeable increase in efficiency under the present system where purchases are made by BEW directives."

Zurlinden, Arnold Retire From Cleve. Reserve Bank

The Directors of Federal Reserve Bank of Cleveland announce with regret the retirement of Frank J. Zurlinden, First Vice President, and of Clarence W. Arnold, Vice President, effective July 1. Both of these men have, for many years, been outstanding officers of the bank and of the Federal Reserve System.

Regarding their careers, the Bank's announcement on June 1 stated:

"Mr. Zurlinden reached retirement age in July, 1942, but at the request of the directors of the bank served an additional year. On March 5 of this year he announced to the board his difinite intention to retire at the end of June. His banking experience dates back to June, 1895, when he was employed by the State National Bank of Cleveland as a messenger, and from which he advanced to loan teller. Upon the absorption of the State National Bank by the Euclid Park National Bank, Mr. Zurlinden was retained in the same capacity. Upon the absorption of the Euclid Park National Bank by the First National Bank of Cleveland, Mr. Zurlinden continued as loan teller. From May, 1913 to December, 1914, he was manager of the loan and discount department of the First National Bank of Cleveland. Mr. Zurlinden was employed by Federal Reserve Bank of Cleveland on Dec. 7, 1914 (less than a month after the bank opened for business) in charge of the loan and discount function of the bank. He has successively been Assistant Cashier, Assistant to the Governor, Deputy Governor, and since March 1, 1936, First Vice President.

"Mr. Arnold is a native of Pennsylvania, and prior to his connection with the Federal Reserve bank in 1917, was employed by the Pennsylvania Railroad, the Lincoln National Bank and the Diamond National Bank of Pittsburgh, and the Freehold Real Estate Co. of Pittsburgh, with which he served as Secretary and Treasurer. Between 1912 and 1917 he was a salesman identified with various companies. Since his employment with the bank Mr. Arnold has been in the fiscal agency department. He has served as Assistant Cashier, Assistant Deputy Governor, Assistant Vice President, and Vice President."

At the same time the Bank announced the following changes of the official staff at the main office to become effective July 1, 1943:

"R. B. Hays, Vice President and Secretary, succeeds Mr. Zurlinden as First Vice President for the unexpired term of Mr. Zurlinden, ending Feb. 28, 1946.

"A. H. Lanning, Cashier, has been promoted to Vice President and Cashier.

"H. E. J. Smith, Assistant Cashier, has been promoted to Assistant Vice President.

"W. D. Fulton, Chief Examiner, has been promoted to Assistant Vice President."

American Institute Of Chemists Elects

At the annual meeting of the American Institute of Chemists, held in Chicago, Donald B. Keyes, Chief of the Chemical Industries Branch, Office of Production, Research and Development, War Production Board, and Raymond E. Kirk, Brooklyn Polytechnic Institute, were elected to serve three-year terms as Councillors of the Institute, and Frank G. Breyer, of Singmaster & Breyer, was reelected to serve in the same capacity. These elections fill the councilors' terms expiring in 1943. Frederick A. Hessel, President of the Montclair Research Laboratories, was designated Treasurer.

Other officers of the American Institute of Chemists are President Gustav Egloff, Universal Oil Products Co.; Vice President, Donald Price, National Oil Products Co.; Secretary, Howard S. Neiman, patent attorney and editor of "Textile Colorist"; Councilors at large, Donald H. Andrews, Professor of Chemistry, Johns Hopkins University; Stuart R. Brinkley, Associate Professor of Chemistry, Yale University; Harry L. Fisher, Director of Organic Research, U. S. Industrial Chemicals, and The Air Reduction Co.; Frank O. Lundstrom, Bureau of Plant Industry, U. S. Department of Agriculture, Beltsville, Md.; Robert J. Moore, Manager, Development Laboratories Bakelite Corp.; Foster D. Snell, President, Foster D. Snell, Inc.; W. D. Turner, Assistant Professor of Chemical Engineering, Columbia University.

Upturn Of Life Ins. Sales Contributing To Inflation Fight

An increase in the amount of life insurance currently being purchased by the American people, together with the record low rate of withdrawals by policyholders of cash values, is giving greater weight to the inluence of life insurance in diverting money from spending into savings channels, according to the Institute of Life Insurance. It estimates that total premium payments, which amounted in 1942 to approximately $4,250,000,000, may absorb this year as much as much as $4,450,000,000 of the excess money in the hands of the people.

"Because of the anti-inflationary influence of life insurance, one of the more permanent forms of saving, the upturn in life insurance sales which began to run ahead of 1942 figures in March, is of national significance," Holgar J. Johnson, President of the Institute said. He went on to say:

"There are a number of factors which are likely to contribute to a further expansion of life insurance purchases by the American people, of which the two most important are the rapid increase in cash savings, estimated by the Securities and Exchange Commission as $4,300,000,000 in the first quarter of the year, and the curtailment of the volume of goods available for purchase by the people. Furthermore, as families have satisfied their accumulated wants from increased earnings, they are now developing greater interest in saving and planning for their future. There is increasing emphasis too by government and business on the necessity for increased saving to win the war and assure the peace.

"The record shows that the agents have overcome the handicaps incident to the dislocations of the first year of war. The importance of their accomplishment can best be appraised in the light of the fact that more than 7,000,000 men who would normally be viewed as good prospects for life insurance had been withdrawn into the armed forces. Furthermore, the increase has occurred notwithstanding a reduction of more than 15% in the number of agents due to induction into the armed forces, or entry into war production or other war service."

The net increase in the pooled resources of 67,000,000 policyholders is frequently cited as constituting the anti-inflationary measure of life insurance. From the standpoint of absorbing purchasing power, however, the Institute points out premiums paid are really the aggregate contribution of life insurance to the anti-inflationary effort, because they measure the purchasing power set aside by these policyholders.

New Freight Cars On Order Declined During May '43

Class I railroads on June 1, 1943, as reported to the Car Service Division, had 33,537 new freight cars on order, the Association of American Railroads announced June 21. This compares with 34,262 on order on May 1, last, and with 49,548 on June 1, 1942. Of the total number on order on June 1, this year, there were 3,494 plain box; 2,525 automobile box; 7,183 gondolas; 18,457 hoppers; 200 stock and 1,678 flat cars.

New locomotives on order on June 1, this year, totaled 937, which included 418 steam, seven electric, and 512 Diesel locomotives. On June 1, 1942, they had 950 locomotives on order which included 395 steam and 555 electric and Diesel.

Class I railroads put 7,484 new freight cars in service in the first five months of 1943, compared with 44,546 in the same period last year. Those installed in the five months of 1943 included 2,385 hopper, 3,504 gondola, 1,033 flat, 135 automobile box, 379 plain box, one stock and 47 miscellaneous freight cars.

The railroads also put 251 new locomotives in service in the first five months this year, of which 178 were steam, eleven electric, and 62 Diesel. New locomotives installed in the same period last year totaled 292, of which 119 were steam and 173 were electric and Diesel.

Now WAC

The signing by President Roosevelt was announced on July 2 of the bill making the Women's Army Auxiliary Corps an integral part of the Army instead of an auxiliary. Final Congressional action on the measure came on June 29 when the Senate adopted a conference report which the House had approved on June 25.

The measure changes the name of the organization from the familiar WAAC's to the WAC's (Women's Army Corps).

The legislation provides that members of the Corps receive the same rights, benefits and privileges now accorded to the men of the Army. It also provides that officers of the Corps are to have the regular army terms for their officers rather than the courtesy titles. Mrs. Oveta Culp Hobby, commanding officer of the Corps, has been sworn in with the full rank of Colonel.

The bill also changes the age limits for enlistment, making the eligible those between the ages of 20 to 50 years. The total number in the Corps is no longer limited to 150,000 women, but will be determined by the President. The WAAC now has a membership of about 65,000 but has requests for 600,000 from the various branches of the army to replace that number of men for active duty on the battlefronts. Thus, a drive for 535,000 new recruits is in progress.

U. S. Submits Plan To United Nations For Relief Of War-Torn Countries

The first step, in the establishment of a central agency for the relief and rehabilitation of the war-torn countries which are to be retaken from the Axis, was announced by the State Department on June 10. The Department has circulated a draft agreement among all the United Nations and associated nations, after its terms had been agreed upon by the governments of the United States, Great Britain, Soviet Russia and China, said the New York "Herald-Tribune" of June 11, which also gave the following:

The tentatively agreed-upon relief document will form the basis for a further agreement to be reached at a conference of the 44 nations to be held soon in the United States at a place which has not yet been designated.

Under the terms of the document, a United Nations Relief and Rehabilitation Administration is to be set up to meet by united action, as far as it can be done, the pressing food, clothing, shelter, health and repatriation problems of the liberated peoples and to assist them to get on their feet and become self-sustaining once again.

Each government, to the extent of its resources, would provide the funds, materials, equipment, supplies and services for these purposes. Although it is in form an executive agreement and not a treaty, participation by each country would be specifically subject to the "requirements of its constitutional procedure." This means that Congress would have to pass regular appropriation bills to take care of the costs to be borne by the United States.

Each member-government would name one representative to sit on the council, which would be the policy-making body of the administration. Inside the council there would be standing committees for supplies, for Europe and for the Far East, as well as a central committee to exercise the functions and powers of the council between sessions.

The director-general, to be appointed by the council after unanimous nomination by the central committee, would have authority for carrying out the broad policies laid down by the council and its central committee.

The committee for Europe would replace the Inter-Allied Committee on European Post-War Relief established in London on Sept. 24, 1941.

An annual budget would be submitted by the director-general covering the necessary administrative expenses. Upon approval by the council the total amount provided would be allocated to the member-governments in proportions to be determined by the council.

"Each member-government pledges itself, subject to the requirement of its constitutional procedure, to contribute to the administration promptly its share of the budget," the draft says.

Activities of the administration would be subject to the consent and control of the military authorities wherever hostilities or military necessities continue and also subject to the consent of a member-government in territory wherein it exercises administrative authority.

Record Employment Of 60,900,000 In April Brought About By Seasonal Farm Expansion

Seasonal expansion of operations on the farm front brought total employment to an all-time high of 60,900,000 in April, according to the regular monthly survey of employment by the National Industrial Conference Board, issued June 21. Nearly 900,000 of the 1,300,000 workers taken on during the month went directly into farm work, while most of the other new recruits entered the armed forces. Total industry employment declined by more than 160,000 during the month, while the increase in factory employment was the smallest recorded since Pearl Harbor.

The Board's announcement further stated:

"Farm employment in April despite an increase to 9,900,000, was about 250,000 lower than in the same month of the preceding year, and roughly 750,000 lower than in 1937-1939. Hired farm workers numbered slightly more than 2,000,000, about 150,000 or 7% below the corresponding 1942 total. Farm family workers, including farm operators and their family members, doing work without wages, totaled 7,800,000, or nearly 100,000 less than in 1942.

"A minor slump in employment developed in most of the major manufacturing groups. Significant gains appeared only in two groups—aircraft and shipbuilding, and chemical products. Practically all of the gain of nearly 50,000 in the durable sector occurred in the transportation group, slight declines appearing in iron and steel and other war industries, as well as in consumer products, such as furniture.

"Fully 7,500,000 more persons were employed at the record April high than in the same month a year ago. Last year there were still nearly 1,750,000 numbered among the unemployed. In contrast, the current employment total exceeds by more than 5,000,000 the number of persons comprising the nation's labor force in peacetime. The strength of the armed forces was tripled in the interim, rising to over 8,000,000. About 2,000.000 were taken on in factories, and more than 1,000,000 were added to civilian government payrolls.

"The current level of employment in agriculture is lower than in World War I. Factory employment is nearly 5,000,000 higher, or nearly half again the total of the war effort of a generation ago, while federal civilian employment exceeds 3,000,000 as against 918,000 on Nov. 11, 1918. The armed forces are currently nearly double the corresponding total at the height of the last war. Farm employment in 1942, however, was almost 350,000 below its 1918 average, and has remained below its 1942 level since the beginning of this year.

"Federal civilian employment continued to expand in April, as nearly 34,000 persons were added to the payrolls during the month."

Time Extended For Mexican Bond Registry

The Mexican Government has extended for 60 days beyond June 30 the time within which Mexican securities must be presented for registration as to non-enemy ownership. The New York Stock Exchange, advised of this by the attorneys for Mexico, accordingly, amends its previous ruling to provide that, beginning Aug. 16, such Mexican bonds listed on the Exchange shall not be a delivery unless a Certificate of Registration is attached. The Stock Exchange had directed that this certificate must be attached beginning June 30.

The Mexican plan for redemption of service on its external public debt was referred to in these columns July 1, page 33.

Reserve Banks Aiding Victims of Flood

The Federal Reserve Bank of St. Louis, acting under authority of Section 8 (h) of Regulation W, on June 14 declared that an emergency exists affecting a substantial number of inhabitants in all those portions of the Eighth (St. Louis) Federal Reserve District inundated by flood waters during May and June. The Bank under date of June 14 said:

"Accordingly, any extension of credit to finance the repair or replacement of real or personal property, damaged or lost as a result of the floods of May and June, in the designated stricken area in this District, is exempt from the provisions of Regulation W. In order that the status of such extensions of credit may be definitely established, registrants who extend credit under the provisions of this designation are urged to retain in their files written evidence or a statement from the obligor substantiating the exemption from Regulation W of the credit so extended.

"The Federal Reserve Banks of Chicago and Kansas City have concurrently declared that similar emergencies exist in those portions of the Seventh and Tenth Federal Reserve Districts, respectively, inundated by the floods of May only."

Kermit Roosevelt Dies

Major Kermit Roosevelt, son of the late President Theodore Roosevelt and veteran of both British and American service in two world wars, died on June 5 in Alaska, the War Department announced on June 6. He was 53 years old. No details concerning the circumstances of his death were given out. United Press Washington advices had the following incident to his activities:

Major Roosevelt had been on active duty with American forces in Alaska for several months.

The War Department said Major Roosevelt was on unattached duty and was not assigned to any specific branch.

In World War I, Major Roosevelt did not wait for the United States to enter the conflict but joined the British Army and became a command captain in 1917. When his country joined the Allied cause, he transferred to the American Army.

He followed the same sequence in World War II. Impatient with his country's delay in getting into the struggle, he joined the British forces and was made command major in the Middlesex regiment on Oct. 10, 1939. He participated in the ill-fated British campaign in Norway.

He returned to the United States in June, 1941, and later went on active duty with the U. S. Army.

In the first World War, Kermit Roosevelt served with a British motor machine gun unit in Mesopotamia and later with the First American Division. He was honorably discharged in March, 1919.

After a period of service with the British in 1939, he became a colonel in the Finnish army to raise volunteers in England for the Finnish War against Russia in 1940. He returned to the British Army for the Norwegian campaign and later went to Egypt. He was invalided to England in December, 1940, subsequently returning home.

Kermit Roosevelt accompanied his father on a big-game hunt in Africa in 1909-10 and on an exploration trip on the "River of Doubt" in Brazil in 1914. Years later he hunted giant pandas in Asia.

Major Roosevelt engaged in engineering and banking in South America from 1911 to 1916, and later went into maritime fields, becoming President of the Roosevelt Steamship Co. and Vice-President of the U. S. Lines Co.

President Roosevelt Calls Mussolini Betrayer And Appeals To Italy To Get Out Of War

President Roosevelt said on June 11, after the surrender of Pantelleria that this was very good news and appealed, indirectly but strongly at the same time, to Italy to get out of the war, according to an Associated Press dispatch from Washington on June 11, which added:

He told a press conference that the allies could assure to the Italian people an opportunity to choose the kind of non-Nazi-non-Fascist government they wish after Fascism has been put down and the Germans have been driven from their territory.

It is the hope and the intention of the United Nations, Mr. Roosevelt said, that Italy be restored to nationhood and take her place as a respected member of the European family of nations.

The President made it obvious that he considered Mussolini and his aids, rather than the Italian people, responsible for Italy's position in the war. He said that the present Anglo-American campaign against Italy was the inevitable result of the ruthless course Mussolini had followed in the last few years. In forming a military alliance with Germany, Mr. Roosevelt declared, Mussolini had betrayed his own country in a struggle for personal power and aggrandizement.

Mussolini's acts were not those of the Italian people, he went on to say, but a succession of acts committed by his personal Fascist regime. The people of the country are largely devoted to peace, President Roosevelt said.

Mussolini's whole policy was illustrated, he continued, by his declaration of war against France and Britain. Harking back to the day when Italy took this step, the President recalled that he had described it as a stab in the back.

The Allies, he said, have no choice but to pursue the war against Italy and Mussolini until they have achieved complete victory.

Only when the Germans have been driven out and Fascism is abolished will the good judgment of the Italian people make itself evident, he said.

Army Shipping Record Surpasses Last War's

That the Army is doing vastly more in supply and transportation in this war than in the last was indicated on June 10 by Maj. Gen. Charles P. Gross, Chief of the Transportation Corps, who disclosed that more than 18,000,000 measurement tons of cargo have been shipped overseas, or twice as much as was shipped during the entire period of United States participation in World War I.

In an address before a special meeting of the Chamber of Commerce of the State of New York, Gen. Gross said that, to date, in this war nearly four times as many troops have been moved by rail in this country as were moved in the same time during the last war and that Army freight shipped by rail has increased in approximately the same ratio. He added that "the record is all the more remarkable when the conditions which we have had to face and overcome in this war are compared with those which obtained during the first World War."

In explaining some of these conditions, Gen. Gross stated:

"We had a relatively stable front then. Operations were concentrated in a single theater and shipping was largely confined to the North Atlantic. Today, our operations embrace the Seven Seas and spread into every corner of the globe. We literally cover the earth. The average overseas haul is twice as long as in 1917 and 1918. Army vessels put into more than 100 foreign ports of call, many in strange and distant places, and many having only the most primitive unloading facilities. Guadalcanal, Espiritu Santo, Noumea, Amchitka, and others whose very names breathe adventure and excitement, are cases in point. As may well be imagined there were no harbors fitted out for unloading on Attu, which, only recently, was visited by our fighting forces with results now known to all of us.

"Again, in the last war approximately 40% of the requirements of the AEF were obtained abroad, whereas in this war our troops are being supplied almost completely from this side and, in addition, we are furnishing enormous quantities of materials to our allies all over the world. The Arsenal of Democracy is no mere felicitous phrase—it is a living reality. The peacetime industry of this country has become a mighty forge of war.

"Today's shipping problems are also greatly magnified as a result of developments in modern warfare and its emphasis on mechanization. Equipment is more technical in character and a very large part of Army cargo consists of bulky, space-eating items, such as planes and tanks and landing craft, which present difficulties in the way of loading and stowage without parallel in the last war.

