

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 158 Number 4194

New York, N. Y., Thursday, July 15, 1943

Price 60 Cents a Copy

The Financial Situation

Congress has laid aside its labors for an interval, and its members have returned to their homes for long-deferred consultations with their constituents. Upon what they find to be the views and feelings of voters back home will depend in large measure what Congress does when it reconvenes. This is the way our legislative system has operated for many years past, and probably will continue to operate so long as it exists. It would, therefore, be futile to complain of it. The system tends toward the development of a sort of heterogeneous provincialism in Congress, with few members ever attaining a national view of matters of vital national interest, which is unfortunate, but the remedy, so long as our existing system of representation is retained, is to be found among the people themselves rather than among those representing them.

What Is Needed

What is needed, and what was never more essential than at the present moment, is that the great rank and file of the American people think more in national terms about the problems of the day, and apply the same common sense to them that they apply day by day to their personal affairs. So long as the political trickster, whether he be a candidate for membership in Congress or for the Presidency of the United States, finds it possible to gain a large following by clamor for hare-brained programs supported by ad hominem argument, just so long will such candidates for public place be active and vocal—and successful. And, it may be added, highly destructive of the interests they profess to serve. Indeed, with the advances that have come within recent years in communication facilities, the dangers from such demagoguery has immensely increased.

Many Complaints

The Congressman, when he has had time to get in touch with his constituents this year, will find them all with complaints, many of them with bitter complaints. He should likewise find them demanding light and leadership as well. Legislators from agricultural districts will hear many complaints of many things. Short-sighted draft pol-

(Continued on page 226)

From Washington Ahead Of The News

By CARLISLE BARGERON

The bitterness of Washington, and there is plenty of it, has spread over the past few weeks, to confine outside of the Bureaucrats. Heretofore, the correspondents have made high revelry over the bickerings and feuds of these fellows. They have treated with them indignantly, laughingly, mostly indignantly, as men whose vanities were knifing the boys at the front.

Now they are seething about a clique of their colleagues, a clique that seems to have become just as harmful as any of the contentious Bureaucrats could possibly be. It wouldn't be surprising if this feeling on their part came into the open presently and a good thing for the country it would be. If the Washington correspondents ever get to fighting among themselves and forget their gentlemanly rule of feathering each other's nest, it would provide enlightenment for the country, to say the least.

The question that is giving heat to the fellows, to the extent that long acquaintances are cold-shouldering one another, is that of General De Gaulle and his so-called Free French. What is burning up the rank and file correspondents is that a clique, headed by Walter Lippman, has turned from its pursuit of objective journalism to press agency and press agency of the most danger-

ous kind, at this time. These men who were in the forefront of the interventionist movement before Pearl Harbor, are now taking advantage of their influence, and intentionally or otherwise are stirring up a serious racial controversy, one in which it is difficult to discuss frankly all the various aspects, while American boys are being killed and maimed.

The real truth of the so-called De Gaullist-Giraud controversy will develop to be, probably after the war, one of the rottenest chapters of the Second World War. It will be so rotten because some American journalists turned from the proposition of winning the war, when it was at its height, to the insistence that the war would not be won unless De Gaulle was accepted as the overall big shot of France, poor old mistreated France. Furthermore, some of these journalists are doing this on

(Continued on page 231)

"Big Boys" Of Business Not "Cashing In" Thomas W. Lamont Tell Poet Benet

Says Industries, On Contrary, Are More Likely To Be Dangerously Depleting Reserves Under Tax Legislation—Benet Defends Stand

The views of Thomas W. Lamont on "Big Boys" of Business have been accorded a prominent place in the "Saturday Review of Literature," published July 10, his defense of "Capital" so called, having been prompted by certain observations on economics and business by William Rose Benet, winner of the Pulitzer poetry prize in 1941. The particular comments of Mr. Benet to which Mr. Lamont takes exception appeared in Mr. Benet's column, "The Phoenix Nest," in the May 22 issue of the "Review." Writing in a spirit of cordial intimacy with the poet, Mr. Lamont, who is Chairman of the Board of J. P. Morgan & Co., Inc., questions Mr. Benet as to the import of his remark as to "the self-righteousness of Capital toward the recent high-handed conduct of John L. Lewis," and, says Mr. Lamont, "I cannot help wondering what your definition of 'capital' is that has shown such 'self-righteousness.' Is it the recent 'high-handed conduct' of both houses of Congress? Or is it the conduct generally of our millions of citizens who own the greatest single capital item in our country, namely our farms, and of the other millions who own the shares of our great industrial and transportation corporations?"



Thomas W. Lamont

Mr. Lamont also takes cognizance of the statement by Mr. Benet that people "have a strong suspicion that capital is cashing in on the war." "Careful analysis," says Mr. Lamont, "fails entirely to bear out the 'cashing-in' idea." Calling attention to a recent compilation analyzing reports of a group of 40 large manufacturers of war materials, Mr. Lamont states that "these figures show that while the sales of these concerns have grown enormously, their payrolls and taxes have immensely increased, whereas their net income and the dividends they have paid to stockholders have declined."

"The Big Boys, as you call them," Mr. Lamont advises Mr. Benet, "have not been 'cashing in' on the war, as you seem to think. I do not believe you need to be concerned about the Big Boys in industry," says Mr. Lamont, who goes on to say: "On the contrary, I assure you . . . that what we have to be con-

cerned about is this: namely, that many of our industrial concerns, under present tax legislation, far from cashing in on the war, are more likely to be dangerously depleting the corporate reserves they will surely need to meet the task of reconversion of their plants from war uses and machines to peacetime production when the war ends."

Mr. Lamont's letter to Mr. Benet—a lengthy one—also touches upon the independence of the press, "collectivism," etc. In giving in full the letter of Mr. Lamont to Mr. Benet, we also give in part the remarks of the latter in his "Phoenix Nest" column in the May 22 issue of the "Review" which occasioned Mr. Lamont's rejoinder; at the same time we are annexing the response to Mr. Lamont's letter by Mr. Benet, written by him for the "Saturday Review" of July 17, and released on July 9 for immediate publication by the editors of the magazine.

The following is Mr. Lamont's letter to Mr. Benet in the July 10 issue of the "Review."

Mr. Lamont's Letter to Mr. Benet Dear Bill:

I have been your constant reader and claimed your friendship (Continued on page 230)

Babies, Soil, Work And Bombers

Roger W. Babson Gives Some Advice

This week I will write about my own line of business, namely, statistics. There are four things that this country should learn from statistics. I hope parents will cut this column out and save it for their children to read.

We Need More Good Babies

It is true that the birth rate has jumped up since the draft went into effect, but all these babies are not the kind the country needs. In many instances they have been sired by timid fathers who are hoping a baby will get them exemption! The truth is that the U. S. birth rate has been going down for years. Even more serious is the fact that the decline is greatest among those more fit to raise good children. This tendency must be stopped or America will some day be conquered by some other race.



Roger W. Babson

Higher education is raising havoc with our birth rate. Take two sisters for instance; one sister goes to college and usually either has no children or perhaps one; while the other, who does not go to college, raises a good family of three or four. Women have not been allowed to fight in the battle lines, during the past cen-

turies, because they are far more valuable in raising fighters. This is a hint to the WAACS, WAVES and SPARS!

We Need More Good Soil

The real difficulty with our food situation is the impoverishment of our soils. For years, the cutting down of forests has caused a soil erosion which is a basic cause of the farmers' troubles. Then our big cities began to grow and they added to the difficulty. The beef and crops which contained the necessary minerals were shipped off the farm to the cities. Following their consumption these necessary minerals went down the sewers of these cities into the ocean. Farms have also suffered from automobiles since farmers began to buy gasoline. Thus there is no refuse from the horses and the necessary cover crops of hay and oats were lost, all of which had heretofore built up the soil.

Now the country has gone crazy over synthetics and is bragging about the manufacture of synthetic rubber, synthetic plastics and synthetic textiles, all of which will rob the soil still further. The farmers are fighting to have the

(Continued on page 231)

GENERAL CONTENTS

| | |
|---|----------|
| <i>Editorial</i> | |
| Financial Situation | Page 225 |
| <i>Special Articles (In Section 1)</i> | |
| President Cannot Commit U. S. to Post-War International Bank Without Constitutional Amendment | 230 |
| <i>Regular Features</i> | |
| From Washington Ahead of the News | 225 |
| Moody's Bond Prices and Yields | 233 |
| Moody's Common Stock Yields | 234 |
| Items About Banks and Trust Cos. | 240 |
| NYSE Odd-Lot Trading | 236 |
| Trading on the NYSE | 238 |
| NYSE Bond Issue Values | 237 |
| NYSE Share Values | 234 |
| <i>State of Trade</i> | |
| General Review | 226 |
| Commodity Prices, Domestic Index | 236 |
| Weekly Carloadings | 239 |
| Weekly Engineering Construction | 236 |
| Paperboard Industry Statistics | 239 |
| Weekly Lumber Movement | 239 |
| Fertilizer Association Price Index | 233 |
| Weekly Coal and Coke Output | 234 |
| Weekly Steel Review | 235 |
| June Shipments | 235 |
| Moody's Daily Commodity Index | 233 |
| Weekly Crude Oil Production | 237 |
| Non-Ferrous Metals Market | 237 |
| Weekly Electric Output | 234 |
| Commercial Paper Outstanding (May 29) | 238 |
| Federal Reserve Business Index (May) | 237 |
| Living Costs Index | 237 |
| Department Store Sales (June) | 235 |
| Hotel Sales (May) | 234 |
| Bank Debits (June) | 235 |

The Financial Situation

(Continued from first page)

icies and sky-rocketing wages in industrial centers have made it impossible for most farmers to obtain the help they need to cultivate and harvest the large crops that they are being urged to raise. Thanks to an equally unwise earlier policy of allocating materials, many if not most farm implements are not to be had. Even parts are not always available. Prices which the farmers believe are too low—although they have certainly been doing well of late—are holding products on the farms which are badly needed by consumers. Irrational price ratios developing out of faulty control programs are promoting the feeding of hogs, with the result that many other farmers who normally buy much of their feed are in dire straits in trying to keep their normal herds and flocks producing. Long-sustained labor favoritism is being reflected in the prices the farmers must pay for goods they must buy. Of these and other troubles the representatives of agricultural constituencies will hear a great deal during the coming weeks.

Cost of Living

Representatives from districts largely composed of wage earners and lower-salaried clerical employees will soon hear a good deal about the cost of living. They will be told with a substantial element of truth that current cost of living indexes fail to reflect what has actually taken place in the retail price situation. They will know, of course, that many of those making such complaints have little ground for their pleas, since for the most part earnings have risen even faster than the cost of living, but they will soon learn that this is not true of a substantial element in the population. They will hear many complaints of violations of price regulations, of "black markets" and many kindred developments. And they will doubtless hear also about the recently developed "hostility" toward labor shown by Congress.

Business, Small and Large

To be sure, all members of Congress will be told by small business men, for small business men are everywhere, that the multiplicity and confusion of rules and regulations, the uncertainty of supplies often resulting from red tape and official bungling, and the impossibility of obtaining adequate manpower are driving them from business. They doubtless will hear, if they are really upon the alert, that many of these endless regulations are being ignored, for the simple reason that no one understands what they mean, or has time to keep track of the endless stream of them. Others are not heeded because it is impossible to do so and stay in business. Those legislators who give serious heed to the needs and the difficulties of larger business organizations will be disturbed by reports from these enterprises which in many instances will not greatly differ from those of the smaller concerns.