"Finally, we have had to face a far more deadly and intense submarine activity. Germany, fully aware of the major role of transportation, has centered a large part of its war effort around attacks on shipping. Modern submarines, with longer range, greater striking power and more advanced wolf-pack fighting techniques, lie in wait to check the flow of troops and supplies to battle fronts overseas. Despite all these difficulties, we are winning through.

"We had to better the record of the first World War, but it is no accident that we have been able to do so. It could not have been done without rigid adherence to the basic policy of centralized and integrated traffic control which I have already described. We learned the lessons of World War I, chief among them being that lack of effective regulation would inevitably lead to chaotic traffic tie-ups. As a concrete example, during the last war traffic destined for the eastern seaboard was paralyzed as far back as Chicago, at one time more than 200,000 loaded freight cars being immobilized by congestion in that area. No such situation has existed during this war. Despite the far heavier volume of traffic, the ports are kept in a constantly fluid state and with not more than 15,000 cars of export freight—a minimum working stock—waiting to be unloaded behind the East Coast ports. The gateways are being kept clear."

Steel Welding Wire Doubled 1941 Output

Production of steel welding wire by the steel industry in 1942 reached approximately 800,400,000 pounds, almost double the record output of 1941, when 453,120,000 pounds were produced, according to the American Iron and Steel Institute. The 1942 output was more than three times that of 1940.

For each ton of finished steel produced in 1942, almost 13 pounds of welding wire were made, compared with over seven pounds in 1941, five pounds in 1940, and 4.9 pounds in 1938, the year before the outbreak of war in Europe.

Essential War Production Endangered By Draft According To Conference Board

The drafting of all physically fit industrial workers and executives under 38 years of age threatens a serious curtailment of essential war production, according to a survey of 212 representative companies engaged on war contracts, made by the National Industrial Conference Board and made available June 23. Replies to an inquiry on probable draft effects, supplemented by personal interviews with industrial executives reveals the critical manpower situation which industry will face as a result of the continued withdrawal into the armed forces of all types of employees, especially those of advanced skills and technical and supervisory status.

The Board's announcement further said:

"The replies of responsible company executives show that the effect of such withdrawals up to the present is already a matter of serious concern to more than half of the 212 companies, representing approximately 650,000 workers in a wide range of industries that cooperated in the survey. Three-fourths of these companies are currently engaged 100% in war production. Of the remainder, all but two companies are engaged 75% or more in producing essential materials for the armed forces. Statements made by industrial leaders in many of these companies show that skilled workers are even now urgently needed in order to operate machines at the pace prescribed by War Production authorities.

"Especially significant are the figures given by companies showing the number of additional men under 38 which they can relinquish to the armed services without endangering their war production schedules. Replies were made on the basis of grades of employment ranging from unskilled through skilled, technical, supervisory and executive. Further loss of manpower would be felt most seriously in the executive class, according to 68% of the companies which stated that no further withdrawals can be made from this group without gravely hampering production. More than 50% of the companies stated that no further withdrawals from either supervisory or technical groups could be made without retarding production schedules. Less critical would be the loss of men from the skilled and unskilled grades. In the former grade, 29% of the companies indicated that no additional losses of manpower could be made without serious effect; only 16% of the companies reported that no further demands could be made on their unskilled workers without injury to production.

"Not a single company stated that it could continue to maintain production schedules with a loss of all employees under 38 (except unskilled). Several companies assert that if this should occur, their plants would be forced to close. None reported themselves able to maintain production with the loss of more than 75% of their technical, supervisory and executive staffs. Only two companies believed that they could avoid curtailment if they lost more than 75% of their draft-age skilled workers."

Navy To End Elk Hills Oil Development Contract

Secretary of the Navy Knox announced on June 17 that steps will be taken to terminate the Navy's contract with the Standard Oil Co. of California for mutual development of the Elk Hills (Calif.) oil reserve. In Associated Press advices from Washington, June 18 it was stated:

"The decision to terminate the contract was announced by Secretary Knox last night after Norman M. Littell, Assistant Attorney-General, had told the House Public Lands Committee that the Navy had exceeded the authority granted it under a five-year-old oil conservation law, and the contract therefore was illegal and void.

Secretary Knox is reported as saying:

"The agreement to terminate the contract was due to the legal opinion of the Department of Justice that the proposed arrangement exceeded the authority granted by the law." He added that the Navy had sought by the pact to conserve oil for the fleet, and emphasized that "no improprieties had been employed by either party to the negotiations."

In Associated Press Washington advices, it was reported:

H. D. Collier, President of Standard Oil of California, said that the agreement was fair to both parties and was in the public interest. He declared that the company was anxious to cooperate with the Navy in every way possible in serving the best interests of our country.

The agreement provided for operation of the field as a unit owned in part by the Navy and in part by the company. Secretary Knox said that the terms would have enabled the Navy to control production or shut down the output altogether, if necessary.

"Without co-operation between the parties, the operation of Standard Oil Company's wells would drain oil from Navy-owned lands, impairing their value," the Navy said.

Secretary Knox declared that there was nothing secret about the contract; that it was announced last December and described in trade journals.

Secretary of the Interior Ickes was asked last March to review the contract, and the papers then were referred to President Roosevelt who sent them to the Justice Department for a ruling.

Secretary Knox said that his own investigation established the fact that no improprieties had been employed by either party and he said the acting Attorney General concurred.

"The Navy regards the protection of the future petroleum supply for the fleet as a primary responsibility," the Secretary said. "It proposes to pursue this objective until this end is assured."

House Group Approves U. S. Participation In World Peace Plan

The House Foreign Affairs Committee has approved a concurrent resolution to put Congress on record as favoring United States participation in a post-war international organization to preserve peace.

The House group acted unanimously on June 15 on a resolution drafted by Representative J. William Fulbright (Dem., Ark.). The concurrent resolution, only consisting of one sentence, would have no force of law and would not require the approval of President Roosevelt. It follows:

Resolved by the House of Representatives (the Senate concurring), that the Congress hereby expresses itself as favoring the creation of appropriate international machinery with power adequate to establish and to maintain a just and lasting peace among the nations of the world, and as favoring participation by the United States therein.

Business Failures Again Lower In May

The record of May business failures continued along the lines that have been in evidence for some time and are smaller in both number and amount than a month and a year ago. Business insolvencies in May, according to Dun & Bradstreet, Inc., totaled 281 and involved $2,550,000 liabilities, as compared with 362 involving $3,523,000 in April and 955 involving $9,839,000 in May, 1942.

The decrease in the number of failures in May from April as well as the amount involved took place in all groups into which the report is divided with the single exception of the wholesale trade group, which had a larger amount of liabilities involved.

Manufacturing failures last month amounted to 48, involving $826,000 liabilities, compared with 61 in April with $1,105,000 liabilities. Wholesale failures decreased to 23 from 24 but liabilities increased to $308,000 from $211,000 in April. In the retail trade section insolvencies declined to 156 from 195 in April and liabilities dropped to $756,000 from $1,031,000 the previous month. Construction failures numbered 35 with $237,000 liabilities, which compares with 54 with $597,000 liabilities in April. Commercial service failures numbered 19 in May, as compared with 28 in April and liabilities decreased to $393,000 in May from $579,000 in April.

When the country is divided into Federal Reserve Districts it is seen that all districts had fewer failures in May than in April except the Richmond and St. Louis Reserve Districts. When the amount of liabilities is considered, the same is true. It might also be noted that both the Kansas City and Dallas Reserve Districts did not report any failures at all and the Richmond Reserve District had only five failures involving $158,000, compared with no failures in April.

Endorses Child-Care Bill

President Roosevelt has endorsed the war-area child care bill to assure adequate health and welfare services for the children of mothers employed in essential war jobs.

This was disclosed on June 21 by Dr. Katherine McHale, Director of the American Association of University Women, who made public a letter from the President regarding the bill introduced by Senator Thomas (Dem., Utah).

In Washington advices of June 21 to the New York "Times", it was stated:

Replying under date of June 17 to Mrs. Harriet Ahlers Houdlette, of the Association, who had written him on behalf of the proposed plan of Federal aid to the States to finance approved programs of State and local agencies, President Roosevelt expressed his thanks for "the careful consideration which the American Association of University Women and the Association for Childhood Education are giving to the important problem of providing care for children of mothers who must be employed during the war."

"Because of the difficulty of specifying in an appropriation bill the conditions under which this important program would operate," he continued, "its purposes and methods of administration have been further clarified in Senate Bill 1130, recently introduced by Senator Thomas of Utah. The Senate Committee on Education and Labor is considering this bill.

"I am glad to know that you concur in the proposal to develop these wartime services through full utilization of the resources of existing agencies concerned with the education, welfare and health of children."

April Munitions Output Advanced 7%—Nelson Reports Better Balance In Production

Munitions output in April advanced 7% over March, with all major categories produced in larger quantity, it was announced on June 7 by Donald M. Nelson, Chairman of the War Production Board, in his tenth monthly report. War production during April, which had one less working day than March, was in better balance than at any time since Pearl Harbor, Mr. Nelson explained, adding that there were still some objects produced in excess of expectations, but in others output lagged badly.

Mr. Nelson's report further said:

"Total output of munitions in April approached very closely the $5,000,000,000 mark. The Index of Munitions Production rose to 567.

"The aircraft program, which is the largest of all programs and calls for more rapid progress than any other, showed the largest dollar volume gain. But although the output of aircraft and related munitions in April reached a total of $1,649,000,000, or 33% of all munitions produced, it did not quite meet the month's objectives.

"High achievement was attained in the output of ground signal equipment, which rose in April 22% over March output, although production of some items declined during the month.

"Aircraft ordnance production also advanced rapidly. It was 14% higher than in March, largely due to a tremendous increase in the manufacture of heavy aerial bombs for Axis delivery.

"A great spurt also was made in production of ammunition for the 'bazooka' anti-tank guns. Summed up the April production score was:

Total Munitions	up 7%
Aircraft Ordnance	" 8
Ground Ordnance	" 4
Navy and Army Vessels	" 3
Merchant Vessels	" 11
Miscellaneous Munitions	" 11

"The 7% increase in munitions production in April was somewhat more than can be expected as an average at this stage of the program. By the end of this year the monthly rate of increase in munitions output probably will have tapered off considerably, and sometime next year we expect to reach maximum output. Individual months, of course, will fluctuate above and below the average gain.

"Manufacture of artillery reached a greater volume in April than is scheduled for any month this year or next. Production of merchant vessels is near maximum, and greatest output of airplanes will not be attained until next year unless changes in military strategy call for alteration in the program.

"Although deliveries of industrial machinery and equipment expanded in April, beginning in May they were scheduled to begin a series of declines which, by the end of the year, would taper off the manufacture of such equipment to less than 40% of April volume.

"Since the beginning of 1943 we have made steady progress in attaining a sounder production balance. Schedules have become more and more realistic, and have dovetailed more closely with each other so that over-all munitions output might be increased, although further tightening up of schedules is essential.

"This balancing becomes vitally important as maximum output is approached, since overproducing on one schedule will almost certainly mean underproducing on another.

"For this reason, the new component scheduling procedures, which have just been announced, are of very great importance. The fact that cooperation under these procedures is voluntary places a tremendous responsibility upon every manufacturer of critical components."

National War Fund To Seek $125,000,000

The National War Fund has fixed a goal of $125,000,000 for its first campaign to be launched in the Fall on behalf of the United Service Organizations and 18 other agencies engaged in home and foreign relief. This was announced on May 28 at a luncheon meeting at the Waldorf-Astoria in New York where plans were discussed for conducting the drive for funds between Oct. 1 and Nov. 20.

President Roosevelt called for support of the campaign in a message read to the meeting by Winthrop W. Aldrich, President of the Fund. Regarding his message, the New York "Times" of May 29 said:

Declaring that "all Americans and all American institutions are united in their determination to win this war," the President pointed out also "that unity and devotion are shown in the National War Fund."

The purpose of the fund, he pointed out, is "to present to our people an appeal for service to our fighting forces, for service to the unconquerable people of the United Nations and for service to the home front in the United States.

"The United Service Organizations, the other agencies devoted to the common war aim in foreign lands, and those guiding the families of service men and war workers and their families toward necessary health, welfare and recreation—all these are joined in one campaign," the President said.

"With the strength of union, the economy of federation and the backing of traditionally generous America," he continued, "the National War Fund, like all essential parts of our war effort, must be given abundant and prompt support toward its goal."

"As Commander in Chief," he said, "I ask all our people to remember this—that a share in the National War Fund is a share in winning the war."

John D. Rockefeller, Honorary Chairman of the USO, told the meeting of the contribution that organization had made to the armed forces both at home and abroad.

Heads Advertising Women

At an election of the Council on Women's Advertising Clubs, held June 30 at the 39th annual meeting of the Advertising Federation of America in New York City, Sally Woodward, in charge of consumer relations, Department of Public Service, General Mills, Inc., Minneapolis, was elected Chairman. By virtue of this election Miss Woodward becomes a Vice-President of the Advertising Federation of America.

In accepting the office Miss Woodward said: "I believe that the women in advertising have an opportunity to make a great contribution to expedite war service in their own community. That is their immediate job and as Chairman of the Council on Women's Advertising Clubs I will devote all of my efforts to helping the clubs do their part to win the war on the home front."

Moody's Bond Prices And Bond Yield Averages

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

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

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
July 6	120.87	110.88	119.00	116.22	111.25	98.57	102.63	113.70	116.80
5			EXCHANGE CLOSED						
3	120.78	110.70	118.80	116.22	111.25	98.25	102.46	113.70	116.61
2	120.75	110.70	118.80	116.22	111.25	98.25	102.46	113.70	116.61
1	120.71	110.70	118.80	116.22	111.25	98.41	102.46	113.89	116.61
Jun 30	120.66	110.70	118.80	116.22	111.25	98.41	102.63	113.70	116.61
29	120.58	110.70	118.80	116.22	111.25	98.41	102.46	113.70	116.80
28	120.44	110.70	118.80	116.22	111.25	98.25	102.46	113.70	116.61
26	120.44	110.70	118.80	116.22	111.25	98.09	102.46	113.70	116.61
25	120.41	110.70	118.80	116.22	111.07	98.09	102.46	113.70	116.61
24	120.31	110.70	118.80	116.22	111.25	98.09	102.46	113.70	116.61
23	120.23	110.70	118.80	116.22	111.25	97.94	102.30	113.70	116.61
22	120.23	110.52	118.60	116.22	111.07	97.94	102.30	113.50	116.41
21	120.17	110.52	118.60	116.02	111.07	97.94	102.13	113.50	116.41
19	120.15	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41
18	120.15	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41
17	120.12	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41
16	120.08	110.52	118.60	116.02	111.07	97.78	102.30	113.50	116.41
15	120.03	110.52	118.60	116.02	111.07	97.78	102.13	113.50	116.22
14	119.99	110.34	118.60	115.82	111.07	97.62	102.13	113.50	116.22
12	119.99	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41
11	119.99	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41
10	119.99	110.34	118.40	116.02	111.07	97.62	102.13	113.31	116.02
9	120.02	110.34	118.40	116.02	111.07	97.78	102.13	113.50	116.22
8	120.07	110.34	118.40	115.82	111.07	97.62	102.13	113.31	116.02
7	120.03	110.34	118.40	115.82	111.07	97.94	102.30	113.50	116.02
5	119.93	110.34	118.40	116.02	111.07	97.78	102.30	113.50	116.02
4	119.92	110.34	118.40	115.82	111.07	97.78	102.30	113.50	116.02
3	119.89	110.34	118.40	115.82	110.88	97.78	102.30	113.31	116.02
2	119.85	110.34	118.40	115.82	110.88	97.78	102.30	113.31	115.82
1	119.82	110.34	118.40	115.82	110.88	97.78	102.30	113.31	115.82
May 28	119.82	110.34	118.20	115.82	110.88	97.78	102.30	131.31	115.82
21	119.44	110.15	118.20	115.82	110.70	97.47	101.97	113.12	115.82
14	119.27	109.97	118.00	115.63	110.70	97.47	101.80	113.12	115.82
7	119.03	109.79	118.00	115.43	110.52	97.16	101.47	112.93	115.82
Apr. 30	118.36	109.79	118.00	115.43	110.34	97.00	101.31	113.12	115.63
22	118.22	109.60	118.00	115.43	110.34	96.69	100.98	113.12	115.82
16	118.06	109.60	117.80	115.43	110.52	96.38	100.81	112.93	115.63
9	117.48	109.60	117.80	115.43	110.52	96.69	100.98	113.12	115.63
Mar. 26	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
19	116.86	109.42	117.60	115.43	110.52	95.92	100.32	113.12	115.63
12	116.87	109.24	117.60	115.43	110.34	95.77	100.16	112.93	115.43
5	116.97	109.42	117.80	115.43	110.34	95.77	100.16	113.12	115.43
Feb 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
High 1943	120.87	110.88	119.00	116.22	111.25	98.57	102.63	113.89	116.80
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago July 6, 1942	118.05	106.56	116.22	113.12	107.98	91.48	95.77	111.25	113.89
2 Years ago July 5, 1941	119.55	107.44	118.00	114.66	107.98	91.77	97.00	111.62	114.66