The Consumers' Hardships

All voters are, of course, consumers, and from them the Congressman will hear constantly and emphatically. He will be asked why it is, that with the ranges over-stocked with cattle, the average citizen must beg for a piece of beef, and then often not get it, or if he gets it, finds that it is all but inedible. Many a member of Congress will doubtless be called upon to explain why items which are not supposed to be in particularly short supply are not to be had in many communities at all, or if at all, in very limited quantities and at wholly erratic and unpredictable intervals. If he happens to be from the Eastern seaboard he will be asked many embarrassing questions about gasoline and oil, about the crazy-quilt pattern of attempts to regulate their distribution, and all the rest.

Seek Out the Causes!

All this and more of the same sort are inevitable in the circumstances. It is wholesome. It should prove helpful. But it should not stop with mere complaints, and it certainly should not be susceptible to dismissal with promises of special treatment for this, that or the other plaintiff, or with scatter-brained suggestions as to national policy. The voter, whether he be a cotton farmer from South Carolina or a mechanic in Detroit—or a plain housewife from a New England town—should make it his or her duty, as it is his or her obligation to himself or herself, to inquire thoughtfully into the causes of these difficulties and the possible lines of constructive remedy. And they should insist that their representatives in Washington meet them on that ground. They have a right to expect that any man or woman who has been representing them in Washington should have made good use of his or her opportunity to see the national picture as a whole, and to arrive at sane

conclusions as to what is and what is not feasible as a cure for a most distressing situation.

One of the first questions to which they should insist upon having an answer is in what degree the inconveniences and the difficulties to which they are being subjected are really an unavoidable part of a state of total war. It has become a habit with all too many authorities to reply to all criticisms with the smug assertion that we are at war, etc., without ever once undertaking to demonstrate that the matter about which complaint is made is an unavoidable cost item in the prosecution of the war. Too often effort is made to avoid the consequences of public dissatisfaction with the typical politician's assertion that "very few Americans place appetite above patriotism", or the like. The time has come for the American people to brush aside such trash and get down to brass tacks in this business of determining whether, and in what ways, the war effort is imposing quite unnecessary hardships upon the civilian population.

Insist Congress Help

No one doubts for a moment, of course, that inconveniences, and quite possibly hardships, are inevitable in wartime. No public-spirited man or woman is likely to rebel at such sacrifices as are really necessary. That, however, is quite a different matter from being willing to endure the consequences of official blundering, and insistent refusal on the part of officials or legislators to do what may be to reduce that blundering to a minimum. There are many things Congress could do to help when it gets back to Washington, but it is not likely to do many of them unless the public effectively demands it.

Banker to Poet

"No, Bill, I do not believe you need be concerned about the Big Boys in industry. On the contrary, I assure you from personal knowledge that what we have to be concerned about is that many of our industrial concerns, under present tax legislation, far from cashing in on the war, are more likely to be dangerously depleting the corporate reserves they will surely need to meet the task of reconversion of their plants from war uses and machines to peacetime production when the war ends. Of course, we may squeeze the corporations until the pips squeak, but let us leave them enough to prepare for this vital task of reconversion. . . .

"One other thing I have overlooked. That is, when you said: 'We have seen unfettered initiative and free enterprise run a country right into the hole.' In other words it was primarily the initiators and free enterprisers, was it, who brought on the great business depression that began late in 1929? Is that what you mean, Bill? Is that really possible? . . .

"Forget about the machinations of these 'free-enterprisers' of yours that you think have done so badly by us. Forget about your Big Boys and all the category of personal devils. Just sit down with me late some afternoon over a cool drink at the Century Coffee House, or where you will and fix up with me a simple little international plan that will prevent wars. Then we shall be able to avoid post-war panics and depressions and you will finally get a real idea of the system that is variously called the profit system, or the capital system, or the enterprise system, or the savings and thrift system.

"Let us be careful, you and I, in our urge to better humanity, not to kill off the precious thing that in your piece you yourself call 'the independence of Americans.'"—Thomas W. Lamont to William Rose Benet, poet and editor.

(The banker may not be able to write poetry, but the poet, and a good many others, would profit by careful study of what he does write.)

The State Of Trade

A number of the heavy industries showed declines for the week. Steel and electric power production were lower, while coal production and carloadings were higher for the week. The retail trade showed outstanding gains, with department store sales up 39% compared with the same week a year ago.

Loading of revenue freight for the week ended July 3rd totaled 852,106 cars, according to reports from the Association of American Railroads. This was an increase of 91,262 cars from the preceding week, 98,366 cars more than the corresponding week in 1942 and 11,747 cars above the same period two years ago. This total was 104.73% of average loadings for the corresponding week of the 10 preceding years.

Electric power output, as reported by the Edison Electric Institute for the week ended July 3, dropped to 4,110,793,000 kilowatt hours from 4,120,038,000 reported in the preceding week, and compares with production of 3,424,188,000 kilowatt hours in the corresponding week of 1942.

The Southern States led other major geographical divisions in percentage increases over 1942 at 28.3, thereby exceeding the Pacific Coast area, which had held the lead for some time. Other gains were: New England 13%, mid-Atlantic 20.8%, Central industrial 19.5%, West Central 16.3%, Rocky Mountain 16.6% and Pacific Coast

26.6%. The country as a whole was 20.1% ahead of last year.

Steel production in the United States is scheduled this week at 97% of rated capacity, indicating output of 1,679,700 net tons of ingots and castings, the American Iron & Steel Institute announces. Last week's rate was 96.6% and production was 1,672,800 tons. For the like 1942 week the rate was 98.4% of the then smaller capacity and output was 1,683,000 tons.

Although steel production in the nation slumped in June to the lowest levels in 10 months as a result of the coal strikes, output for the first half of 1943 reached a record total of 43,866,912 net tons, an increase of 1,331,000 tons over the previous top recorded last year, the American Iron & Steel Institute reports.