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

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus.
July 6	1.79	3.12	2.70	2.84	3.10	3.84	3.59	2.97	2.81
5			EXCHANGE CLOSED						
3	1.80	3.13	2.71	2.84	3.10	3.86	3.60	2.97	2.82
2	1.80	3.13	2.71	2.84	3.10	3.86	3.60	2.97	2.82
1	1.80	3.13	2.71	2.84	3.10	3.85	3.60	2.96	2.82
Jun 30	1.81	3.13	2.71	2.84	3.10	3.85	3.59	2.97	2.82
29	1.81	3.13	2.71	2.84	3.10	3.85	3.60	2.97	2.81
28	1.82	3.13	2.71	2.84	3.10	3.86	3.60	2.97	2.82
26	1.82	3.13	2.71	2.84	3.10	3.87	3.60	2.97	2.82
25	1.82	3.13	2.71	2.84	3.11	3.87	3.60	2.97	2.82
24	1.83	3.13	2.71	2.84	3.10	3.87	3.60	2.97	2.82
23	1.84	3.13	2.71	2.84	3.10	3.88	3.61	2.97	2.82
22	1.84	3.14	2.72	2.84	3.11	3.88	3.61	2.98	2.83
21	1.84	3.14	2.72	2.85	3.11	3.88	3.62	2.98	2.83
19	1.84	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
18	1.84	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
17	1.85	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
16	1.85	3.14	2.72	2.85	3.11	3.89	3.61	2.98	2.83
15	1.86	3.14	2.72	2.85	3.11	3.89	3.62	2.98	2.84
14	1.87	3.15	2.72	2.86	3.11	3.90	3.62	2.98	2.84
12	1.87	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
11	1.87	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
10	1.87	3.15	2.73	2.85	3.11	3.90	3.62	2.99	2.85
9	1.86	3.15	2.73	2.85	3.11	3.89	3.62	2.98	2.84
8	1.86	3.15	2.73	2.86	3.11	3.90	3.62	2.99	2.85
7	1.86	3.15	2.73	2.86	3.11	3.88	3.61	2.98	2.85
5	1.87	3.15	2.73	2.85	3.11	3.89	3.61	2.98	2.85
4	1.87	3.15	2.73	2.86	3.11	3.89	3.61	2.98	2.85
3	1.87	3.15	2.73	2.86	3.12	3.89	3.61	2.99	2.85
2	1.87	3.15	2.73	2.86	3.12	3.89	3.61	2.99	2.86
1	1.88	3.15	2.73	2.86	3.12	3.89	3.61	2.99	2.86
May 28	1.88	3.15	2.74	2.86	3.12	3.89	3.61	2.99	2.86
21	1.90	3.16	2.74	2.86	3.13	3.91	3.63	3.00	2.86
14	1.92	3.17	2.75	2.87	3.13	3.91	3.64	3.00	2.86
7	1.93	3.18	2.75	2.88	3.14	3.93	3.66	3.01	2.86
Apr. 30	1.98	3.18	2.75	2.88	3.15	3.94	3.67	3.00	2.87
22	1.99	3.19	2.75	2.88	3.15	3.96	3.69	3.00	2.86
16	2.00	3.19	2.76	2.88	3.14	3.98	3.70	3.01	2.87
9	2.04	3.19	2.76	2.89	3.14	3.96	3.69	3.00	2.87
Mar. 26	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
19	2.07	3.20	2.77	2.88	3.14	4.01	3.73	3.00	2.87
12	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.01	2.88
5	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.00	2.88
Feb 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.79	3.12	2.70	2.84	3.10	3.84	3.59	2.96	2.81
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago July 6, 1942	1.99	3.36	2.84	3.00	3.28	4.31	4.02	3.10	2.96
2 Years ago July 5, 1941	1.87	3.31	2.75	2.92	3.28	4.29	3.94	3.08	2.92

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

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

Non-Ferrous Metals—Lead Consumers To Stock Metal—New Ceiling Prices Set By OPA

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 July 1, stated: "Price developments in metals during the last week centered in ferromanganese and manganese. OPA came through with specific ceiling prices for the alloys that were virtually in line with established quotations. Effective July 1, the maximum price for electrolytic manganese is 37.6c. per pound. Inventory regulations for lead were eased by WPB to increase the flow of the metal to consumers' plants during the summer period of light traffic on the railroads. Better distribution of stock of High Grade zinc has been decided upon by WPB to relieve producers. The copper situation was unchanged." The publication further went on to say:

Copper

Except that the drive for obtaining increased production of copper is still on, conditions surrounding the market did not change during the last week. Domestic copper is moving on the basis of 12c., Valley. Foreign copper was purchased by Metals Reserve at unchanged prices.

To increase the supply of copper and copper-base alloy materials urgently needed for war uses, the War Production Board last week announced a program for the recovery of idle and excess inventories of such materials in the hands of plumbers, building contractors, and their suppliers. Two types of materials are sought. One includes copper and copper-base alloy pipe fittings and tube fittings. The other includes copper and copper-base alloy building materials, including primary forms.

C. D. Howe, Munitions Minister of Canada, recently told members of the House of Commons that Canada is producing about 12½% of the United Nations' supply of new copper.

Lead

General Inventory Order M-161, Schedule A, has been amended to facilitate the movement of lead over crowded transportation lines during the months of lightest traffic, WPB announced on June 28. The order waives inventory restrictions on lead so that the metal may be moved from production and stockpiles into consumer channels. Large consumers are expected to add to their reserve supply during the summer months as a result of this ruling. However, little domestic lead will be available for this purpose, according to members of the industry, as most of the current output is going into consumption.

With July needs of consumers 75% covered, and books about to be opened for August metal, the week in lead was a quiet affair. Sales of common lead for the seven-day period amounted to less than one-half of that in the week previous. Prices were unchanged.

Zinc

Zinc allocations for July came through during the last week as anticipated. There were no price developments, and the selling basis continued at 8¼c. for Prime Western, East St. Louis.

The advisory group met with WPB officials in Washington on June 29 to review production and distribution problems. Interest at the meeting centered in High Grade, which has been accumulating in some directions. Increased tonnages will be stored at large fabricating plants for account of the Government.

Tin

Tin contained in exports of tin concentrates from Bolivia during May amounted to 2,057 metric tons, which compares with 3,059 tons in April and 2,864 tons in May last year. Exports for the first five months this year contained 15,424 tons of tin, against 16,019 tons in the Jan.-May period of last year.

Bolivian producers are awaiting word on the renewal of the concentrate contracts. Negotiations are still on. Opinion here still holds to the view that 70c. per pound of tin contained will be paid by Metals Reserve at the request of BEW.

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

	July	August	Sept.
June 24	52.000	52.000	52.000
June 25	52.000	52.000	52.000
June 26	52.000	52.000	52.000
June 28	52.000	52.000	52.000
June 29	52.000	52.000	52.000
June 30	52.000	52.000	52.000

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

Ferromanganese

Specific dollars-and-cents maximum prices for ferromanganese and manganese alloys and metal are contained in revised MPR No. 138, effective July 1, 1943, OPA announced last week. The prices are essentially the same as those previously in effect. The order is expected to make pricing simpler for both buyers and sellers. According to OPA, it reduces some 1,300 different prices to a little more than 100.

The maximum base contract prices for high-carbon standard ferromanganese, 78 to 82% Mn. range from $135 to $159 per gross ton, according to crushed size, bulk, carload lots.

Manganese metal, 35.6c. to 43.1c per pound, gross weight, according to manganese content and crushed size. For electrolytic metal, the maximum price is 37.6c. per pound.

Spiegeleisen prices range from $35 to $212 per gross ton, f.o.b. Palmerton, Pa., according to manganese content, size, and quantity.

Quicksilver

Available supplies of quicksilver are held to be ample to meet the heavy war demands of the United Nations. Though some domestic producers complain about the labor situation, output for the country as a whole remains comparatively high. Quotations in New York were unchanged last week at $196 to $198 per flask of 76 pounds.

Silver

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

During the first four months of 1943, Canada produced 6,671,406 oz. of silver, against 6,235,361 oz. in the same period last year, the Dominion Bureau of Statistics reports.

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.

Silver Amendment Dropped

Congressional action on the $1,102,381,425 Treasury-Post Office appropriation bill was completed on June 24 when the Senate and the House adopted the conference report thereon.

In the conference report, the House abandoned its amendment prohibiting the use of any funds in the Treasury appropriation for the purchase of silver and also yielded to its prohibition on free mail for government departments and agencies. These two controversial amendments had held up final passage of the legislation for a couple of months.

When the appropriation measure passed the House last Feb. 9, the Treasury was prohibited from using any of its funds for carrying out the provisions of the Silver Purchase Acts of 1934 and 1939. The silver bloc in the Senate removed this limitation and the bill had since been deadlocked in conference.

With regard to the free-mailing privilege, there was substituted an amendment directing the Joint Committee on Reduction in Non-Essential Federal Expenditures (Byrd Committee) to investigate the cost of such mail and report with recommendations no later than next Jan. 1.

A Card Holders Allowed One Vacation Trip

Beginning on July 15, motorists in the twelve Northeastern rationed States will be permitted to use their "A" coupons for a single, direct, round trip to their summer homes or to a vacation resort, where other means of transportation are not available, it was announced on July 6 by the Office of Price Administration.

This concession followed closely on an announcement discontinuing special rations for Victory gardeners, effective July 12, and another requiring gasoline users to indorse all of their coupons upon issuance so that they cannot be used by others if they are lost. This latter regulation will become effective on July 22, when the new rationing period begins for "A" coupons, numbered six, which must last through Nov. 21.

Prentiss M. Brown, Price Administrator, stated that the summer travel ban was lifted only to this extent: That the vacation trip must be completed in 1943, and must be made on regularly issued "A" coupons. No supplemental ration will be granted. "B" and "C" book coupons are ineligible for the trip since the gasoline allowance they represent was granted only for essential occupational driving. Approval must be obtained from a ration board "having jurisdiction over the area in which the vehicle of the ration holder is normally garaged or stationed."

Mr. Brown warned that vacationers "will not have recourse to further rations should they be stranded."

In discontinuing the issuance of special rations for Victory gardeners, the OPA ruled that rations already issued for this purpose may be used as long as they are valid and that gardeners may continue to use their "A" books for trips to their gardens provided the gardens are within three miles of the gardener's home or place of employment and provided the driving is necessary for continuous cultivation.

Moody's Daily Commodity Index

Tuesday, June 29	243.3
Wednesday, June 30	244.0
Thursday July 1	245.0
Friday, July 2	245.4
Saturday, July 3	245.0
Monday, July 5	Holiday
Tuesday July 6	245.3
Two weeks ago, June 22	243.0
Month ago, June 5	245.7
Year ago, July 6	232.0
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, April 1	249.8
Low, Jan. 2	240.2

Controllers Issue Pay-Go Tax Manual

Troublesome questions confronting employers in connection with tax withholding are answered in a special 48-page report issued by the Controllers Institute of America. Entitled "Withholding Problems Under the 1943 Pay-As-You-Go Tax Act," the manual contains the verdicts of a panel of tax experts from Government and industry, comprising: Dr. Thomas C. Atkeson, head of the Clearing Division of the Bureau of Internal Revenue; G. F. Buck, Supervisor of Tabulating of the Bethlehm Steel Co.; William L. Hearne, Tax Supervisor of the United States Steel Corp.; Stanley S. Surrey, Tax Legislative Counsel of the Treasury Department, and Harry C. Gretz, chairman of the panel, who is Assistant Comptroller of the American Telephone and Telegraph Co.

It is announced that the following points of information are typical of the data supplied by the contributors:

"Lump Sum Payments: Lump sum payments representing retroactive wage increases, as in the case of War Labor Board awards, have the same status as the regular payment of wages to which they are related. If the payroll period to which they are related took place before July 1, only the Victory Tax applies; if after July 1, the full 20% must be withheld.

"Vacation Advances: If vacation pay is advanced during June for a payroll period after July 1, it is subject to the 5% Victory Tax withholding only.

"Overtime Pay: Overtime pay for work done before July 1, if paid after July 1, is subject to Victory Tax withholding only.

"Sick Pay: Withholding applies to sick pay as it is, in effect, wages, and would be deductible as such if paid after July 1.

"Travel Allowances: Withholding does not apply if travel allowances are reimbursements for expenses, but it does apply if they are a flat amount allowed irrespective of expenses.

"Benefits to Widows of Employees: Such benefits are gifts and are not subject to withholding. However, if payments are made to the estate of the deceased employee, they are wages and are subject to withholding.

"Errors in Withholding: Errors of under- or over-withholding, if made and corrected within the same quarter, need not be noted on the quarterly tax returns. However, the employee's payroll record should carry appropriate entries in this respect in case of a payroll audit."

"The subject of withholding taxes is one with which the Institute has been in close contact since January, 1943," declared Arthur R. Tucker, managing director of the organization, which has 2,000 members from the largest business concerns in the United States. "At that time, officials in Washington asked the Institute to make a survey of its membership covering their opinions as to the practicability of employers withholding a portion of their wages to pay personal income taxes, and giving weight to two factors—dependency and marital status. A special committee of the Institute has since spent considerable time studying the withholding problems and conferring with committees of Congress and officials of the Treasury Department."

The report is available to nonmembers, and may be secured at the headquarters of the Institute, 1 East 42nd St., New York.

Legion Commmander Says State's Rights Usurped By New Deal

National Commander Waring of the American Legion charged the Federal Government with usurping state's rights and assuming a control over individual citizens "never intended by the authors of the Constitution," said a United Press advice from Columbia, S. C., on July 4, which added:

In a Fourth of July address before a mass meeting on the steps of the South Carolina Statehouse, Mr. Waring accused the Federal government of creating "a gigantic political octopus whose powerful tentacles seek to reach further into the private lives of American citizens."

Mr. Waring praised Congress for "awakening" to its responsibilities by passing legislation necessary to meet the needs of war.

"This responsibility can no longer be left to bureaus nor political marionettes," he said. "Here in this government of ours, these so-called master minds of politics, distinguished only by their inexperience and incompetency, but steeped in foreign ideologies, have built a patchwork of bureaucratic directives.

"With these they seek to pit class against class, business against labor, farmer against consumer and race against race."

He said the advent of the war provided an opportunity for the employment at Washington of "many more additional theorists and social reformers."

He called for the protection of capitalism as the means of preserving the American way of life.

Gross And Net Earnings Of United States Railroads For The Month Of April

The earnings of the railroads of the United States in the month of April did not come up to the previous high records, but both gross and net earnings are close to the peak levels.

Gross earnings of the railroads in April amounted to $748,797,529 against $572,529,082 in April last year, an increase of $176,268,447, or 30.79%. Net earnings for the month of April totaled $306,649,824 against $205,790,570 in the same month of 1942, a gain of $100,859,254, or 49.01%. Ratio of expenses to earnings in April, 1943, was 59.05% as compared with 64.06% in the corresponding period last year. We now present the comparisons in tabular form:

Month of April—	1943	1942	Incr. (+) or Decr. (—) Amount	%
Mileage of 132 roads	229,403	231,499	— 2,096	—00.91
Gross earnings	$748,797,529	$572,529,082	+$176,268,447	+30.79
Operating expenses	442,147,705	366,738,512	+ 75,409,193	+20.56
Ratio of expenses to earnings	(59.05%)	(64.06%)		
Net earnings	$306,649,824	$205,790,570	+$100,859,254	+49.01

Now let us consider the general business indices which underlie the upward course of the railroad earnings for the month of April. In order to show the relation of the trends of the general activity of business to the gross earnings of the railroads during the month under review, we have assembled in the subjoined table those figures representative of the activity in the more important industries for April of 1943 in comparison with the same month for the years 1942, 1941, 1932 and 1929:

April—	1943	1942	1941	1932	1929
Building ($000):					
†Constr. contracts awarded	$303,371	$498,742	$406,675	$121,705	$642,061
Coal (net tons):					
‡Bituminous	49,900,000	48,332,000	6,266,000	20,300,000	44,057,000
§Pennsylvania anthracite	5,437,000	5,153,000	3,198,000	5,629,000	6,205,000
Freight Traffic:					
¶Carloadings, all (cars)	*3,136,253	*3,350,996	*2,793,630	*2,229,173	*3,989,142
††Livestock receipts:					
Chicago (cars)	5,305	5,766	6,168	11,282	17,546
Kansas City (cars)	4,924	4,461	2,897	4,785	7,673
Omaha (cars)	2,374	2,100	1,599	3,603	7,719
‡‡Western flour and grain receipts:					
Flour (000 barrels)	*1,667	*1,562	*1,708	*1,448	*1,700
Wheat (000 bushels)	*34,381	*11,960	*16,481	*12,642	*15,792
Corn (000 bushels)	*21,533	*26,739	*15,683	*9,279	*15,566
Oats (000 bushels)	*7,389	*5,060	*4,450	*4,850	*8,848
Barley (000 bushels)	*9,188	*4,579	*5,350	*2,067	*2,788
Rye (000 bushels)	*2,035	*920	*1,000	*405	*817
Iron and Steel (net tons):					
§§Steel ingot production	7,374,154	7,121,291	6,754,179	1,429,848	5,626,610
Lumber (000 ft.):					
¶¶Production	**	*966,704	*1,016,000	*472,963	*1,635,789
¶¶Shipments	**	*1,146,897	*1,039,386	*554,510	*1,686,481
¶¶Orders received	**	*1,390,899	*1,062,191	*506,510	*1,653,561

Note—Figures in above table issued by: *Four weeks. †F. W. Dodge Corp. (figures for 37 States east of Rocky Mountains). ‡National Bituminous Coal Commission. §U. S. Bureau of Mines. ¶Association of American Railroads. **Only percentage available. ††Reported by major stock yard companies in each city. ‡‡New York Produce Exchange. §§American Iron and Steel Institute. ¶¶National Lumber Manufacturers' Association (number of reporting mills varies in different years).

A glance at the figures in the above tabulation discloses the fact that though most of the items were moderately active in comparison with the corresponding period of last year, a few of them showed declines in volume of business. In reference to construction, total valuation of contracts awarded in the 37 States east of the Rocky Mountains amounted to $303,371,000, which represented declines of 11% from the preceding month and 39% from April, 1942. Turning to the statistics of the coal production, Pennsylvania anthracite and bituminous coal aggregated 5,437,000 net tons and 49,900,000 net tons, respectively. Production of 7,374,154 net tons of steel ingots and castings in April, which set a new peak for a 30-day month, was short of the March record of 7,670,187 tons, and was substantially above April, 1942, when 7,121,291 tons were produced. The previous peak production in the 30-day month was in November of last year when production of steel ingots and castings amounted to 7,179,812 tons. At the Western terminals flour and grain receipts showed upward trends in volume of activity with exception of corn. Livestock receipts in general showed improvement over 1942. Lumber shipments for the four weeks ended May 1, 1943, were 10.8% greater than the average for the latest three years. Based on reports of identical mills for equivalent working periods, lumber shipments in the month under review were 10% and orders were 13% above production. Total freight carloadings for the four weeks ended April 24, 1943, were 6.41% below the similar period last year.

In turning our attention from the railroads of the country as a whole and focusing it on the roads and systems, separately, we notice that the individual totals are in consonance with results shown in the general totals.

Sorting out the railroads with major changes from those that showed only minor fluctuations when compared with last year, we find that 87 roads reported increases in gross and 73 roads recorded increases in net, while three roads indicated decreases in gross and six in net. The Union Pacific led the gross and net listings with gains of $15,883,366 and $10,095,245, respectively. Second place in the gross category was occupied by the Southern Pacific with an increase of $14,619,794 over 1942. The Atchison, Topeka & Santa Fe was second in net, showing a gain of $8,245,697 in the latter category. The Pennsylvania recorded the third largest increase, one of $13,096,037, in the gross column, while the New York Central, fourth in gross, was in third place with a gain of $7,998,414 in the net listing. Other roads showing substantial increases included the Missouri Pacific, Baltimore & Ohio, Chicago, Rock Island & Pacific, Chicago, Burlington & Quincy and Southern Ry., all of which were able to convert a substantial percentage of their gross gains into the net column. In reference to declines, the Dulutn, Missabe & Iron Range headed both the gross and net categories, with reductions of $2,048,149 and $1,949,451, respectively.