Production of ingots and castings by the industry in June amounted to 7,027,101 net tons, substantially below the May total of 7,545,379 tons and only slightly

higher than output of 7,015,302 tons in June last year.

On the basis of average weekly production of 1,638,019 tons in June, representing use of 94.6% of available facilities, steel ingot output was at the lowest point since August, 1942, when the weekly average was 1,631,525 net tons.

Consumer buying this week maintained retail sales volume at high levels, despite the inauguration in many stores over the country of the summer schedule of a one-day closing, according to the weekly review of Dun & Bradstreet Inc. Retailers in outlying districts find their stores less assured of shoppers because of the cut in traveling facilities, the review says.

Department store sales on a country-wide basis were up 39% for the week ended July 3rd, compared with the same week a year ago, according to the Federal Reserve Board.

Store sales were up 29% for the four weeks ended July 3rd, compared with the same period a year ago.

Department store sales in New York City in the week ended July 10th, were 13% smaller than in the like 1942 week, according to a preliminary estimate issued by the New York Federal Reserve Bank. The bank pointed out that there was one less shopping day in the week this year compared with last year, because Independence Day was observed on a Monday this year as against Saturday in 1942.

In the previous week ended July 3rd, due also partly to the difference in the holiday, sales of this group of stores were 29% larger than in the corresponding week last year.

Coal production is approaching the pre-strike rate and is still gaining, according to Fuel Administrator Ickes.

During the week ended July 3rd, 10,350,000 tons of soft coal were produced, Mr. Ickes said. That was twice the amount mined in the preceding week.

The Bureau of Mines estimated anthracite production at 623,000 tons during the week of July 3rd, but Mr. Ickes said that reports from the field indicate that the current week's output may exceed pre-strike figures. Anthracite production for the week ended June 26th, was 284,000 tons.

In discussing this week's coal production Deputy Coal Mines Administrator Carl E. Newton said:

"We are driving to increase the production of coal to win the war, to a maximum capacity of the industry. We are in a pitched battle against time to get enough coal mined and transported this summer to carry us through the next winter without having to curtail war activities for lack of fuel. We have got to win this battle."

Weinberg Resigns

The resignation of Sidney J. Weinberg as assistant to Donald M. Nelson, Chairman of the War Production Board, because of ill health was announced by Mr. Nelson on July 6, effective Aug. 1.

In accepting Mr. Weinberg's resignation, Mr. Nelson said he wanted him to return to the WPB when he is well again and expressed "deep appreciation for the fine patriotic service you have given to your country."

Mr. Weinberg was senior partner of Goldman-Sachs & Co. and a director of many corporations when he went to Washington in May, 1941, to become assistant to Mr. Nelson in the Division of Purchases of the Office of Production Management. When the WPB was created in January, 1942, with Mr. Nelson as its Chairman, Mr. Weinberg was made assistant to the Chairman, serving for a time as head of the Bureau of Industry Advisory Committees and later handling personnel matters.

Passage Of Green Silver Bill Criticized By Dr. Spahr As Favoring Unsound Currency

Passage of the Green bill represents "another victory for the silver interests at the expense of the American people" and marks "another step toward moral bankruptcy in the administration of the nation's currency," according to Walter E. Spahr, Professor of Economics at New York University and Executive Secretary of the Economists' National Committee on Monetary Policy. Dr. Spahr charged that the Green bill "provides the means by which this country shall have more irredeemable paper money."

The bill, providing for the re-lease of Treasury silver for war and essential civilian uses at not less than 71.11 cents an ounce, passed the Senate on June 18 and the House on July 5. The President has since signed the bill.

In criticizing the Congressional action on the bill Dr. Spahr said in part:

"The victory of the silver bloc over the American people lies in the fact that, under the terms of the Green bill, Treasury silver, bought at an average cost of approximately 50 cents per ounce, cannot be sold to industries, even to aid the war effort, at less than the silver-subsidy price of 71.11 cents per ounce. The Treasury, Donald Nelson, and the Navy wanted this silver sold to war industries at 50 cents in order to encourage its expanded use as a substitute for other scarce metals. The silver bloc, however, fought these proposals to a standstill. They prevented insertion of the 50-cent price in the Green bill. They prevented the passage of the bill until Congress was ready to try to recess for a vacation and then railroaded the bill through on a reported deal made by the Speaker and the Majority and Minority leaders of the House which precluded amendment. Only a negligible number of Congressmen, notably Representative Frederick C. Smith of Ohio, fought this thing to the end.

"By these tactics the silver bloc demonstrated its willingness to prevent the sale of Treasury silver to war industries until the bloc's subsidy price was protected. In March, Donald Nelson asked for this Treasury silver. In April, Senator Green said that he had been informed that the silver stocks available to industry would last only ten days. But the silver bloc, to gain its ends and irrespective of the effects of their tactics on the production of war equipment for our armed forces, prevented the final passage of the Green bill, except on their own terms, until July 5.

"These tactics of the silver bloc, which, for a decade, have been in constant operation against the best interests of the American people and, in the last year or so, have operated to the disadvantage of our armament program and armed forces, have not been well understood by the general public.

"The Green bill provides that as Treasury silver securing the silver certificates is sold these certificates may be secured by silver busbars and other silver leased to domestic industry. This means that the \$1,667,000,000 of silver certificates in circulation can soon become irredeemable paper money in which event the certificates will carry on their face a promise which the Federal government cannot and does not intend to fulfill. The dishonesty involved here was inexcusable because it was unnecessary; Federal Reserve notes in one-dollar denominations could have replaced silver certificates as the latter were retired because of lack of silver security to redeem them.

"This lack of respect for the importance of maintaining the integrity of government promises where the people's money is concerned has reached serious proportions. In December, 1942, the Treasury and Federal Reserve authorities authorized the issuance

of \$660,000,000 of Federal Reserve bank notes that carry on their face statements as to their security that are utterly false. Now, in June and July, 1943, Congress is willing to convert \$1,667,000,000 of silver certificates into a paper money carrying promises likewise completely false.

"Each silver certificate will say on its face that 'This certifies that there is on deposit in the Treasury of the United States of America one dollar in silver payable to the bearer on demand.' The facts will be that these certificates will be 'secured' by busbars in electric plants and other silver leased, and that there may be no silver on deposit in the Treasury in the form of silver dollars payable to bearer on demand. Such 'security' is nominal, impracticable, and dishonest because no holder of a silver certificate can walk into an electric plant and clip off a dollar's worth of a silver busbar.

"Against this immoral and unsound provision of the Green bill 54 monetary economists of our leading universities and colleges issued a public protest in November, 1942, and, in December, 1942, Senator Danaher (Conn.) was able to eliminate it at least temporarily.

"Not a single voice was raised in Congress or in Administration circles on July 5 in protest against this sorry piece of business."

Life Insurance Agents Have Sold Over \$5 Billion Worth Of War Bonds

More than \$5,000,000,000 worth of war bonds have been sold in the 19 months since Pearl Harbor to 15,000,000 American workers by the life insurance agents of the country, it was announced July 9 by Grant Taggart, President of the National Association of Life Underwriters. The total of bond sales completed under the payroll savings plans initiated by the life agents in cooperation with labor, management and other groups, and cash sales made by the agents reached \$5,100,000,000 on July 1. These represented purchases by 15,000,000 workers in 78,000 firms, which includes about half of all persons enrolled under payroll savings plans throughout the country. In addition to their work in selling E bonds, it is indicated the agents have sold a large volume of F and G bonds in both the First and Second War Loan drives, their efforts having drawn special commendation from Secretary of the Treasury Morgenthau.

"This work of the life insurance agents is one of the important home front war jobs today," Mr. Taggart said. "The agents are giving unsparingly of their time in aiding the government to secure the necessary funds with which to finance the war. More than 23,000 life underwriters have participated in the organized selling campaign and their work has become an integral part of the national plans for war financing." It was announced by Mr. Taggart that the life underwriters are now preparing for even greater activity in September, when the Third War Loan drive is launched. A special bond rally is planned for all life insurance men attending the wartime meeting of the National Association of Life Underwriters the early part of September.

FDR Opposes Change In Civil Air Set-Up

President Roosevelt on July 5 was indicated as saying that agencies now governing civil aviation are "working satisfactorily" and should not be revamped. Associated Press Washington advices from which this is learned, further reported:

"To change the setup now," he wrote Chairman Lea (Dem., Calif.) of the House Interstate and Foreign Commerce Committee, "would so distract the attention of officials and employees of these agencies, and so impair their efficiency, as to seriously interfere with the contribution which they could otherwise make in the interest of securing successful civil aviation in the conduct of the war."

"The Chief Executive's objection was to a bill before the House and Senate which would, among other things, take the Civil Aeronautics Board and the Civilian Aeronautics Administration away from the Commerce Department, make the board supervisor over the administration, and establish an independent director to investigate accidents.

"Under the present arrangements the CAB issues certificates to airline operators, fixes mail pay rates, investigates accidents and regulates commercial aviation generally. The CAA now supervises safety measures and has control over the airports and airways.

"The President's letter was understood to have expressed concern that changes are contemplated 'at the present time' when, he said, the services of the established agencies are so greatly needed by the armed forces. The letter was said not to have mentioned other phases of the legislation, among them Federal regulation of flying, zoning of airports and studies looking toward post-war problems and the possible carrying of all first-class mail by air."

U. S. Life Companies Paid Out Over \$1 Billion In Five Months Of 1943

Payments to American families by their life insurance companies in May brought the total for the first five months of the year above the billion dollar mark, with death benefits for the period showing an increase of 11% over the corresponding period of 1942, and surrender value payments 35% below last year's total, it is reported by the Institute of Life Insurance. Aggregate benefits to policyholders during the period amounted to \$1,020,878,000 as compared with \$1,041,787,000 a year ago.

The Institute's announcement July 9 further said:

"May death benefit payments at \$89,485,000 were slightly below the amount reported for April, but were above payments in May a year ago. For the five months death benefits totaled \$467,820,000, as compared with \$422,021,000.

"Policyholders in May called for only \$25,941,000 of the cash values in their policies, whereas \$40,203,000 was withdrawn a year ago. For the first five months of the year the payment of these values was \$132,431,000, a decrease of more than \$70,000,000 from the \$204,167,000 total for the same period last year.

Following are the May benefit payments in detail, together with the cumulative totals for the year to date:

| | May Payments | First Five Months |
|----------------------------|---------------|-------------------|
| Death benefits \$ | 89,485,000 | 467,820,000 |
| Matured endowments | 27,950,000 | 140,229,000 |
| Disability | 7,255,000 | 38,674,000 |
| Annuities | 12,842,000 | 70,804,000 |
| Surrender values | 25,941,000 | 132,431,000 |
| Dividends to Policyholders | 30,812,000 | 170,920,000 |
| Total | \$194,285,000 | \$1,020,878,000 |

Balances Accumulated By Latin America In U. S., London Major Post-War Trade Influence

National City Bank Sees Dollar and Pound Balances Affecting International Trade and Exchange Immediately

According to the National City Bank of New York, "the dollar balances accumulated in the United States by Latin American countries, and the sterling balances piled up by many countries in London, are now of such size that they are certain to be a major influence in international trade and exchange immediately after the war; and they are still growing." The bank's comments in the matter, under the head "Foreign Balances in U. S. and London" were contained in July "Monthly Bank Letter" in which it also had the following to say in part:

"These balances originate in wartime trade shifts. Fundamentally, they reflect increased purchases by the United Nations from the countries of the Western Hemisphere and of the British Empire, particularly since the loss of the resources of Southeastern Asia. This trade has been far more one-sided than is normally the case. Because of concentration on war production and shortage of shipping, neither the United States nor Great Britain has been able to supply to these countries the goods which they want, and for which they are able to pay. The result is a heavy trade balance in their favor.