In the following compilations, we tabulate the major variations of $100,000 or more, whether they be increases or decreases, in both gross and net classifications for the separate roads and systems:

PRINCIPAL CHANGES IN GROSS EARNINGS FOR THE MONTH OF APRIL

	Increase		Increase
Union Pacific	$15,883,366	Western Pacific	$803,890
Southern Pacific (2 roads)	14,619,794	Alton	751,722
Pennsylvania	13,096,037	Minneapolis St. Paul & S. S. M.	678,605
New York Central	*12,256,283	Chicago Great Western	624,703
Atchison Topeka & Santa Fe	11,651,581	Cincinnati New Orleans & Texas Pacific	570,014
Baltimore & Ohio	6,687,929	Louisiana & Arkansas	529,121
Missouri Pacific	6,184,533	Long Island	515,586
Chicago Burlington & Quincy	5,758,423	Chicago St Paul Minn. & Om.	452,554
Chicago Rock Island & Pacific	5,458,888	Western Maryland	410,892
Southern	5,032,150	Central of New Jersey	403,555
Atlantic Coast Line	4,603,205	Spokane Portland & Seattle	397,626
Chicago Milwaukee St. Paul & Pacific	4,540,202	Yazoo & Mississippi Valley	396,073
Louisville & Nashville	4,264,143	Alabama Great Southern	323,176
Seaboard Air Line	3,913,762	Georgia Southern & Florida	300,046
Illinois Central	3,377,660	Minneapolis & St. Louis	253,536
Northern Pacific	3,364,040	Atlanta Birmingham & Coast	230,662
Great Northern	3,067,681	Georgia	223,527
New York New Haven & Hartford	2,723,320	Chicago Indianapolis & Louisville	215,884
St. Louis-San Francisco (2 roads)	2,637,994	Toledo Peoria & Western	210,299
Chicago & Northwestern	2,453,805	New Orleans & Northwestern	207,264
Erie	2,326,956	Pennsylvania Reading S. S. Lines	194,059
Denver & Rio Grande Western	2,310,795	Burlington-Rock Island	187,447
Texas & Pacific	2,285,083	Maine Central	181,952
Wabash	2,131,250	Delaware & Hudson	178,577
Chesapeake & Ohio	2,087,528	Kansas Oklahoma & Gulf	168,121
Missouri-Kansas-Texas	1,956,233	Pittsburgh & West Virginia	158,757
Norfolk & Western	1,932,481	Pittsburgh & Lake Erie	157,403
Lehigh Valley	1,848,242	Wheeling & Lake Erie	150,102
Kansas City Southern	1,752,294	Akron Canton & Youngstown	143,638
St. Louis Southwestern	1,644,137	Detroit Toledo & Ironton	141,623
Florida East Coast	1,297,088	New York Susquehanna & Western	136,496
Nashville Chattanooga & St. Louis	1,247,808	Ann Arbor	128,145
Pere Marquette	1,218,158	Clinchfield	127,916
Chicago & East Illinois	1,166,142	Illinois Terminal	126,849
New York Chicago & St. Louis	1,156,621	San Antonio Uvalde & Gulf	123,942
Central of Georgia	1,139,209	Atlanta & West Point	123,206
Gulf Mobile & Ohio	991,845	Staten Island Rapid Transit	109,510
New Orleans Texas & Mexico (3 roads)	984,211	Total (87 roads)	$178,359,992
Reading	945,437		
International Great Northern	924,638		
Colorado & Southern (2 roads)	904,868		Decrease
Richmond Fredericksburg & Potomac	894,324	Duluth Missabe & Iron Range	$2,048,149
Grand Trunk Western	888,000	Bessemer & Lake Erie	766,942
Delaware Lackawanna & Western	874,532	Lake Superior & Ishpeming	237,926
Boston & Maine	838,838	Total (3 roads)	$3,053,017

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $12,413,686.

PRINCIPAL CHANGES IN NET EARNINGS FOR THE MONTH OF APRIL

	Increase		Increase
Union Pacific	$10,095,245	Richmond Fredericksburg & Potomac	$599,523
Atchison Topeka & Santa Fe	8,245,697	Minneapolis St. Paul & S. S. Marie	566,503
New York Central	*7,998,414	Western Pacific	460,329
Southern Pacific (2 roads)	7,945,543	Chicago Great Western	420,198
Missouri Pacific	4,351,109	Delaware Lackawanna & Western	371,646
Pennsylvania	3,991,012	Cincinnati New Orleans & Texas Pacific	370,431
Chicago Rock Island & Pacific	3,896,573	Chicago St. Paul Minn. & Omaha	356,865
Chicago Burlington & Quincy	3,852,915	Spokane Portland & Seattle	282,643
Baltimore & Ohio	3,717,797	Alabama Great Southern	256,411
Southern	3,438,059	Western Maryland	235,795
Atlantic Coast Line	3,407,808	Louisianna & Arkansas	224,020
Chicago Milwaukee St. Paul & Pacific	3,275,368	Minneapolis & St. Louis	205,896
Seaboard Air Line	2,592,435	Atlanta Birmingham & Coast	176,257
Louisville & Nashville	2,565,711	Wheeling & Lake Erie	174,239
Northern Pacific	2,333,758	Maine Central	172,297
Chicago & North Western	1,813,116	Toledo Peoria & Western	168,692
Denver & Rio Grande Western	1,511,946	Chicago Indianapolis & Louisville	147,859
St. Louis-San Francisco (2 roads)	1,430,491	Pittsburgh & West Virginia	128,944
New York New Haven & Hartford	1,397,490	Burlington-Rock Island	122,386
Wabash	1,357,655	Akron Canton & Youngstown	119,526
Erie	1,351,415	Detroit Toledo & Ironton	118,908
St. Louis Southwestern	1,275,832	Illinois Terminal	116,780
Texas & Pacific	1,233,928	Central of New Jersey	115,419
Illinois Central	1,212,963	Georgia	110,045
Great Northern	1,102,689	Ann Arbor	107,636
Norfolk & Western	1,094,807	New Orleans & Northern	103,451
Kansas City Southern	1,093,924	Kansas Oklahoma & Gulf	102,841
Chesapeake & Ohio	970,684	Total (73 roads)	$104,305,758
Lehigh Valley	948,385		
Chicago & East Illinois	820,251		
Florida East Coast	796,633		
Central of Georgia	784,942		
Pere Marquette	762,897		
New Orleans Texas & Mexico (3 roads)	746,465		Decrease
Nashville Chattanooga & St. Louis	726,507	Duluth Missabe & Iron Range	$1,949,451
Grand Trunk Western	659,756	Bessemer & Lake Erie	1,000,303
International Great Northern	653,276	Elgin Joliet & Eastern	300,721
Alton	645,612	Reading	237,634
Gulf Mobile & Ohio	637,244	Lake Superior & Ishpeming	207,615
Colorado & Southern	620,917	New York Connecting	134,774
New York Chicago & St. Louis	612,949	Total (6 roads)	$3,830,498

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $7,958,072.

As for the grouping of the railroads into districts and regions, we notice that all geographical subdivisions contributed considerably to the 30.79% in gross and 49.01% in the net. Analyzing the showings of the various districts, we see that the Western District headed both gross and net listings with gains of 43.72% and 80.36%, respectively. The Southern and Eastern Districts were second and third with increases of 29.87% and 20.32%, respectively, in gross, and improvements of 42.50% and 26.89%, respectively, in net.

Examining the compiled figures of small subdivisions—the regions, we note that the Southwestern region reported the greatest gain, 52.96%, in gross, while the Central Western ran a close second with a gain of 50.29% over April, 1942. In the net classification, however, the positions were reversed with the Central Western indicating the largest increase, one of 95.63%, while the Southwestern took second place with an improvement of 84.18%.

We now present our summary tabulation which follows immediately. Our grouping is in conformity with the classification prescribed by the Interstate Commerce Commission. The territories covered by the various subdivisions, districts and regions are explained in the footnote subjoined in the following table:

SUMMARY BY GROUPS—MONTH OF APRIL

District and Region	Gross Earnings 1943	1942	Inc. (+) or Dec. (—)	
Eastern District—	$	$	$	%
New England region (10 roads)	27,099,312	23,354,025	+ 3,745,287	+16.04
Great Lakes region (23 roads)	123,651,442	100,290,122	+ 23,361,320	+23.29
Central Eastern region (18 roads)	149,597,967	125,988,139	+ 23,609,828	+18.74
Total (51 roads)	300,348,721	249,632,286	+ 50,716,435	+20.32
Southern District—				
Southern region (26 roads)	110,450,575	81,712,853	+ 28,737,722	+35.17
Pocahontas region (4 roads)	36,042,210	31,086,354	+ 4,955,856	+15.94
Total (30 roads)	146,492,785	112,799,207	+ 33,693,578	+29.87
Western District—				
Northwestern region (15 roads)	70,742,567	57,050,731	+ 13,691,836	+24.00
Central Western region (16 roads)	162,247,463	107,959,941	+ 54,287,522	+50.29
Southwestern region (20 roads)	68,965,993	45,086,917	+ 23,879,076	+52.96
Total (51 roads)	301,956,023	210,097,589	+ 91,858,434	+43.72
Total all districts (132 roads)	748,797,529	572,529,082	+176,268,447	+30.79

District and Region	Mileage 1943	1942	Net Earnings 1943	1942	Incr. (+) or Dec. (—)	
Eastern District—	1943	1942	$	$	$	%
New England region	6,599	6,649	10,511,977	9,200,401	+ 1,311,576	+ 14.26
Great Lakes region	25,842	26,023	48,589,907	34,467,893	+ 14,122,014	+ 40.97
Central East. region	24,029	24,224	51,277,266	43,317,887	+ 7,959,379	+ 18.37
Total	56,470	56,896	110,379,150	86,986,181	+ 23,392,969	+ 26.89
Southern District—						
Southern region	37,416	37,821	50,240,883	32,707,326	+ 17,533,557	+ 53.61
Pocahontas region	6,019	6,064	17,521,152	14,845,899	+ 2,675,253	+ 18.02
Total	43,435	43,885	67,762,035	47,553,225	+ 20,208,810	+ 42.50
Western District—						
Northwestern region	45,404	45,616	26,224,758	17,955,729	+ 8,269,029	+ 46.05
Central West. region	55,316	56,078	70,464,958	36,019,214	+ 34,445,744	+ 95.63
Southwestern region	28,778	29,024	31,818,923	17,276,221	+ 14,542,702	+ 84.18
Total	129,498	130,718	128,508,639	71,251,164	+ 57,257,475	+ 80.36
Total all districts	229,403	231,499	306,649,824	205,790,570	+100,859,254	+ 49.01

Note—Our grouping of the roads conforms to the classification of the Interstate Commerce Commission, and the following indicates the confines of the different groups and regions:

EASTERN DISTRICT

New England Region—Comprises the New England States.

Great Lakes Region—Comprises the section on the Canadian boundary between New England and the westerly shore of Lake Michigan to Chicago, and north of a line from Chicago via Pittsburgh to New York.

Central Eastern Region—Comprises the section south of the Great Lakes Region east of a line from Chicago through Peoria to St. Louis and the Mississippi River to the mouth of the Ohio River, and north of the Ohio River to Parkersburg, W. Va., and a line thence to the southwestern corner of Maryland and by the Potomac River to its mouth.

SOUTHERN DISTRICT

Southern Region—Comprises the section east of the Mississippi River and south of the Ohio River to a point near Kenova, W. Va., and a line thence following the eastern boundary of Kentucky and the southern boundary of Virginia to the Atlantic.

Pocahontas Region—Comprises the section north of the southern boundary of Virginia, east of Kentucky and the Ohio River north to Parkersburg, W. Va., and south of a line from Parkersburg to the southwestern corner of Maryland and thence by the Potomac River to its mouth.

WESTERN DISTRICT

Northwestern Region—Comprises the section adjoining Canada lying west of the Great Lakes Region, north of a line from Chicago to Omaha and thence to Portland, and by the Columbia River to the Pacific.

Central Western Region—Comprises the section south of the Northwestern Region west of a line from Chicago to Peoria and thence to St. Louis, and north of a line from St. Louis to Kansas City and thence to El Paso and by the Mexican boundary to the Pacific.

Southwestern Region—Comprises the section lying between the Mississippi River south of St. Louis and a line from St. Louis to Kansas City and thence to El Paso, and by the Rio Grande to the Gulf of Mexico.

The Western grain movement for April of the current year was somewhat heavier than that of the same month of 1942. In respect to individual grains, wheat receipts approximated almost three times last year's total by aggregating 34,381,000 bushels. Rye and barley more than doubled their 1942 arrivals by presenting gains of 112.12% and 100.66%, respectively. Oats showed an increase of 2,329,000 bushels over its 1942 aggregate of 5,060,000 bushels. Corn, however, declined 5,206,000 bushels below last year's total of 21,533,000 bushels.

In the following table we give a detailed statement of the grain arrivals at the Western lake and river ports in our usual form:

WESTERN FLOUR AND GRAIN RECEIPTS

Four Weeks Ended April 24.

(000 Omitted)	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1943	880	1,860	7,272	877	160	1,305
	1942	833	493	8,992	1,373	55	1,086
Minneapolis	1943	----	13,629	988	3,297	1,353	4,466
	1942	----	4,197	1,236	1,180	354	1,513
Duluth	1943	----	5,407	53	148	271	176
	1942	----	1,687	586	13	84	111
Milwaukee	1943	65	69	828	6	9	1,768
	1942	35	2	831	137	50	1,306
Toledo	1943	----	349	553	218	63	355
	1942	----	600	319	240	234	17
Indianapolis & Omaha	1943	----	2,113	4,001	1,023	5	2
	1942	----	574	4,905	1,025	10	2
St. Louis	1943	507	3,680	2,200	668	38	409
	1942	488	630	2,374	306	63	126
Peoria	1943	150	607	2,777	168	34	402
	1942	132	229	3,753	112	69	350
Kansas City	1943	65	5,272	1,951	474	----	----
	1942	74	2,550	2,771	374	----	----
St. Joseph	1943	----	247	385	265	----	----
	1942	----	153	672	275	----	----
Wichita	1943	----	828	36	----	----	----
	1942	----	794	----	----	----	----
Sioux City	1943	----	320	489	245	102	305
	1942	----	51	300	25	1	68
Total all	1943	1,667	34,381	21,533	7,389	2,035	9,188
	1942	1,562	11,960	26,739	5,060	920	4,579

Four Months Ended April 24

(000 Omitted)	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1943	4,125	9,734	40,111	3,801	250	5,708
	1942	3,761	2,464	33,128	5,634	1,044	4,628
Minneapolis	1943	51	51,301	6,329	11,221	4,083	16,522
	1942	----	28,279	7,834	9,442	3,689	12,240
Duluth	1943	----	16,928	1,975	566	716	804
	1942	----	9,504	2,726	69	744	1,155
Milwaukee	1943	367	281	4,298	26	45	8,663
	1942	252	133	3,560	222	364	7,958
Toledo	1943	----	3,177	2,936	1,899	145	806
	1942	----	2,404	3,296	1,099	273	63
Indianapolis & Omaha	1943	----	10,361	23,495	4,389	5	61
	1942	----	3,932	19,879	3,855	148	32
St. Louis	1943	2,403	15,802	10,853	3,095	104	1,218
	1942	2,323	3,367	8,852	1,192	566	808
Peoria	1943	723	2,926	14,152	750	118	1,464
	1942	635	650	15,647	534	344	1,205
Kansas City	1943	337	30,767	13,182	2,108	----	----
	1942	250	12,985	13,241	1,000	----	----
St. Joseph	1943	----	2,107	2,903	967	----	----
	1942	----	954	2,044	1,101	----	----
Wichita	1943	----	5,269	38	----	----	----
	1942	----	3,758	----	----	----	----
Sioux City	1943	----	1,621	4,060	1,004	384	1,315
	1942	----	357	1,655	280	53	516
Total all	1943	8,006	149,973	124,332	29,826	5,850	36,561
	1942	7,221	68,787	111,862	24,428	7,225	28,605

As is our practice in these monthly reviews, we furnish a summary of the April comparisons of the gross and net earnings of the railroads of the country from the current year back to and including 1909:

Month of April	Gross Earnings Year Given	Year Preceding	Inc. (+) or Dec. (—)	%	Mileage Year Given	Year Preced'g
1909	$196,993,104	$175,071,604	+ $21,921,500	+12.52	224,625	221,755
1910	225,856,174	197,024,777	+ 28,831,397	+14.63	228,973	223,794
1911	218,488,587	226,002,657	— 7,514,070	— 3.32	236,693	233,082
1912	220,678,465	216,140,214	+ 4,538,251	+ 2.10	236,722	233,057
1913	245,170,143	220,981,373	+ 24,188,770	+10.95	240,740	236,515
1914	236,531,600	245,048,870	— 8,517,270	— 3.48	243,513	241,547
1915	237,696,378	241,090,842	— 3,394,464	— 1.41	247,701	245,170
1916	288,453,700	237,512,648	+ 50,941,052	+21.45	246,615	245,773
1917	326,560,287	288,740,653	+ 37,819,634	+13.10	248,723	248,120
1918	369,409,895	319,274,981	+ 50,134,914	+15.70	233,884	231,755
1919	388,697,894	370,710,999	+ 17,986,895	+ 4.85	232,708	233,251
1920	401,604,695	389,487,271	+ 12,117,424	+ 3.11	221,725	220,918
1921	433,357,199	402,281,913	+ 31,075,286	+ 7.72	220,340	219,743
1922	416,240,237	432,106,647	— 15,866,410	— 3.67	234,955	234,338
1923	521,387,412	415,808,970	+105,578,442	+25.39	234,970	235,839
1924	474,094,758	522,336,874	— 48,242,116	— 9.24	235,963	235,665
1925	472,591,665	474,287,768	— 1,696,103	— 0.36	236,664	236,045
1926	498,448,309	472,629,820	+ 25,818,489	+ 5.46	236,518	236,526
1927	497,212,491	498,677,065	— 1,464,574	— 0.29	238,183	237,187
1928	473,428,231	497,865,380	— 24,437,149	— 4.91	239,852	238,904
1929	513,076,026	474,784,902	+ 38,291,124	+ 8.07	240,956	240,816
1930	450,537,217	513,733,181	— 63,195,964	—12.30	242,375	242,181
1931	369,106,310	450,457,319	— 81,461,009	—18.08	242,632	242,574
1932	267,473,938	369,123,100	—101,649,162	—27.54	241,976	241,992
1933	227,300,543	267,480,682	— 40,180,139	—15.02	241,680	242,160
1934	265,022,239	224,565,926	+ 40,456,313	+18.02	239,109	241,113
1935	274,185,053	265,037,296	+ 9,147,757	+ 3.45	237,995	239,129
1936	312,908,137	274,144,735	+ 38,763,402	+14.14	237,028	238,208
1937	350,958,792	312,822,778	+ 38,136,014	+12.19	236,093	236,383
1938	267,741,177	350,792,144	— 83,050,967	—23.68	233,928	234,372
1939	281,513,409	267,685,764	+ 13,827,645	+ 5.17	233,555	234,739
1940	320,764,087	281,513,409	+ 39,250,678	+13.94	232,924	233,547
1941	374,304,613	320,891,874	+ 53,412,739	+16.65	232,250	232,951
1942	572,530,962	374,304,616	+198,226,346	+52.97	231,500	232,227
1943	748,797,529	572,529,082	+176,268,447	+30.79	229,403	231,499