"Since 1940 there has been a complete reversal in the balance of trade between the United States and Latin America. In that year our trade showed an excess of exports of \$126 millions; in the year following, however, we had an excess of imports of \$106 millions, and in 1942 our import balance came to almost \$300 millions. Since our purchases are generally being maintained, there is likelihood of another huge import balance in 1943.

"Nor are the favorable trade balances Latin America's only source of dollars. Large disbursements are being made by us in connection with Western Hemisphere defense, and we are financing a considerable amount of highway and factory building, expansion of mines, and cultivation of crops formerly obtained from Southeastern Asia. Still another source of dollars is the inflow of private capital into those countries.

"Combined gold reserves and foreign currency resources of eleven Latin American countries aggregated about \$1,325 millions at the end of 1942, compared with \$775 millions in December 1940. Both gold and foreign exchange resources are apparently growing rapidly, for a tentative estimate put them at about \$1,500 millions by the end of March 1943.

"The counterpart of the large accumulation of dollar exchange by foreign countries and its conversion into gold has been a decline in our own gold reserves and an increase in gold under earmark for foreign central banks and governments. At the end of June 1943, our gold reserves were about \$400 millions below the peak of \$22,793 millions reached in November 1941, while earmarked gold reached almost \$3,000 millions by the end of last April, the largest amount ever held. In addition, foreign central banks and governments have acquired U. S. Government securities; holdings of these securities by the New York Federal Reserve Bank for foreign account stood at the end of 1942 at \$481 millions. These figures are both in addition to the foreign deposits held at the Reserve Banks, currently \$1,082 millions.

"At the end of 1940, the known monetary gold reserves outside the United States were put by our Federal Reserve Board and the Bank for International Settlements at about \$7,000 millions. In addition there were, according to the Bank for International Settlements, about \$2,500 millions of gold in unrecorded holdings of exchange funds and government

accounts outside of this country. Considering that about \$2,000 millions of newly-mined gold must have been retained outside of the United States during the last two years or so, it follows that at the present time the known and unrecorded monetary reserves outside of this country must be in the neighborhood of \$11,500 millions. This is roughly 34% of the total monetary stocks in the world and almost as much in value as the world including the United States held at the end of 1932, prior to the dollar revaluation of the metal. Of course, the credit structure which the gold outside of the United States is supporting has become much vaster.

"The problem of the liquidation of pound sterling balances without creating demoralizing currency instability will be a thorny one. By making recommendations for spreading their use over a long period, the White plan for currency stabilization recognized their importance in post-war relations. If other countries will accept British goods for them the problem of course can be solved effectively. Thus much depends on the degree of protectionism which the countries owning the sterling adopt, and also whether they will want to spend their money in Great Britain or to convert it to other currencies and do their buying elsewhere. These are matters which it is now difficult to predict.

"From the point of view of post-war relations, the accumulation of gold and dollar balances on the part of Latin American countries is a favorable development. They will provide a cushion against the effects of post-war changes in balance of payments, and contribute to long term stability. One practical result, which already has come about, is a greater stability in currency values, accompanied by relaxation in exchange controls.

"On the other hand, the expanded domestic purchasing power in the hands of the people of these countries, which the accumulation of gold and foreign exchange reflects, is having inflationary effects due to inability to import goods to absorb it. It is contributing to the upward spiraling of prices."

Roger R. Clouse Joins Cleveland Reserve Bank

M. J. Fleming, President of Federal Reserve Bank of Cleveland, announced on July 1 the appointment of Roger R. Clouse, a Cleveland attorney, as Secretary of the Board of Directors of the Cleveland Regional Bank. Following his graduation from the Northwestern University Law School in 1934, Mr. Clouse became associated with Garfield, Baldwin & Vrooman of Cleveland. In April, 1942, he became connected with the Office of Civilian Defense of the Fifth Region, with headquarters at Cleveland, which association he maintained until his connection with the Reserve Bank.

President Says Invasion Of Sicily Marks 'Beginning Of The End'

President Roosevelt considers the Allied invasion of Sicily "the beginning of the end" of Axis-controlled Europe.

The President's views of the invasion were expressed at a formal dinner at the White House on July 9 in honor of Gen. Henri Honore Giraud, the French military commander. Mr. Roosevelt had announced news of the landings in Sicily in an impromptu talk to dinner guests and the White House made public on July 10 excerpts from his remarks. He confidently predicted the liberation of France and the restoration of the people of France.

The following regarding the state dinner and the President's remarks was reported by the Associated Press:

The recital of events at last night's dinner proved it to be one of the most dramatic state functions held at the executive residence in many a month. Mr. Roosevelt and his guests, French and American military, naval and civilian officials sat down to a dinner about 8:15 P. M. (E.W.T.), and the affair went routinely until about 9 o'clock. Then Mr. Roosevelt received word that landings actually had been made on Sicily.

The President was sitting with General Giraud on his right and General George C. Marshall, the American chief of staff, on his left. Across the table was Secretary of State Hull, Admiral William D. Leahy, the President's personal chief of staff, and Admiral Ernest J. King, commander-in-chief of the fleet. Possibly no item of news could have been more exciting to these men and no subject more heavily on their minds at that time than the Sicilian operation.

But with his sense of the dramatic, Mr. Roosevelt kept his information to himself until the concluding stage of the dinner about 10 P. M.; at that time he rose to propose a toast and thrilled his assembled guests with these words:

"I have just had word of the first attack against the soft underbelly of Europe."

At that point the President moved into a very brief description of the invasion of Sicily after pledging his hearers to keep secret all he told them until midnight. This pledge was necessary because simultaneous release times had been fixed for Washington, London and North Africa.

"The operations have begun," the President said, "we won't get definite news until later but the news will be coming in from now on."

Mr. Roosevelt hailed the operation as an outstanding example of carefully accomplished planning and of co-operation between American and British forces. Similar co-operation, he said, has been achieved with the French forces in North Africa.

The operation against Europe's "soft underbelly" has a great many objectives, Mr. Roosevelt declared, although "of course the major objective is the elimination of Germany."

"Last autumn, (when North Africa was invaded)," he went on, "the Prime Minister of England called it 'the end of the beginning.' I think you can almost say that this action tonight is the beginning of the end."

The President then began speaking almost directly to Gen. Giraud assuring him that "France is one of the directions" in which Allied forces will strike to destroy Hitler's hold on Europe. Not only will the people in Southern France be liberated, he said, but also "the people in Northern France—Paris."

It was this statement which led to speculation that the President envisions invasion thrusts into Europe from both the Mediterranean and the British Isles.

The Chief Executive praised the co-operation of which the French military and naval forces in North

Africa had given the American forces there and he said that he thought the "older regime" of France is "breaking down."

When the Chief Executive had completed his assurance of all help and assistance in the arming of the French forces of liberation and in freeing France and its people from German enslavement, Gen. Giraud spoke briefly in reply. He thanked Mr. Roosevelt for support for France and declared that through American aid French soldiers would have their share in freeing their country.

Gen. Giraud then closed the exchange by lifting his glass and proposing to his fellow guests the health of the President and the glory of the United States which he described as the great nation through which peace and friendship would be restored to the earth.

Coal Operators Ask If President Is 'Capitulating'

Representatives of the Appalachian area coal mine operators on July 10 called on James F. Byrnes, War Mobilization Director, for assurance that comments by President Roosevelt at a press conference the day before "do not constitute capitulation by the government" to John L. Lewis, President of the United Mine Workers of America, states an Associated Press dispatch, which further goes on to say:

The President told questioners on July 9 that he knew of no law which could compel Mr. Lewis to sign a contract with the operators, as directed by the War Labor Board. He asked what good it would do if he sent Mr. Lewis a note in longhand on pink paper asking him to sign as the WLB directed. He said he doubted that authority existed for taking over the UMW. That last comment was in answer to a reminder that Montgomery Ward & Co. had signed a union contract upon his order. He said sanctions existed in that case in the form of authority to take over the firm.

A statement released on July 10 by R. L. Ireland jr. and Edward R. Burke representing the Appalachian operators, said:

"We have not lost faith in the War Labor Board and the Office of War Mobilization. We do not feel that the Administration will continue to tolerate the present interruption of coal production nor that it will continue to deprive us of possession of our mines. To do so would mean complete capitulation to Mr. Lewis, and that in turn would be a threat to the entire industrial structure of the nation."

Appended to the operators' statement was a copy of a letter they sent Mr. Byrnes on July 9, saying:

"We have before us your letter of June 30 in reply to our letter of June 23 to the President, in which you state 'the government is giving careful consideration to the steps which may be taken to obtain full compliance with the June 18 directive of the National War Labor Board without increasing the risk of interruption of mining relations.'

"We have just seen the report on the President's press conference this morning. It is being interpreted by the coal industry as an answer to our letter of June 23 to the President and our letter to you of June 30. They interpret the President's remarks to mean that the Administration has decided not to require that, there-

fore, Mr. Lewis, through his defiance of government, has gained his point and that they would have been better off to have joined with Mr. Lewis in the making of a contract. They feel that their negotiating committees were wrong in trying to support the stabilization program.

"If the coal industry is to retain its faith in the authority of the War Labor Board and the power of your office, it is essential that you give us some assurance that the President's remarks this morning do not constitute capitulation by government to Mr. Lewis."

Mr. Byrnes's letter of June 30 to Mr. Ireland and Mr. Burke said there "has been no promise or commitment by the government that the mines will be operated by the government until Oct. 31 or for any stated period.

"The Governor desires to return the mines to their owners as soon as this can be done without increasing the risk of interruption of mining operations.

"The mines were taken over by the government not to punish the coal operators, but to see that coal is mined. The government is giving careful consideration to the steps which may be taken to obtain full compliance with the June 18 directive of the National War Labor Board without increasing the risk of interruption of mining operations."

OCD Curtails Activities Due To Reduced Funds

To meet the reduction made by the Congress in the requested appropriation of the Office of Civilian Defense, steps in the curtailment of its activities have already been effected and over 200 employees have been notified that their services have been terminated as of July 15, James M. Landis, Director of Civilian Defense, announced on July 6. The announcement stated:

"The Organizations Service Division of the Civilian War Service Branch, including the Office of the Chief, the Community War Information Section and the Program Services Section, has been abolished. This means that the Office of Civilian Defense will no longer render any service to the approximately 60,000 Victory Speakers who have been organized by State and local councils of defense, Director Landis explained. Nor will it continue to render any service to locally organized discussion groups or centers for war information that the various communities have established, he added. In the field of motion pictures, the abolition of that section will mean that State and local defense councils can expect only an extremely limited number of training films. The radio script exchange service for local communities is also abolished.

"Drastic curtailment in staff and field operations of the civilian war services as a whole has been effected, Director Landis announced. He expressed the belief, however, that leadership and direction can still be given to the 4,000,000 volunteers engaged in activities in the 12,000 local defense councils throughout the nation."

"The 11,000,000 volunteers in Civilian Defense throughout the United States should not regard these economies as reflecting in any way upon appreciation of their work," Director Landis said, "and should not treat the curtailment of service rendered to them as indicating that these volunteer services are no longer required by the nation. Quite the contrary is true."