Month of April	Net Earnings Year Given	Year Preceding	Increase (+) or Decrease (—)	%
1909	$62,380,527	$50,787,440	+ $11,593,087	+22.83
1910	66,725,896	62,409,630	+ 4,316,266	+ 6.92
1911	64,768,090	66,709,729	— 1,941,639	— 2.91
1912	57,960,871	63,888,490	— 5,927,619	— 9.28
1913	60,122,205	58,082,236	+ 2,039,869	+ 3.51
1914	59,398,711	60,024,235	— 625,524	— 1.04
1915	67,515,544	59,266,322	+ 8,249,222	+13.92
1916	93,092,395	67,396,538	+ 25,695,857	+38.13
1917	93,318,041	93,257,886	+ 60,155	+ 0.06
1918	89,982,415	91,678,695	— 1,696,280	— 1.85
1919	44,850,096	89,943,898	— 45,093,802	—50.14
1920	*2,875,447	44,716,664	— 47,592,111	—106.43
1921	57,658,213	1,862,451	+ 55,795,762	+2995.82
1922	80,514,943	57,474,860	+ 23,040,083	+40.09
1923	118,627,158	80,386,815	+ 38,240,343	+47.57
1924	101,680,719	122,974,961	— 21,294,242	—17.32
1925	102,861,475	97,471,685	+ 5,389,790	+ 5.53
1926	114,685,151	102,920,855	+ 11,764,296	+11.43
1927	113,643,766	114,417,892	— 774,126	— 0.68
1928	110,907,453	113,818,315	— 2,910,862	— 2.56
1929	136,821,660	110,884,575	+ 25,937,085	+23.39
1930	107,123,770	141,939,648	— 34,815,878	—24.53
1931	79,144,653	103,030,623	— 23,885,970	—23.18
1932	56,263,320	79,185,676	— 22,922,356	—28.95
1933	52,585,047	56,261,840	— 3,676,793	— 6.54
1934	65,253,473	51,640,515	+ 13,612,958	+26.36
1935	65,305,735	65,252,005	+ 53,730	+ 0.08
1936	78,326,373	65,214,202	+ 13,112,171	+20.11
1937	89,529,494	78,326,822	+ 11,202,672	+14.30
1938	48,713,813	89,532,796	— 40,818,983	—45.59
1939	54,422,823	48,717,237	+ 5,705,586	+11.71
1940	75,627,655	54,422,823	+ 21,204,832	+38.96
1941	100,508,419	75,696,337	+ 24,812,082	+32.78
1942	205,791,498	100,023,867	+105,767,631	+105.74
1943	306,649,824	205,790,570	+100,859,254	+ 49.01

*Deficit.

Finds U. S. War Expenditures, Tax Collections Rise Faster Than Canadian Or British

The United States since its entry into the war has experienced sharper increases in both public expenditures and revenue collections than either Canada or the United Kingdom, according to the National Industrial Conference Board. Canada is found to be a close second and the United Kingdom a poor third. The Board states that in terms of percentages of expenditures covered by current revenue collections, the United States is still behind both Canada and the United Kingdom, although the imposition of additional taxes to yield $12,000,000,000 during the current fiscal year, as recommended by the Secretary of the Treasury, would place the United States somewhat ahead of Canada but would leave this country a little behind the United Kingdom.

Other findings of the Board made public July 6 are:

"The United Kingdom to date has had higher total revenues per capita, all types of taxing units included, than the United States, but the imposition of additional Federal taxes to yield $12,000,000,000 more in the fiscal year ending June 30, 1944, as recommended by Secretary Morgenthau, probably would reverse this relationship. Canadian revenues per capita have approximated those of the United States, but present proposals do not contemplate increasing Canadian revenues to the levels proposed for the United States.

"For 1940 through 1942 the United Kingdom had the highest expenditures per capita for all levels of government, but these were exceeded by those of the United States in the year ended March 31, 1943. Expenditures per capita in the United States exceeded those of Canada each year, 1940 through 1943."

Whether serious inflation will develop in the United States depends, according to the Board's analysis, "upon a great many factors, including the effectiveness of price control and rationing programs. But government, by increasing its revenues as a percentage of its expenditures, reduces the extent to which its spending contributes to inflation. Moreover, by reducing purchasing power, or potential demand for consumer goods and services, through higher taxes, the administrative difficulties of price control and rationing boards are eased. From this point of view, Canada has a far better record than the United Kingdom and both have had better success than the United States." The Board further says:

"For the fiscal years 1940, 1941 and 1942, revenue as a percentage of expenditure in Canada amounted to 80.4%, 67.4% and 76.7%, respectively. In the same period the British ratios were 58.0%, 36.4% and 43.4%. In 1943 the Canadian ratio fell to 43.7% while that of the United Kingdom rose to 48.1%. Current British proposals in the United Kingdom would raise this to 50.5% for the fiscal year 1944. The ratios for the United States are lower than those for Canada in all four years, although during two of the years we were not actively engaged in war. In comparison with those of the United Kingdom, United States ratios are somewhat higher only for the period in which the United Kingdom was engaged in the war and we were not.

"The United States ratio for the fiscal year 1944 would be 35.1% upon the basis of present tax laws and 46.1% if Congress enacts tax legislation sufficient to raise the $12 billion which the administration has requested, at which point, the United States would have a ratio somewhat in excess of that for Canada in 1943 and somewhat less than that for Great Britain for the years 1943 and 1944."

Senate Group Votes Father-Draft Delay

Legislation postponing the drafting of married men with children until Jan. 1, 1944 was favorably reported on July 2 by the Senate Military Affairs Committee.

The measure, sponsored by Senator Wheeler (Dem., Mont.), was approved by a vote of 11 to 5. Under the bill any man married before Dec. 8, 1941, who has a child or children under 18 years of age and has maintained a bona fide relationship with his family since that date, would be exempt until Jan. 1 from the provisions of the Selective Service Act. Senator Wheeler expressed the hope that the Senate would take up the measure before the summer recess.

Under present regulations, fathers of children born after Sept. 15, 1942, are subject to the draft. Fathers of children born before that date are deferred but the last officially mentioned date for this deferment is Oct. 1.

The Selective Service recently took steps to speed up the induction of childless men now deferred because of their occupations. As the supply of childless men is exhausted, present plans call for the drafting of fathers at least by the last quarter of this year.

National Fertilizer Association Price Index Continues To Decline

Another decline occurred in the general level of wholesale commodity prices last week, according to the price index compiled by The National Fertilizer Association and made public on July 5. The index eased off to 134.8 in the week ended July 3, reaching the lowest point since February, 1943. Based on the 1935-1939 average as 100, this index was 135.0 a week ago, 135.7 a month ago, and 127.3 a year ago. The Association's report went on to say:

With one exception, price changes occurred in the food and farm products groups. Although changes in the food group were almost evenly balanced, the decreases occurred in the more heavily weighted commodities, resulting in a decline in the food price index. Grain quotations were higher and more than offset declines in prices for livestock, causing the farm product index to advance slightly. The textile index advanced fractionally because of an increase in the quotation for cotton. All other group index numbers remained unchanged.

Although the all-commodity index was lower, during the week price advances outnumbered declines 10 to 6; in the preceding week there were 6 advances and 6 declines; in the second preceding week there were 7 advances and 8 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week July 3 1943	Preceding Week June 26 1943	Month Ago May 29 1943	Year Ago June 27 1942
25.3	Foods	138.3	138.8	140.8	125.2
	Fats and Oils	145.1	145.1	147.9	137.0
	Cottonseed Oil	159.0	159.0	159.0	158.4
23.0	Farm Products	152.7	152.4	152.8	135.3
	Cotton	201.0	200.1	202.0	181.1
	Grains	148.1	142.5	152.6	113.1
	Livestock	145.3	146.6	146.8	132.0
17.3	Fuels	122.8	122.8	122.8	119.7
10.8	Miscellaneous commodities	130.1	130.1	140.1	127.9
8.2	Textiles	151.3	151.2	151.4	147.5
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.6	152.6	152.6	151.6
1.3	Chemicals and drugs	126.6	126.6	126.6	120.7
.3	Fertilizer materials	117.7	117.7	117.7	117.8
.3	Fertilizers	119.8	119.8	119.8	115.3
.3	Farm machinery	104.1	104.1	104.1	104.1
100.0	All groups combined	134.8	135.0	135.7	127.3

*Indexes on 1926-1928 base were July 3, 1943, 105.0; June 26, 105.2, and July 4, 1942, 100.3.

June Civil Eng. Construction $274,493,000; Tops Month Ago As Private Work Gains

Civil engineering construction volume in continental United States totaled $274,493,000 in June, an increase of 0.3% over May, 1943, but 72% below the $968,938,000 reported for June, 1942 by "Engineering News-Record" on July 1. Private construction topped the preceding month by 230%, was 79% above the corresponding 1942 month, and reached the highest monthly total since October, 1941. The report went on to say:

Public work declined 20% from a month ago and 78% from a year ago as both State and municipal work and Federal volume were lower. The State and municipal total was 3% lower than last month and 47% below that for last year. Federal construction was down 21% and 80% when compared with the respective totals for a month ago and a year ago.

Continental U. S. civil engineering construction volumes for the 1942 month, last month, and June, 1943, were:

	June, 1942 (4 weeks)	May, 1943 (4 weeks)	June, 1943 (4 weeks)
Continental U. S. construction	$968,938,000	$273,650,000	$274,493,000
Private construction	40,647,000	22,014,000	72,718,000
Public construction	928,291,000	251,636,000	201,775,000
State and municipal	41,384,000	22,649,000	21,956,000
Federal	886,907,000	228,987,000	179,819,000

Six-Month Volume Lower

Construction volume for the first six months of 1943 totaled $1,766,252,000 and averaged $70,650,000 for each of the 25 weeks of the period. On the weekly average basis, the 1943 volume was 63% below the $4,905,294,000 reported for the 26-week period last year. Private construction, $222,484,000, was 32% below a year ago, and public construction, $1,543,768,000, declined 65% when adjusted for the difference in the number of weeks. Federal work, $1,443,407,000, was down 64%, and State and municipal volume, $100,361,000, decreased 68% from the period in 1942.

New Capital

New capital for construction purposes for June totaled $4,644,000 and was made up entirely of State and municipal bond sales. The month's new financing total was 93% lower than the $67,471,000 reported for new capital in the corresponding month a year ago.

The new financing total for 1943 to date, $497,066,000, compares with $6,886,294,000 reported for the six-month period in 1942.

Steel Operations Rebound To 96.6% Of Rated Capacity—Lend-Lease Demand Is Increasing

"A recession from the high production tempo prevailing since Pearl Harbor appears to be developing in some manufacturing areas," states the "Iron Age" in its issue of today (July 8), further adding: "Reminiscent of the seasonal slumps experienced in peacetimes, it has not reached large proportions yet and may be very short-lived. In addition to the need for a little recuperation after 19 months of pressure, there are psychological factors such as the lull in the Allies' advance toward the Continent, the changes in military requirements, the recent audacious coal strikes, the hot weather—factors which when combined might explain a slight letdown.

"However, authorities directing the war effort, picturing probabilities six to 12 months away, are starting to drive harder than ever for airplanes, ships, steel mill equipment and locomotives, among other items. All the facts seem to emphasize anew the often-repeated warning that there is little hope for more civilian steel for some time to come. Lend-Lease demand is increasing.

"The battle which has seesawed for the past two years between the WPB and the Army flared again during the past week when the Army intensified efforts to take away most of the WPB's authority over allocations of material through cutting the Class B list of products under CMP. At the end of this year, WPB now plans, under Army pressure, to voluntarily reduce its jurisdiction over more than 300 Class B product classifications to a mere 22. This means the WPB may relinquish authority over approximately 3,000,000 of the 5,000,000 tons of steel handed out to Class B product manufacturers per quarter.

"The Lend-Lease steel for American use will not be an important factor in connection with the big drive to increase the third and fourth quarter supply by 1,000,000 tons each, because redistribution of Lend-Lease steel has been in full operation for about two months.

"Other highlights in the metals and metalworking industries this week include:

"A revelation that the molybdenum supply and demand are now more or less in balance. Molybdenum was the tightest of all materials not long ago.

"This week, almost two weeks after John L. Lewis gave the back-to-work order, miners in the Birmingham and western Pennsylvania districts were nearly 100% back on the job. But whether the period between now and Oct. 31 will be fraught with new outlaw coal mine work stoppages remains to be seen. The issue has not been settled and some observers expect recurring trouble until the miners have a contract and some sort of a raise."

The American Iron and Steel Institute on July 6 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 96.6% of capacity for the week beginning July 5, compared with 90.3% one week ago, 97.5% one month ago and 97.0% one year ago. This represents an increase of 6.3 points or 7.0% from the preceding week. The operating rate for the week beginnnig July 5 is equivalent to 1,672,800 tons of steel ingots and castings, compared to 1,563,700 tons one week ago, 1,688,400 tons one month ago, and 1,659,600 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on July 5 stated in part as follows: "Transition of steel distribution control from Production Requirements Plan to Controlled Materials Plan is now complete, as of July 1, and while some difficulties are being met in application of the new method, most steel users have followed instructions and are well covered.

"Observers believe that once the trade becomes thoroughly familiar with CMP procedure less confusion will result. Some buyers failed to recognize that they no longer are being supplied on a month-to-month basis and have come into the market to find mills fully booked for the period in which they had expected to get on rolling schedules. That most users have placed orders promptly and much further ahead than permitted under the former system is reflected by the fact that third quarter capacity generally is booked full. Some producers are sold through October and also have some orders extending into next year.

"Impact of the coal stoppage is felt mainly in output of pig iron as blast furnaces are banked because of lack of coke and effect on finished steel production will come later, as supply of ingots and semifinished steel is depleted.

"Plate orders continue heavy and some producers are booked through October, with some requirements not yet filled, indicating that full production through the year may be completely covered within a short time. Efforts of War Production Board to obtain larger steel output during the remainder of the year are caused in large part by need for more plate tonnage, for shipbuilding and other war purposes.

"Sheet deliveries are tightening, despite numerous cancellations, though the latter apparently have ceased.

"Wire products are assuming a more important role in the war effort and producers of heavy tonnage lines are booked to the end of the year in most cases. Specialties requiring long processing are in much the same position. Few mills have fourth quarter capacity for these products and an increasing number of orders is appearing for next year. Wire mills booked more tonnage in June than was shipped and in some cases it was double shipments.

"Shipbuilding requirements for cold-drawn bars are increasing in some districts and are pressing aircraft needs, which have held first place for some time. In both cases demand is increasing but ship work is gaining faster. These developments are more than making up for smaller consumption by the machine tool industry.

"Office of Price Administration is extending the zone system set up a fortnight ago in establishing dollars-and-cents prices on ferrosilicon and ferrochromium and has taken similar action on ferromanganese and other manganese alloys, including spiegeleisen."

Congress Gives Nat'l Resources Planning Board Until Aug 31 to Liquidate

Dissolution Approved In Appropriations Bill

Final Congressional action on the $2,621,000,000 Independent Offices Appropriation bill came on June 18 when the Senate approved a conference report which provides for the dissolution of the National Resources Planning Board. The House had adopted the report on June 16.

Noting that the Board, author of the "American Beveridge Plan" for post-war social security is given by Congress until Aug. 31 to liquidate itself, with an allowance of $50,000 for that purpose, special advices June 18 to the New York "Times" from Washington said:

"To prevent any transferring of its functions to another agency, the same Congressional action provided that all NRPB records and files be delivered to the National Archives.

"This summary order for shutting down the long-disputed agency, headed by President Roosevelt's uncle, Frederic A. Delano, was a provision in the Independent Offices Supply bill for the 1943-44 fiscal year.

"It gave Mr. Roosevelt a choice between accepting the ultimatum or vetoing $2,600,000,000 of appropriations for a score of Federal establishments, including the executive offices.

"The President had appealed directly to Congress for a continuation of the Board with appropriations to finance it in full operation.

"The Independent Offices Measure was sent to the White House when the Senate approved the conference report by a voice vote, without debate, after a sketchy explanation of the Senate-House agreement had been given by Senator Kenneth McKellar, acting Chairman of the Appropriations Committee.

"The NRPB had requested $1,400,000 for a special war and post-war program. The House Appropriations Committee, which had complained that previous appropriations to the board had been supplemented by allotments from the President's special emergency fund, allowed nothing, and the House concurred.

"The Senate Appropriations Committee allowed $200,000, but directed that the NRPB be shrunken to a skeleton organization with functions limited to assisting State and local agencies in their war and post-war planning.

"Refusing to approve this, the House adopted and sent back to the Senate a compromise under which $50,000 would be appropriated under the following conditions.

"That the NRPB be abolished, effective Aug. 31; that its functions not be transferred to any other agency, and that none of its functions be performed after that date without express authority of Congress.

"That the director, Charles W. Eliot, be permitted to remain until Jan. 1, if necessary, to wind up the board's affairs.

"That payment of accumulated and accrued annual leaves to employes of the board be made out of the $50,000 fund, and that this $50,000 not be supplemented by funds from 'any source.'

"In the same appropriation bill Congress advanced from July 1, 1945, to Feb. 1, 1944, the deadline for submission of plans for liquidation of the Home Owners Loan Corporation."

Previous reference to funds for the NRPB was mentioned in these columns June 10, page 2192.

Labor Heads Urge Veto Of Anti-Strike Bill

President Roosevelt was requested on June 17 to veto the War Labor Disputes Act in a statement submitted to him by William Green, President of the American Federation of Labor, Philip Murray, President of the Congress of Industrial Organizations, and David B. Robertson, President of the Brotherhood of Locomotive Firemen and Enginemen.

In their analysis of the bill, the three labor leaders contended that the bill would "hamstring" the functioning of the War Labor Board and might force the AFL or CIO officials to resign from the WLB.

They said the bill would virtually destroy unions and minority rights, violate the guarantee of free speech and encourage strikes. From Associated Press advices from Washington June 17 we quote:

The three leaders said the legislation "is a wicked, vicious bill. It is the worst anti-labor bill passed by Congress in the last 100 years. It is born of revenge and malice. It is the very essence of Fascism. It destroys the philosophy of voluntarism on which free trade unionism is founded.

"It destroys the foundation on which the principles of collective bargaining rest. Compulsion, civil damages and criminal penalties are the unholy trinity by which this act accomplishes its evil purpose."

Passage of the anti-strike bill and labor's objections to it were reported in our issue of June 17, page 2287.

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 4,600,000 net tons, compared with 12,100,000 tons in the preceding week and 11,328,000 tons in the corresponding period of 1942. The decline in output was affected by the nation-wide coal strike which had begun at midnight on June 20 and lasted for two days before the men started to return to work. For the present year to June 26, soft coal production was 0.6% below that for the same period last year.

The U. S. Bureau of Mines estimated that the total output of Pennsylvania anthracite for the week ended June 26 was 284,000 tons, a decrease of 78.9% from the preceding week. When compared with the output in the same week last year there was a decrease of 962,000 tons, or 77.2%. The calendar year 1943 to June 26 shows a decrease of 0.4% when compared with the corresponding period of 1942.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States in the week ended June 26 showed a decrease of 58,400 tons when compared with the output for the week ended June 19. The quantity of coke from beehive ovens decreased 106,300 tons during the same period.

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

(In Net Tons—000 Omitted.)

	Week Ended			January 1 to Date		
Bituminous coal and lignite—	June 26 1943	June 19 1943	June 27 1942	†June 26 1943	June 27 1942	June 26 1937
Total, incl. mine fuel	4,600	12,100	11,328	280,358	281,966	220,250
Daily average	767	2,017	1,888	1,865	1,874	1,474
*Crude Petroleum— Coal equivalent of weekly output	6,335	6,353	5,958	158,739	154,758	137,689

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

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

	Week Ended			Cal. Year to Date		
Penn. anthracite—	§June 26 1943	¶June 19 1943	June 27 1942	June 26 1943	June 27 1942	June 29 1929
*Total incl. coll. fuel	284,000	1,345,000	1,246,000	29,112,000	29,233,000	35,512,000
†Commercial production	273,000	1,291,000	1,196,000	27,948,000	28,064,000	32,955,000
Beehive coke— United states total	53,800	160,100	179,800	3,794,600	4,059,700	3,356,800
By-product coke— United States total	1,158,100	1,216,500	1,189,100	30,751,900	29,955,500	‡

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

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

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

	Week Ended					June
State—	June 19 1943	June 12 1943	June 20 1942	June 21 1941	June 19 1937	Avge. ¶1923
Alabama	390	382	370	362	234	387
Alaska	6	6	5	3	3	**
Arkansas and Oklahoma	88	78	80	18	15	70
Colorado	145	136	120	89	74	175
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,476	1,458	1,151	894	603	1,243
Indiana	506	506	338	366	255	416
Iowa	35	36	43	39	21	88
Kansas and Missouri	164	144	120	114	66	128
Kentucky—Eastern	943	908	962	955	699	661
Kentucky—Western	298	310	243	168	117	183
Maryland	39	41	38	37	24	47
Michigan	7	5	††	1	3	12
Montana (bituminous and lignite)	92	87	52	44	33	38
New Mexico	34	29	31	24	33	51
North and South Dakota (lignite)	31	30	17	23	13	**14
Ohio	682	663	708	608	437	888
Pennsylvania (bituminous)	2,938	2,765	2,806	2,824	1,961	3,613
Tennessee	130	126	153	153	94	113
Texas (bituminous and lignite)	3	2	6	7	18	21
Utah	107	110	113	49	36	89
Virginia	414	418	398	406	226	240
Washington	31	22	39	32	30	44
*West Virginia—Southern	2,360	2,321	2,219	2,242	1,598	1,380
†West Virginia—Northern	1,012	1,005	885	829	504	856
Wyoming	167	145	108	76	80	104
‡Other Western States	1	1	††	††	1	**
Total bituminous and lignite	12,100	11,735	11,006	10,364	7,178	10,866
§Pennsylvania anthracite	1,345	1,317	1,219	1,255	989	1,956
Total all coal	13,445	13,052	12,225	11,619	8,167	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.

May Building Permit Valuation Down Only Slightly From April, Secretary Perkins Reports

May, 1943, marked the second consecutive month that the total volume of building construction registered only a slight decrease, Secretary of Labor Frances Perkins reported on June 20. "The slight declines of 2% in May and 1% in April, 1943, followed the sharp downward movement which started early in 1942," she said. "The effect on the total of the increase of 19% between April and May, 1943, in the volume of privately financed work was completely nullified by a 31% decline in the value of Federal building projects put under contract. The valuation of new residential building rose 15% between April and May, 1943, while the valuation of new nonresidential structures put under construction declined 26% and additions, alterations and repairs to existing structures increased slightly more than 1%." She added:

"When compared with the same month a year ago, the May dollar volume of building construction started in urban areas showed a decrease of 71%. All classes of building activity showed declines but the drop of 88% in the non-residential category was most pronounced. New residential valuations fell off 43% while additions, alterations and repairs decreased 29%."

	Percentage change from:					
	April, 1943 to May, 1943			May, 1942 to May, 1943		
Class of construction	Total	Other than Federal	Federal	Total	Other than Federal	Federal
All building construction	— 2.3	+19.3	—30.6	—71.3	—21.7	—88.2
New residential	+15.2	+21.2	— 1.0	—42.7	— 4.8	—75.3
New nonresidential	—25.6	+33.5	—40.3	—87.8	—57.0	—91.3
Additions, alterations, & repairs	+ 1.3	+ 9.3	—74.7	—28.9	—17.3	—89.5

The Labor Department's announcement also had the following to say:

"The 18,920 family dwelling units represented by permits issued and Federal contracts awarded during May, 1943, marks an increase of 22% when compared with the total reported for April, 1943, but is a decrease of 27% from the total for May, 1942. Federal housing projects for war workers accounted for 6,574, or 35% of the May total. Federally financed units contracted for in May, 1943, increased 16% from the April total but was only half of the number put under contract during May of last year. The number of privately financed family dwelling units started in May was 25% greater than in April or about the same as a year ago. Accommodations were provided in dormitories for 564 war workers during May, 1943.

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

"Principal centers of various types of building construction for which permits were isued or contracts were awarded in May, 1943, except projects which have been excluded because of their confidential nature were: West Springfield, Mass., 27 apartments providing 264 units to cost $800,000; Darby, Pa., 486 one-family dwellings to cost $1,458,000; Brookfield, Ill., 50 one-family dwellings to cost $250,000, 50 units in two-family dwellings to cost $225,000; Chicago, Ill., 130 one-family dwellings to cost $589,400; Dearborn, Mich., 69 one-family dwellings to cost $311,000; Detroit, Mich., 554 one-family dwellings to cost $3,061,400, 50 units in two-family dwellings to cost $226,800; Royal Oak, Mich., 55 one-family dwellings to cost $267,600; Akron, Ohio, 46 one-family dwellings to cost $200,800; Lakewood, Ohio, 10 apartments providing 120 dwelling units to cost $372,000; Maple Heights, Ohio, 43 one-family dwellings to cost $206,200; Dayton, Ohio, 14 apartments providing 56 dwelling units to cost $206,000; Milwaukee, Wis., 70 units in two-family dwellings to cost $234,500; Wichita, Kans., 182 units in two-family dwellings to cost $342,150 and one public utility building to cost $54,000; Elsmere, Del., 61 one-family dwellings to cost $218,000; Wilmington, Del., 290 one-family dwellings to cost $1,160,000, 112 units in two-family dwellings to cost $286,000; Washington, D. C., 25 apartments providing 174 dwelling units to cost $457,000; Savannah, Ga., 204 units in two-family dwellings to cost $518,000; Baltimore, Md., 110 units in two-family dwellings to cost $225,400 and six apartments providing 168 dwelling units to cost $450,000; Arlington Co., Va., 22 apartments providing 305 dwelling units to cost $797,000; Portsmouth, Va., 295 one-family dwellings to cost $600,000; Fort Worth, Texas, 188 one-family dwellings to cost $435,093, 124 units in two-family dwellings to cost $219,000, one apartment providing 248 dwelling units to cost $500,000; Houston, Texas, 89 one-family dwellings to cost $230,175 and one factory to cost $100,000; Denver, Colo., 46 one-family dwellings to cost $198,000 and 11 apartments providing 62 dwelling units to cost $135,000; Los Angeles, Calif., 210 units in two-family dwellings to cost $418,725; San Diego, Calif., 112 one-family dwellings to cost $386,810, 28 apartments providing 114 dwelling units to cost $285,533; San Francisco, Calif., 292 one-family dwellings to cost $878,500; San Leandro, Calif., 110 one-family dwellings to cost $330,000; Torrance, Calif., two factories to cost $3,966,000; Portland, Ore., 94 one-family dwellings to cost $391,620, 26 apartments providing 114 dwelling units to cost $375,500 and one factory to cost $50,000; Seattle, Wash., 113 one-family dwellings to cost $425,100.

"In addition, contracts were awarded during May, 1943, for the following Federally financed housing projects containing the indicated number of housekeeping units: Bristol, Conn., $189,345 for 100 units; Waterbury, Conn., $507,650 for 264 units; Muskegon Heights, Mich., $649,643 for 122 units; Saginaw, Mich., $249,600 for 250 units; Ypsilanti, Mich., $408,170 for 100 units; Dayton, Ohio, $138,604 for 72 units; Warren, Ohio, $460,765 for 190 units; Garden City, Kans., $461,067 for 226 units; Baltimore, Md., $661,400 for 248 units; Mobile, Ala., $524,732 for 200 units; Gulfport, Miss., $606,799 for 414 units; Houston, Texas, $1,053,711 for 436 units; Riverside, Calif., $203,930 for 140 units; San Bernardino, Calif., $631,900 for 420 units; San Diego, Calif., $1,300,054 for 840 units; San Francisco, Calif., $3,098,162 for 2,552 units.

"Federal contracts were also awarded for dormitory accommodations for 50 persons at Bristol, Conn., to cost $31,691; for 200 persons at Dayton, Ohio, to cost $129,086; for 250 persons at Portsmouth, Va., to cost $161,000. Dormitory units were also provided for 64 persons in Lock Haven, Pa., by conversion at a cost of $22,737."

End Of 'No Strike' Pledge Asked By CIO Group Unless Other Conditions Are Lived Up To

The Michigan CIO Council recommended to its affiliated unions and to the national CIO on June 30 that labor's "no-strike" pledge no longer be considered binding unless the "assurances made to labor" at the time the pledge was made were "immediately put into operation."

These assurances, the CIO Council declared, were that the cost of living would be kept down, that adequate adjustment machinery would be maintained to settle management-labor grievances and that taxes would not put undue burdens on the workingman.

In Associated Press Detroit advices, June 30, to the New York "Times" the following was also reported:

"Since the start of the war, the Council's resolution said, these assurances 'have been shamefully and wilfully disregarded.' It was adopted by a rising vote after a hot two-hour debate.

"Speakers at the convention, at which were 1,800 delegates representing a CIO membership in Michigan of about 700,000, made it clear that the resolution, as adopted, did not in itself revoke the 'no-strike' pledge. It was described as merely a recommendation to national CIO headquarters that such revocation be considered.

"Representatives of the United Steel Workers of America announced that they were not in accord with the Council's action and notified Philip Murray, President of the CIO, 'one hundred per cent' that they would 'continue to rely on your judgment in the future.'

"Victor Reuther, head of Local 174, United Automobile Workers, told the convention that the resolution would be a 'a weapon in the hands of the CIO's President, Mr. Murray, to use to obtain, immediately, the safeguards that labor demands.'

"I oppose the immediate revocation of the 'no-strike' pledge because we must abide by the democratic decisions of the entire CIO," Mr. Reuther said. "But the men in the shop must tell the union officials, and the Government, that we take these problems seriously. The 'no-strike' pledge, without speedier settlement of grievances and without 'rollback' of prices, will lead to more strikes."

Lumber Movement—Week Ended June 26, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 468 mills reporting to the National Lumber Trade Barometer exceeded production by 1.1% for the week ended June 26, 1943. In the same week new orders of these mills were 6.9% less than production. Unfilled order files in the reporting mills amounted to 103% of stocks. For reporting softwood mills, unfilled orders are equivalent to 40 days' production at the current rate, and gross stocks are equivalent to 36 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 12.6%; orders by 15.2%.

Compared to the average corresponding week of 1935-39 production of reporting mills was 34.1% greater; shipments were 43.7% greater, and orders were 32.3% greater.

Fed. Procurement Review Boards To Be Set Up

James F. Byrnes, Director of War Mobilization, announced on June 30 that he has asked all the procurement agencies of the Government to set up boards of review to pass on their own programs in order to bring them into balance with the over-all war strategy.

The boards, Mr. Byrnes said, will consist of personnel different from that used in developing their current procurement and requirement objectives.

The review process will be a continuous affair, he indicated, adding that it does not mean any great reduction in the war program but simply assurance of the most effective use of manpower and materials.

Mr. Byrnes said another objective of the program will be to prevent accumulation by the Government of great quantities of goods which would be of no use after the war.

Daily Average Crude Oil Production For Week Ended June 26, 1943 Fell Off 11,250 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended June 26, 1943 was 3,954,900 barrels, a decline of 11,250 barrels from the preceding week, and 264,000 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 235,450 barrels per day more than produced in the week ended June 27, 1942. Daily output for the four weeks ended June 26, 1943 averaged 3,960,450 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,015,000 barrels of crude oil daily and produced 11,092,000 barrels of gasoline, 1,488,000 barrels of kerosene; 3,876,000 barrels of distillate fuel oil, and 8,126,000 barrels of residual fuel oil during the week ended June 26, 1943; and had in storage at the end of that week 79,589,000 barrels of gasoline; 7,788,000 barrels of kerosine; 34,044,000 barrels of distillate fuel, and 67,960,000 barrels of residual fuel oils. The above figues apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations June	*State Allowables Begin. June 1	Actual Production Week Ended June 26, 1943	Actual Production Change from Previous Week	4 Weeks Ended June 26, 1943	Week Ended Juen 27, 1942
Oklahoma	373,500	373,500	†339,450	+ 5,350	334,200	369,300
Kansas	300,000	300,000	†306,950	+ 4,350	296,450	272,100
Nebraska	2,400	------	†2,200	+ 150	2,100	3,750
Panhandle Texas			90,100	----	90,150	107,000
North Texas			131,800	----	131,800	149,400
West Texas			228,950	----	228,800	234,450
East Central Texas			123,500	----	123,550	94,050
East Texas			334,900	----	335,200	295,000
Southwest Texas			208,250	+ 900	208,000	163,600
Coastal Texas			380,200	----	379,850	280,800
Total Texas	1,602,000	‡1,603,709	1,497,700	+ 900	1,497,350	1,324,300
North Louisiana			84,700	— 1,100	85,450	90,700
Coastal Louisiana			240,850	----	242,300	220,000
Total Louisiana	330,800	350,550	325,550	— 1,100	327,750	310,700
Arkansas	72,800	75,043	75,150	— 600	74,450	73,700
Mississippi	50,000		53,100	— 300	53,350	83,500
Illinois	246,200		207,750	+ 8,650	215,950	274,900
Indiana	15,500		14,500	+ 700	13,800	18,650
Eastern (not incl. Ill. Ind., Ky.)	88,400		76,950	— 950	78,100	86,650
Kentucky	23,100		19,800	— 1,600	21,300	11,800
Michigan	58,900		54,400	----	56,950	65,700
Wyoming	97,000		92,000	— 1,300	93,200	92,150
Montana	22,300		20,850	— 50	20,900	22,350
Colorado	7,000		6,900	— 250	7,050	7,450
New Mexico	105,700	105,700	97,150	----	97,050	65,150
Total East of Calif.	3,395,600		3,190,400	— 4,350	3,189,950	3,082,150
California	823,300	§823,300	764,500	— 6,900	770,500	637,300
Total United States	4,218,900		3,954,900	—11,250	3,960,450	3,719,450

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

†Oklahoma, Kansas, Nebraska figures are for week ended 7 a.m., June 24, 1943.

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

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE. GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JUNE 26, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,899	77.7	5,103	31,438	13,950	12,403
Appalachian	177	84.8	153	86.4	432	2,426	987	578
Ind., Ill., Ky.	824	85.2	747	90.7	2,340	16,670	4,856	3,332
Okla., Kans., Mo.	416	80.1	360	86.5	1,268	6,352	1,818	1,612
Rocky Mountain	147	55.9	104	70.7	315	1,846	347	622
California	817	89.9	752	92.0	1,634	20,857	12,086	49,413
Tot. U. S. B. of M. basis June 26, 1943	4,825	86.4	4,015	83.2	11,092	†79,589	34,044	67,960
Tot. U. S. B. of M. basis June 19, 1943	4,825	86.4	3,905	80.9	11,152	79,806	33,558	67,455
U. S. Bur. of Mines basis June 27, 1942			3,597		10,585	88,461	32,206	77,790

*At the request of the Petroleum Administration for War. †Finished, 69,048,000 barrels; unfinished, 10,541,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,488,000 barrels of kerosine, 3,876,000 barrels of gas oil and distillate fuel oil and 8,126,000 barrels of residual fuel oil produced in the week ended June 26, 1943, which compares with 1,652,000 barrels, 3,734,000 barrels and 8,198,000 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 27, 1942.

Note—Stocks of kerosine amounted to 7,788,000 barrels at June 26, 1943, against 7,372,000 barrels a week earlier and 9,355,000 barrels a year before.

Wholesale Commodity Index Again Declines During Week Ended June 26, Says Labor Dept.

The U. S. Department of Labor announced on July 1 that prices for agricultural commodities in primary markets, particularly grains, meats, and potatoes, dropped sharply during the week ended June 26 and the Bureau of Labor Statistics' all-commodity index of nearly 900 series fell 0.4% to the lowest level since March. This represents the second consecutive decrease and the general level of prices is nearly 1% below the peak reached late last month.

The Department's announcement further stated:

"Farm products and foods. Led by a decline of 1.8% for grains, average prices for farm products in primary markets dropped 0.6% during the early part of the last week of June. Quotations for oats were down 7% and corn, rye, and wheat about 1½%. Barley, on the other hand, advanced nearly 1%. Lower prices were reported for hogs and lambs, and for hay, onions, apples and potatoes. Prices for cattle advanced substantially and cotton increased slightly.

"Prices for foods continued downward with an average drop of 0.9%. The cumulative decline in the past two weeks has been 2.6%. In addition to the sharp decrease in prices for fruits and vegetables, meats dropped 2.8%. Quotations for mutton declined 13%, veal 10%, lamb nearly 8%, beef at Chicago 9% and at New York 4%. Wheat flour declined slightly. A few foods such as citrus fruits, rye flour and eggs advanced.

"Industrial commodities. Markets for industrial commodities continued comparatively steady. Slightly higher prices were reported for bituminous coal in some areas while lower prices were reported for certain building materials such as maple flooring and plaster."

The following notation is made:

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

The following table shows index numbers for the principal groups of commodities for the past 3 weeks, for May 29, 1943 and June 27, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

Commodity groups—	6-26 1943	6-19 1943	6-12 1943	5-29 1943	6-27 1942	Percentage changes to June 26, 1943 from— 6-19 1943	5-29 1943	6-27 1942
All commodities	*103.1	*103.5	*104.0	*104.0	98.4	—0.4	—0.9	+ 4.8
Farm products	*126.2	*127.0	*127.6	*126.7	104.6	—0.6	—0.4	+20.7
Foods	108.0	109.0	110.9	110.7	99.3	—0.9	—2.4	+ 8.8
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	79.2	0	+0.1	+ 2.8
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	110.0	0	+0.1	+ 0.4
Chemicals and allied products	100.2	100.2	100.2	100.2	97.2	0	0	+ 3.1
Housefurnishing goods	104.3	104.3	104.3	104.2	104.5	0	+0.1	— 0.2
Miscellaneous commodities	91.6	91.8	91.7	91.7	90.0	—0.2	—0.1	+ 1.8
Raw materials	*114.2	*114.5	*114.8	*114.3	99.6	—0.3	—0.1	+14.7
Semimanufactured articles	92.7	92.9	92.9	92.9	92.8	—0.2	—0.2	— 0.1
Manufactured products	*99.7	*100.0	*100.7	*100.9	98.8	—0.3	—1.2	+ 0.9
All commodities other than farm products	*98.1	*98.4	*98.9	*99.1	97.1	—0.3	—1.0	+ 1.0
All commodities other than farm products and foods	*96.9	*96.9	*96.9	*96.9	96.0	0	0	+ 0.9

*Preliminary.

Civil Engineering Construction, $60,148,000; Up 12% Over Preceding Week

Civil engineering construction in continental U. S. totals $60,148,000 for the week. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 12% higher than in the preceding week, but is 72% below the volume reported for the corresponding 1942 week by "Engineering News-Record" on July 1, which added:

Private construction tops a week ago by 52%, and public work is 9% higher due to the 17% increase in State and municipal work and the 9% gain in Federal volume. Comparisons with the 1942 week, however, reveal private construction down 76%, public work off 72%, State and municipal down 62% and Federal volume off 73%.

The current week's construction brings 1943 volume to $1,826,400,000, an average of $70,246,000 for each of the 26 weeks. On the weekly average basis, 1943 volume is 63% lower than the $5,123,117,000 for the 27-week 1942 period. Private construction, $227,347,000, is 35% lower than a year ago, and public construction, $1,599,053,000, is down 65% when adjusted for the difference in the number of weeks.

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

	July 2, 1942	June 24, 1943	July 1, 1943
Total U. S. construction	$217,823,000	$53,742,000	$60,148,000
Private construction	20,243,000	3,212,000	4,863,000
Public construction	197,580,000	50,530,000	55,285,000
State and municipal	13,804,000	4,544,000	5,297,000
Federal	183,776,000	45,986,000	49,988,000

In the classified construction groups, gains over last week are in waterworks, sewerage, bridges, industrial and commercial buildings, eathwork and drainage, streets and roads, and unclassified construction. All classes of work were below their respective 1942 weekly totals. Subtotals for the week in each class of construction are: waterworks, $618,000; sewerage, $1,255,000; bridges, $494,000; industrial buildings, $800,000; commercial building and large-scale private housing, $4,013,000; public buildings, $21,735,000; earthwork and drainage, $825,000; streets and roads, $9,942,000; and unclassified construction, $20,466,000.

New capital for construction purposes for the week totals $2,412,857,000. It is made up of $1,369,000 in State and municipal bond sales, $10,000,000 in corporate security issues, and $2,401,488,000 in Federal appropriations for military and departmental construction.

The week's total brings new construction financing to $2,909,923,000 for the 26 weeks of 1943, a volume that is 61% below the new capital total of $7,799,044,000 for the 27-week period last year.

Canada Orders 13% Newsprint Cut In July

Guy E. Hoult, newsprint administrator of the Canadian Wartime Prices and Trade Board announced on June 29 that he has ordered Canadian newsprint manufacturers to make at least a 13% cut on orders from United States newspaper publishers for July delivery. This action it is stated is being taken to bring deliveries on orders totaling 240,000 tons into line with the limit of 210,000 tons a month which Canada has undertaken to supply the United States during the third quarter of this year.

Mr. Hoult's directive to Canadian newsprint producers, follows according to United Press Montreal advices:

"I am pleased to be able to inform you that the War Production Board of the United States is at work on a plan of distribution of newsprint within the United States which will result in their ordering from us no more than the 210,000 tons which Canada has agreed to supply the United States each month through the third quarter of 1943. It is their hope to have the plan ready by July 15 so that it will appear in August orders.

"In the mean time orders which you have received from your United States customers for the month of July, not being affected by this proposed plan, still total approximately 240,000 tons.

"I have discussed with WPB officials and with my advisory committee on production, the best method of taking care of the situation for the month of July. Accordingly, I am permitting shipments of 210,000 tons in direct ratio to order received from the United States' customers for the month of July. This will make necessary a reduction in these orders of 13%.

"It is understood that this reduction cannot be applied absolutely uniformly because of inability to make this percentage cut on small orders in view of carloading requirements. Therefore, when it is necessary to fill these small orders completely, you will have to reduce other orders to a greater extent than 13% so that your total reduction will amount to the over-all tonnage indicated on your operation instructions attached.

"This procedure is obviously an expedient applicable on July orders only, pending the operation of the plan of distribution which WPB is preparing."

President Appoints Six To Fair Employment Group

President Roosevelt announced on July 1 the appointment of the six additional members of the new Committee on Fair Employment, of which Monsignor Francis J. Haas of the Catholic University, Washington, is chairman. The group, consisting of three labor and three industry representatives, will receive and investigate complaints of discrimination, conduct hearings, make findings of fact, and "take appropriate steps to obtain elimination of such discrimination."

Labor representatives are John Brophy, of the Congress of Industrial Organizations, Washington; Milton P. Webster, Vice-President of the Brotherhood of Sleeping Car Porters, Chicago, and Boris Shishkin, of the American Federation of Labor, Washington.

Industry representatives are Miss Sara Southall, supervisor of employment and service of the International Harvester Co., Chicago; P. B. Young, publisher of "The Norfolk (Va.) Journal and Guide," and Samuel Zemurray, President of the United Fruit Co., New Orleans.

Establishment of this Committee was noted in our issue of June 7, page 2112.

Revenue Freight Car Loadings During Week Ended June 26, 1943 Decreased 107,397 Cars

Loading of revenue freight for week ended June 26, 1943, totaled 760,844 cars, the Association of American Railroads announced on July 1. This was a decrease below the corresponding week of 1942 of 95,574 cars, or 10.8%, and a decrease below the same week in 1941, of 147,760 cars or 16.3%.

Loading of revenue freight for the week of June 26, decreased 107,397 cars, or 12.4% below the preceding week.

Miscellaneous freight loading totaled 389,960 cars, an increase of 3,364 cars above the preceding week, and an increase of 4,263 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 98,374 cars, an increase of 165 cars above the preceding week, and an increase of 6,165 cars above the corresponding week in 1942.

Coal loading amounted to 68,470 cars, a decrease of 108,459 cars below the preceding week, and a decrease of 97,743 cars below the corresponding week in 1942.

Grain and grain products loading totaled 55,610 cars, an increase of 5,902 cars above the preceding week, and an increase of 11,544 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of June 26 totaled 41,694 cars, an increase of 5,976 cars above the preceding week and an increase of 10,643 cars above the corresponding week in 1942.

Live stock loading amounted to 11,521 cars, an increase of 323 cars above the preceding week, and an increase of 845 cars above the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of June 26, totaled 7,964 cars, an increase of 171 cars above the preceding week, and an increase of 319 cars above the corresponding week in 1942.

Forest products loading totaled 44,856 cars, a decrease of 166 cars below the preceding week and a decrease of 7,495 cars below the corresponding week in 1942.

Ore loading amounted to 81,101 cars, a decrease of 5,264 cars below the preceding week and a decrease of 7,066 cars below the corresponding week in 1942.

Coke loading amounted to 10,952 cars, a decrease of 3,262 cars below the preceding week, and a decrease of 3,087 cars below the corresponding week in 1942.

All districts reported decreases compared with the corresponding weeks in 1942, and 1941 except the Southwestern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
4 weeks of March	3,073,426	3,174,781	3,066,011
4 weeks of April	3,136,253	3,350,996	2,793,630
5 weeks of May	4,149,708	4,170,548	4,160,060
Week of June 5	667,575	854,689	852,940
Week of June 12	854,486	832,635	862,974
Week of June 19	868,241	844,913	885,539
Week of June 26	760,844	853,418	908,604
Total	20,097,022	21,063,401	19,850,732

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 26, 1943. During this period only 38 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS)—WEEK ENDED JUNE 26

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	261	372	614	1,374	1,291
Bangor & Aroostook	1,033	1,152	1,056	172	213
Boston & Maine	6,341	6,030	9,299	14,925	13,721
Chicago, Indianapolis & Louisville	1,199	1,497	1,516	1,899	1,973
Central Indiana	41	32	11	43	63
Central Vermont	1,081	992	1,384	3,457	2,415
Delaware & Hudson	4,107	6,321	7,188	11,917	11,423
Delaware, Lackawanna & Western	6,099	7,642	11,003	12,259	10,109
Detroit & Mackinac	245	333	474	120	124
Detroit, Toledo & Ironton	1,731	1,556	3,040	1,163	1,346
Detroit & Toledo Shore Line	295	279	436	2,064	2,679
Erie	11,688	12,965	16,228	17,669	16,283
Grand Trunk Western	3,814	3,677	6,524	8,544	8,062
Lehigh & Hudson River	193	186	227	2,245	3,380
Lehigh & New England	1,090	2,157	2,467	1,191	2,106
Lehigh Valley	5,823	8,943	10,463	14,802	13,659
Maine Central	2,208	2,253	3,198	2,554	2,537
Monongahela	1,963	6,586	6,730	389	315
Montour	726	2,429	2,675	192	39
New York Central Lines	52,780	46,870	53,473	42,513	54,324
N. Y., N. H. & Hartford	9,663	10,011	12,229	17,703	19,519
New York, Ontario & Western	1,253	1,152	1,241	2,063	2,648
New York, Chicago & St. Louis	6,398	7,315	6,792	15,100	16,454
N. Y., Susquehanna & Western	532	436	463	1,376	1,524
Pittsburgh & Lake Erie	6,359	7,846	9,425	6,456	9,838
Pere Marquette	4,964	5,131	7,247	7,738	6,036
Pittsburg & Shawmut	406	787	652	36	40
Pittsburg, Shawmut & North	305	397	527	238	238
Pittsburgh & West Virginia	755	1,171	1,261	3,083	3,667
Rutland	345	376	561	1,022	1,063
Wabash	5,010	5,355	6,240	13,023	13,262
Wheeling & Lake Erie	4,611	5,809	6,166	4,606	5,455
Total	143,319	158,064	190,810	212,012	225,806
Allegheny District—					
Akron, Canton & Youngstown	739	678	723	959	1,025
Baltimore & Ohio	34,540	40,428	44,113	28,915	27,320
Bessemer & Lake Erie	5,655	7,567	7,143	1,575	2,369
Buffalo Creek & Gauley	*290	261	261	*4	3
Cambria & Indiana	0	2,026	2,212	3	3
Central R. R. of New Jersey	5,763	7,001	8,756	21,497	20,609
Cornwall	618	674	670	48	50
Cumberland & Pennsylvania	153	294	352	10	10
Ligonier Valley	199	138	119	45	44
Long Island	1,195	761	814	3,770	3,519
Penn-Reading Seashore Lines	1,765	1,693	1,743	2,973	2,391
Pennsylvania System	69,627	84,247	93,334	62,921	66,970
Reading Co.	12,058	14,536	17,869	24,802	27,923
Union (Pittsburgh)	20,004	21,794	20,952	7,267	8,064
Western Maryland	3,158	4,141	4,580	10,381	12,902
Total	155,764	186,239	203,641	165,170	173,202
Pocahontas District—					
Chesapeake & Ohio	14,946	28,857	30,134	10.678	14,213
Norfolk & Western	13,073	22,500	25,054	6,172	7,347
Virginian	1,994	4,501	4,978	2,121	2,190
Total	30,013	55,858	60,166	18,971	23,750
Southern District—					
Alabama, Tennessee & Northern	292	344	343	300	258
Atl. & W. P.—W. R. R. of Ala.	630	659	791	2,756	2,533
Atlanta, Birmingham & Coast	767	784	1,173	1,084	1,097
Atlantic Coast Line	13,596	11,355	11,266	9,619	8,365
Central of Georgia	4,873	4,072	4,495	4,383	4,484
Charleston & Western Carolina	403	436	441	1,559	1,549
Clinchfield	1,532	1,691	1,724	2,048	2,903
Columbus & Greenville	343	314	428	134	202
Durham & Southern	98	142	190	625	1,095
Florida East Coast	1,558	629	500	1,705	783
Gainesville Midland	33	38	42	87	206
Georgia	1,066	1,515	965	3,078	2,527
Georgia & Florida	415	470	490	633	471
Gulf, Mobile & Ohio	3,504	3,885	4,104	3,832	4,561
Illinois Central System	22,781	26,195	24,751	18,319	16,761
Louisville & Nashville	15,907	26,080	27,735	11,652	10,319
Macon, Dublin & Savannah	202	159	142	771	839
Mississippi Central	233	167	165	372	437
Nashville, Chattanooga & St. L.	3,344	3,436	3,847	4,973	4,427
Norfolk Southern	2,457	2,947	1,894	1,627	1,937
Piedmont Northern	345	376	490	1,170	1,089
Richmond, Fred. & Potomac	388	510	504	11,424	10,293
Seaboard Air Line	10,384	11,133	9,996	8,112	8,441
Southern System	19,425	23,880	25,691	21,909	24,348
Tennessee Central	1,129	656	605	817	1,075
Winston-Salem Southbound	90	96	156	701	753
Total	105,705	121,969	122,928	113,690	111,753
Northwestern District—					
Chicago & North Western	20,454	22,726	23,227	13,744	13,327
Chicago Great Western	2,365	2,448	2,828	3,062	3,087
Chicago, Milw., St. P. & Pac.	19,559	18,757	24,161	10,879	9,940
Chicago, St. Paul, Minn. & Omaha	3,448	3,433	4,105	3,678	3,732
Duluth, Missabe & Iron Range	25,229	27,900	23,598	354	470
Duluth, South Shore & Atlantic	982	1,201	789	606	535
Elgin, Joliet & Eastern	8,669	10,283	10,364	9,506	10,610
Ft. Dodge, Des Moines & South	415	596	563	86	121
Great Northern	25,452	26,067	24,691	6,667	5,24[illegible]
Green Bay & Western	417	569	577	901	74[illegible]
Lake Superior & Ishpeming	2,638	2,754	2,677	35	4[illegible]
Minneapolis & St. Louis	1,728	2,109	2,061	2,249	2,31[illegible]
Minn., St. Paul & S. S. M.	7,178	7,376	7,871	2,858	3,19[illegible]
Spokane International	11,097	11,127	11,815	5,577	4,948
Northern Pacific	175	240	356	643	433
Spokane, Portland & Seattle	2,633	2,801	2,787	3,464	3,51[illegible]
Total	132,439	140,387	142,470	64,309	62,266
Central Western District—					
Atch., Top. & Santa Fe System	26,704	25,894	27,386	12,217	10,638
Alton	2,605	2,966	3,920	4,227	4,520
Bingham & Garfield	506	684	624	75	96
Chicago, Burlington & Quincy	16,651	15,809	18,510	11,700	10,884
Chicago & Illinois Midland	1,289	2,692	2,934	741	916
Chicago, Rock Island & Pacific	12,896	12,408	14,154	13,746	12,260
Chicago & Eastern Illinois	1,886	2,221	2,978	6,207	4,046
Colorado & Southern	662	750	725	1,648	1,82[illegible]
Denver & Rio Grande Western	2,510	3,337	2,464	5,919	5,570
Denver & Salt Lake	334	599	478	15	1[illegible]
Fort Worth & Denver City	1,226	1,691	1,363	2,603	1,279
Illinois Terminal	1,829	1,702	2,031	1,741	2,19[illegible]
Missouri-Illinois	1,052	1,148	1,058	428	56[illegible]
Nevada Northern	2,004	2,040	1,984	108	12[illegible]
North Western Pacific	1,021	1,165	874	716	532
Peoria & Pekin Union	0	16	14	0	0
Southern Pacific (Pacific)	33,137	32,608	30,669	14,763	10,05[illegible]
Toledo, Peoria & Western	295	314	281	1,974	1,504
Union Pacific System	13,277	12,777	15,842	17,196	13,039
Utah	97	622	273	3	59
Western Pacific	2,451	2,009	1,863	4,194	3,729
Total	122,492	123,452	130,425	100,230	83,860
Southwestern District—					
Burlington-Rock Island	1,285	214	161	221	225
Gulf Coast Lines	5,676	4,513	2,382	2,363	2,254
International-Great Northern	2,136	2,913	2,331	3,222	2,383
Kansas, Oklahoma & Gulf	251	343	253	993	1,270
Kansas City Southern	5,701	4,747	2,722	2,915	2,781
Louisiana & Arkansas	4,053	4,249	2,067	3,144	2,341
Litchfield & Madison	273	297	394	1,250	1,198
Midland Valley	412	680	517	243	153
Missouri & Arkansas	155	151	158	385	269
Missouri-Kansas-Texas Lines	5,985	5,267	4,664	6,010	4,075
Missouri Pacific	16,005	15,562	18,385	18,160	19,507
Quanah Acme & Pacific	297	153	93	245	159
St. Louis-San Francisco	7,477	9,158	9,463	10,371	8,151
St. Louis Southwestern	2,783	2,805	2,888	6,720	6,737
Texas & New Orleans	13,646	11,014	7,278	5,676	4,480
Texas & Pacific	4,867	5,233	4,209	7,271	8,019
Wichita Falls & Southern	88	119	188	41	65
Weatherford M. W. & N. W.	22	31	11	21	23
Total	71,112	67,449	58,164	69,251	64,090

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

Weekly Statistics Of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1943—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
Mar. 6	175,178	147,830	480,802	93	89
Mar. 13	166,885	146,062	498,927	93	89
Mar. 20	155,116	149,096	504,414	92	90
Mar. 27	139,911	150,754	488,197	95	90
Apr. 3	172,412	153,030	511,220	95	90
Apr. 10	153,260	153,006	510,784	95	91
Apr. 17	164,805	152,494	515,700	96	92
Apr. 24	159,231	155,163	517,473	97	92
May 1	147,212	135,924	525,287	89	92
May 8	165,871	153,934	522,336	96	92
May 15	177,968	151,653	561,571	96	93
May 22	142,673	152,960	548,911	96	93
May 29	151,308	150,504	545,673	95	93
Jun. 5	168,051	141,337	565,291	92	93
Jun. 12	172,437	149,675	586,183	97	93
Jun. 19	136,166	142,865	561,945	95	93
Jun. 26	133,803	145,324	547,301	96	93

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

New Loan Plan At Cgo. Home Loan Bank

A new type of loan has gone into effect at the Federal Home Loan Bank of Chicago with the objective of releasing additional funds to the Treasury for waging war, A. R. Gardner, President, announces. A special 2% rate on a one-year advance, with or without amortization, is offered to savings and loan associations in the Illinois-Wisconsin district which use it specifically for retiring their shares now held by the Treasury and the Home Owners' Loan Corporation, he said. The announcement from the Bank June 25 stated:

"Ninety-seven associations in the district still have some Government-owned shares outstanding, in total amount of $14,127,900 and they are expected to pay back to the Treasury in July at least half of this amount, as a result of the Bank's new loan arrangement. The associations in this district originally had $29,958,500 of such funds, invested when there was a scarcity of local and private capital for home building. Ever since the war they have been paying it off ahead of schedule, as their receipts of local funds permitted, Mr. Gardner said, and already so far in 1943 a total of $7,758,900 has been handed back to the war coffers of the nation. The new loan plan will speed up still further this phase of the association's war program.

Special Libraries Ass'n Elects Officers

At the recent wartime conference of the Special Libraries Association, the following officers were elected for the year 1943-1944:

*Eleanor S. Cavanaugh, Librarian, Standard & Poor's Corp., President.

Walter Hausdorfer, Librarian, School of Business, Columbia University, First Vice-President.

Phillips Temple, Librarian, Riggs Memorial Library, George Washington University, Washington, D. C., Second Vice-President.

*Jean Norcross, Librarian, Dun & Bradstreet, Treasurer.

Ford Pettit, Director, Detroit News Library, Director for three years.

Mrs. Kathleen B. Stebbins was reappointed Secretary of the Association by the Executive Board.

Miss Alma C. Mitchill, Librarian, Public Service Corporation of New Jersey, was reappointed Editor of "Special Libraries."

The election of officers of the Association's Financial Group was reported in our issue of July 1, page 28.

*Reelected.

Chicago Home Loan Bank Semi-Annual Dividend

Distribution of a semi-annual dividend at the rate of 1½% per annum to stock of record June 30 will take place on July 15, the Federal Home Loan Bank of Chicago announced to its stockholders on July 1. A total of $148,359 will be paid, of which $42,054 will go to the member savings, building and loan associations in Illinois and Wisconsin, and $106,304 to the Reconstruction Finance Corporation which took over the Treasury-owned stock in the regional banks three years ago.

This current dividend continues the same return which has been paid on the bank's capital for the past two and one-half years, and makes a total of $2,334,943 which the government-owned stock has received from this reserve operation in the home-owner credit field since the bank was established 10½ years ago, according to A. R. Gardner, President. This bank has paid a dividend either annually or semi-annually ever since it started operations, he recalled.

Items About Banks, Trust Companies

(Continued from page 131)

of condition at the close of business June 30, 1943, shows total resources of $1,059,702,656 and total deposits of $931,086,515, compared with $1,009,121,178 and $882,706,810 on March 31, 1943. Cash and due from Federal Reserve Bank and other banks, including exchanges, is listed at $180,174,553 against $198,109,465 three months ago; holdings of United States obligations, $700,195,106, compared with $640,766,090, and loans and discounts, $61,347,383 against $44,576,695. Capital and surplus remain unchanged at $10,000,000 and $100,000,000, respectively. Undivided profits are given as $13,028,303, after making provision for the July 1 dividend of $2,000,000, compared with $11,758,384 on March 31, after providing for the April 1 dividend of $2,000,000.

Public National Bank and Trust Co. of New York reported, as of June 30, total deposits of $281,191,456 and total assets of $304,415,592, compared respectively with $243,970,434 and $266,541,416 on March 31, 1943; cash on hand and due from banks amounted to $61,087,893, against $59,687,266; holdings of U. S. Government Securities $164,087,802 against $128,556,513, and loans and discounts to $68,329,078 against $66,311,040; capital at $7,000,000 is unchanged; surplus, which was $7,000,000 on March 31, 1943, is now $9,000,000, having been increased in June by a transfer of $2,000,000 from undivided profits. The latter now stands at $2,905,593, as compared with $4,726,376 at the end of March. The transfer of $2,000,000 from undivided profits to surplus does not affect the bank's reserves. The bank reported earnings for the first six months ending June 30, 1943, of $1.51 per share, as compared with $1.41 per share for the same period last year. Earnings for the second quarter of 1943 were 82 cents per share as compared with 74 cents per share for the second quarter of 1942.

William J. Murray, Jr., President and a director of McKesson & Robbins, Inc., was on July 1 elected a member of the Board of Directors of the Bank of Manhattan Company of New York.

Following a meeting of the Board of Directors of the Bank, on July 1 F. Abbot Goodhue, President, announced the following promotions:

Frank M. Ransom, formerly Assistant Vice-President, to Vice-President.

John C. Becker, formerly Assistant Cashier, to Assistant Vice-President.

William R. Driver, Jr., formerly Assistant Cashier, to Assistant Vice-President.

Joseph M. Hayden, formerly Assistant Cashier, to Assistant Vice-President.

Charles J. Kennedy was appointed Assistant Cashier.

Briant S. Cookman and Andrew J. Cheritree have been appointed Assistant Trust Offifcers of City Bank Farmers Trust Co., New York City.

The Continental Bank & Trust Company of New York reported as of June 30 total deposits of $105,963,432 and total assets of $116,617,957 compared, respectively, with $98,332,767 and $109,135,244 on March 31. Cash on hand and due from banks amounted to $23,695,884 against $27,235,163; holdings of U. S. Government obligations to $48,852,567 against $40,370,799; loans and discounts to $32,260,334 against $28,738,960. Capital and surplus are unchanged at $4,000,000 and $3,000,000 respectively. Undivided profits are now $1,948,556 against $1,851,969 at the end of March.

Statement of condition of Sterling National Bank & Trust Company of New York at June 30, 1943, shows an all-time high of resources and deposits of $81,755,404 and $75,885,248 as compared with $68,287,342 and $63,101,352, respectively, as of March 31, 1943. Of the June total deposits of $75,885,248, U. S. Government deposits increased to $9,661,832 as compared with $4,302,533 on March 31 last, and commercial and other deposits were at a new record high of $66,223,416. Capital, surplus and undivided profits totaled $4,373,556 as against $4,331,947 on March 31, 1943.

Cash and due from banks amounted to $18,621,017 on June 30 against $17,514,759 on March 31; U. S. Government securities increased to $40,088,529 as compared with $28,743,668 on March 31; State, municipal and corporate securities were $1,422,920 against $1,411,314; loans and discounts $20,598,675 against $20,085,876. Stock in Federal Reserve bank remained the same, namely $120,000. Reserves totaled $655,905 as compared with $582,525 on March 31, 1943.

The statement of condition of Grace National Bank of New York as of June 30, 1943, shows deposits of $64,208,157.45 as compared with $59,365,046.03 on March 31, 1943 and $55,945,037.65 a year ago. Undivided profits amounted to $1,086,142.03 as compared with $1,021,649.18 on March 31, 1943, and $894,940.01 a year ago. Cash in vault and with banks totaled $15,380,621.40 as compared with $15,688,500.31 on March 31, 1943, and $18,530,832.55 a year ago. U. S. Government securities were $34,090,913.46 as compared with $31,367,120.05 on March 31, 1943, and $21,131,764.98 a year ago. Loans and discounts were $13,635,490.91 as compared with $11,500,451.73 on March 31, 1943, and $13,905,904.25 a year ago.

Brown Brothers Harriman & Co., private bankers, report that deposits as of June 30, 1943, totaled $143,766,723 compared with $145,930,119 three months ago and $139,381,529 a year ago. Total assets on June 30 amounted to $165,666,602 compared with $166,477,869 on March 31, 1943, and $161,700,601 on June 30, 1942. Capital and surplus of $13,485,777 at the latest date compared with $13,465,913 three months ago and $13,405,915 a year ago. Loans and advances are now shown as $27,551,987 against $25,870,596 on March 31, 1943, and $28,592,885 on June 30, 1942. Other important asset items compare as follows with figures for three months and a year ago: cash, $32,583,399 against $41,989,284 and $41,475,856; United States Government securities (valued at of cost or market), $66,446,330 against $63,660,603 and $59,686,418; marketable bonds and stocks (valued at lower or cost or market), $16,087,038 against $14,968,373 and $13,524,301.

J. Henry Schroder Banking Corporation reports total resources of $51,681,036 as of June 30, 1943, against $42,215,156 on March 31, 1943. Cash on hand and due from banks was $8,568,768 against $5,304,891. U. S. Government securities were $28,867,407 against $23,040,815; customers' liability on acceptances (less anticipations) $5,655,300 compared with $4,903,057 in March. Surplus and undivided profits were $2,620,632 against $2,615,276 in the previous quarter; amount due customers was $34,767,176 against $27,389,141. Acceptances outstanding were $8,088,138 against $6,455,445.

Schroder Trust Company reported June 30 resources of $28,283,273 compared with $29,145,549 on March 31; cash and due from banks $5,467,536 against $6,601,483; U. S. Government securities $17,272,759 against $16,581,530; loans and discounts, $3,543,363 against $3,913,414. Surplus and undivided profits were $2,024,939 against $1,874,701. Deposits were $24,492,288 against $25,531,852.

Fulton Trust Company of New York reports total deposits of $29,295,863 and total assets of $34,501,175 in its statement of June 30, 1943, compared with deposits of $26,462,859 and assets of $31,672,887 on March 31, 1943. Cash, U. S. Government securities and demand loans secured by collateral amounted at the latest date to $30,426,107 against $27,075,616 on March 31, 1943. State and municipal bonds are now 489,334, as compared with $820,053; time loans secured by collateral at $917,494, contrast with $973,784 on March 31, 1943. Capital and surplus show no change in total at $4,000,000, but undivided profits have increased to $968,662, after dividend payable July 1, 1943, as compared with $964,661 shown on March 31, 1943.

The Colonial Trust Company of New York reported as of June 30 total deposits of $26,168,113 and total assets of $27,823,041, compared respectively with $24,045,524 and $25,586,340 on Dec. 31, 1942. Cash on hand and due from banks amounted to $7,261,630 against $7,112,563; holdings of United States Government securities to $12,082,812 against $10,084,391 and loans and bills purchased to $7,540,388 against $7,713,212. Capital is unchanged at $1,000,000 and surplus and undivided profits are now $451,338 against $417,079 at the end of December.

The statement of condition of the Brooklyn Trust Company of Brooklyn, N. Y., as of June 30, 1943, showed total deposits of $180,869,131, comparing with $165,559,340 on March 31 last. The statement also shows total resources of $196,573,682 against $181,170,300 three months ago. Holdings of United States Government securities are $117,612,949 against $100,330,254, and total loans and discounts were $25,533,865 against $23,223,244. Cash on hand and due from banks, including the Federal Reserve Bank of New York totaled at the latest date $40,125,697 against $42,995,222 on March 31. Surplus showed an increase of $50,000 during the quarter, being $4,725,000 against $4,675,000 on March 31. Undivided profits are now $1,432,986 against $1,431,666. Capital of $8,200,000 is unchanged.

Andrew Roscoe, President of the South Brooklyn Savings and Loan Association, announced on July 1 the merger of the South Brooklyn Savings and Loan Association and the Prospect Savings and Loan Association. Henceforth, it is announced, the organization will be known as the South Brooklyn Savings and Loan Association, and its main office will be located at Willoughby and Jay Streets, with the Prospect's office at 340-A Ninth Street, being maintained as a branch. W. Gordon Dunsmore will assume managership of this branch. The State Banking Department gave its approval of the merger on July 1.

Lafayette National Bank of Brooklyn in New York, as of June 30, 1943, reports total resources of $20,215,873, an increase of $4,826,886 as of the same period for 1942; deposits are shown as $18,808,423 as against $14,060,034, an increase of $4,748,388.48. Surplus, undivided profits and Reserves are reported as $613,613 as against $525,974, an increase of $87,639.

The Mechanics & Farmers' Bank of Albany, the last non-insured commercial bank in New York State to become a member of Federal Deposit Insurance Corp., has joined the Federal Reserve system, it was announced on June 30 by the Federal Reserve Bank of New York.

John D. Hayes, President and Chairman of the Board of Fanny Farmer Candy Shops, Inc., and Joseph J. Myler, Secretary and Treasurer of Neisner Bros., Inc., have been elected to the Board of Directors of the Genesee Valley Trust Co., Rochester, N. Y.

The Asbury Park (N. J.) National Bank and Trust Co. observed on July 1 and its 32nd anniversary. Opened for business in 1911 the bank in its statement as of July 1, 1912, showed capital funds of $126,000, deposits of $192,000 and resources of $349,000. In its current statement, as of July 1, 1943, the institution has capital funds of $931,000, deposits of $8,222,000 and resources of $9,150,000.

Common Trust Fund-A of the Peoples-Pittsburgh Trust Co., Pittsburgh, has begun its fourth year of operation with an increase of 1,300% over the number of its original participants, according to Gwilym A. Price, President. The principal of the fund increased from $100,000 to $3,501,594.75 in the same three-year period. The fund, it is stated, earned $4.08 on its unit of investment in 1942, which is equivalent to a yield of 4.01% of the average value of each unit during the year. The principal value of each unit increased from $96 in June, 1942, to $109.01 in June, 1943.

Participating trusts whose investments were subject during 1942 to the Pennsylvania Personal Property Tax earned $3.74 on each unit, which is equal to a yield of 3.68% on their average value during the year. The bank's Common Trust Fund-A was created in June, 1940, with 23 trust accounts. At the beginning of the fourth year of operation the number of participating trusts had risen to 328. Participation of any one trust in the fund is limited to $25,000.

"The purpose of the fund," Mr. Price said, "is to provide the same diversification and consequent security for smaller trusts as are directly available to larger ones." The fund is governed by Federal Reserve Regulations and by Pennsylvania statute, as well as by the bank's own plan, which conforms to Governmental requirements.

William C. Appleton, President of the American Viscose Corporation, was on June 17 elected a member of the Board of Directors of the Delaware Trust Co., Wilmington, Del.

Holman D. Pettibone, President of the Chicago Title and Trust Company of Chicago, Ill., announces the appointment of Clarence J. Olsen as Assistant Trust Officer and Robert R. Kimbell as Assistant Secretary.

Joseph M. Dodge, President of The Detroit Bank, Detroit, announces the promotion of the following officials of the bank's staff: William K. Muir, Assistant Vice-President, to Vice-President; Milton J. Drake, Assistant Cashier, to Assistant Vice-President, and William B. Hall, Assistant Cashier, to Assistant Vice-President.

Reflecting the prosperity of California under war conditions, the statement of condition of Bank of America N. T. & S. A. (head office, San Francisco), as of June 30, 1943, reveals that resources of the bank have passed the $3,000,000,000 milestone. Total resources were $3,127,637,000, a gain of $984,435,000 over a year ago. Deposits attained the peak of $2,937,266,000, an increase of $978,835,000 over a year ago and an increase of $351,125,000 since Dec. 31, 1942. Loans and discounts outstanding, which aggregated $777,652,000, decreased $62,817,000, while investments and securities, amounting to $1,707,431,000, increased $441,681,000 over Dec. 31, 1942. This increase was almost entirely in United States Government securities, bringing the bank's total investment in such securities to $1,470,535,000. In its advices the bank also says:

"Earnings for the half year, after operating expenses and accruals for taxes, were $14,278,000. From this total, $2,637,000 was reserved for depreciation of bank premises and amortization of bond premiums and $2,181,000 was set up in reserves and applied to the absorption of losses and the revaluation of assets. After payment of $5,207,000 in dividends at the annual rate of $2.40 per share on the common stock and $2.00 per share on the preferred stock, and after profit-sharing bonus to employees, capital funds were increased from earnings for the six months' period by $3,856,000. This, with the dividend, is equal to an annual rate of approximately $4.33 per share on the common stock.

"Following the policy previously established, one-half of the net increase in undivided profits for the period was transferred to unallocated reserve for war contingencies.

"Capital funds, including reserves, now total $161,525,000, which is an increase of $1,123,000 for the half year ended June 30, 1943, after the utilization of $2,733,200 to retire 54,664 shares of preferred stock during the period."

President L. M. Giannini commented that Bank of America was continuing to direct all its energies and resources to maximum support of the war effort. He said:

"At the same time we are not overlooking the necessity for planning and laying the foundation for support to all industrial, agricultural and business activity in the approaching post-war period. We are preparing to render every possible assistance to the reconversion processes and the continuance of a high rate of industrial employment in California."

Deposits of the Wells Fargo Bank & Union Trust Co. of San Francisco totaled $399,920,963 on June 30, 1943, according to the statement of condition released at the call of the State Superintendent of Banks. A year ago deposits amounted to $335,036,931. During the year holdings of bonds increased to $272,069,092 from $215,887,410 a year earlier, there being a considerable increase in holdings of United States Government securities whereas holdings of other bonds declined. Cash increased to $105,132,593 from $86,145,551. Loans are less than a year earlier. The bank's capital accounts amounted to $18,426,885 as compared with $18,036,645 a year earlier.

In its published report of condition as of June 30, United States National Bank of Portland, Ore., again tops all previous highs, showing deposits of $328,571,625 as compared with $208,105,063 a year ago the same date. This indicates a gain of $120,466,562, an accelerated rate of growth averaging $10,000,000 per month. Resources as per this latest statement register $342,266,995, a gain of $121,444,874 over the $220,822,121 recorded a year ago.

Arthur Bevington Gillett has been elected Deputy Chairman of Barclays Bank (Dominion, Colonial and Overseas).