Employees whose services are terminated are greater in number in Washington than in the field, officials reported.

Warns Commercial Banks' Existence Imperiled By Encroachment Of Non-Banking Agencies

Declaring that 15 different types of business are now permitted by law to perform commercial banking functions, Harold J. Marshall, Secretary of the New York State Bankers Association, on July 10 pleaded for the nation's 15,000 chartered commercial banks through their State associations to ask for State and national investigations of "those who seek to encroach upon bank earnings while assuming few, if any, banking responsibilities."

Mr. Marshall, speaking at a meeting of the Western Secretaries Conference of State Bankers Associations at Colorado Springs, Colo., urged officials of organizations to institute studies of private and Federal competitive credit and depository agencies to determine the actual extent of the inroads made and the trend towards further undermining of the commercial banking structures of their States. Mr. Marshall said:

"None of the instrumentalities now performing commercial banking functions are either willing or able to assume the responsibilities and restrictions of the chartered banks. Still, all of them are seeking opportunities for profit in credit lines which rightfully belong in the banking structure.

"What banking needs is an 'amicus curiae', in plain English, a friend of the court, filed in its behalf with our legislative representatives by Leo Crowley of the FDIC, Marriner Eccles of the Federal Reserve Board, Preston Delano, the Comptroller of the Currency, and each of the 48 State supervisors of banks. Banks have the right to expect that these gentlemen who interpret the regulations governing our operations shall recognize the need to safeguard our very existence.

"To date, State and Federal supervisory authorities have taken little or no initiative in restricting activities and reducing the number of agencies in the banking field.

"Nevertheless, the job must be done if independent banking is to survive, and the time for supervisors and State banking associations to become active is not

several years hence when the field will have been completely overrun by outside agencies, but now, when there is still time to save thousands of smaller banks."

In New York State, he pointed out, every principal banking function, except trust and fiduciary powers, has been taken over by one or more non-banking agencies. "The situation is loaded with dynamite for the banks," Mr. Marshall declared, "because the shock troops of these groups have long ago started campaigns for legislation which will give them the right to perform still more banking functions." He added:

"Savings and loan associations and mutual savings banks are clamoring for the privilege of making small loans; credit unions and licensed lenders seek to expand into the commercial and mortgage loan field; savings banks are seeking permission to operate demand deposit accounts; savings and loan associations want to make personal loans; investment companies want to make commercial loans, and Federally subsidized credit agencies seem to be demanding a free hand to lend public moneys on any basis they choose, without adequate security and in many instances without recourse.

"The result is a confused and topheavy system under whose weight someone is going to be crushed. My guess is that unless the trend is checked, the small banker is the logical victim. He is a 'set-up', in fact, because his business existence is hedged by regulations and requirements which keep him from fighting back at his free-ranging competitors."

Murray Urges Labor Crusade To Force Congress To Support President's Program

Philip Murray, President of the Congress of Industrial Organizations, appealed on July 11 to labor and other groups to join in a "great crusade" to force Congressional support for President Roosevelt's "victory program."

Specifically citing his objections to passage of the Smith-Connelly anti-strike bill and to Congressional efforts to block food price rollback subsidies, Mr. Murray, in

a nation-wide radio speech, said "there has been too much labor-baiting, too much Administration-baiting and too much politics-as-usual" in the present Congress.

United Press Washington advised, in the New York "Herald Tribune" in reporting Mr. Murray's talk, further stated:

"He said the CIO executive board has decided that the 'time has come for labor to take the lead in mobilizing popular support behind our commander-in-chief . . . to impress upon members of Congress the people's wishes, and to prepare for the election of a more progressive Congress in 1944.'

"He announced plans for special conferences to be held during the next two months in every community or Congressional district where CIO unions are represented. All sections of organized labor, consumer groups and public officials will be asked to attend, as will representatives to Congress from the respective districts.

"Charging that Congress has interfered with price control by cutting the appropriation for the Office of Price Administration and forbidding grade labeling, he said the CIO demand a real rollback of living costs to the level of Sept. 15, 1942, or a revision of the Little Steel formula to bring wages up to the present level of prices.

"Meanwhile, Senator Millard E.

Tydings, Democrat, of Maryland, in a radio address at Baltimore, charged that when the government uses subsidies to roll back food prices, it leaves the cost of the food 'for all the people' right where it started.

"The housewife, through taxes, he said, 'must furnish the government with all the money which the government uses to pay a part of the price of anything the housewife buys.'

"Congress recessed last week after failing in several attempts to put a strict ban on price rollbacks through subsidies, already applied to meat and butter."

Officers of Florida Advertising Group

A recent "convention by mail" of the Fourth District of the Advertising Federation of America, resulted in the following new officers for the district:

Governor—R. E. McCarthy, McCarthy Advertising Agency, Tampa, Fla.

Vice-Governor—R. D. Peterson, St. Petersburg Independent, St. Petersburg, Fla.

Secretary—Joe Orthner, Ace Letter Service, Miami, Fla.

Treasurer—Stephen H. Fifield, Barnett National Bank, Jacksonville, Fla.

Treasury Income Tax Ruling For Employees' Pension, Stock Bonus And Profit-Sharing Trusts

Requirements which must be met by employees' pension, stock bonus and profit-sharing plans if trusts embodied in these plans are to acquire preferential income tax treatment were announced on July 8 by the Treasury Department and the Bureau of Internal Revenue. The requirements are set forth in regulations issued under authority of the Revenue Act of 1942. The Treasury Department points out:

"Two sections of the regulations cover integration with the Social Security system of plans which exclude employees not earning more than \$3,000 a year. While no particular formula is prescribed, the rule is established that such plans must be so integrated that the total benefits received by covered employees (including their Social Security benefits) will not be proportionately greater than the benefits received under the Social Security Act by excluded employees."

In connection with the publication of the regulations, Commissioner Helvering made the following statement:

"The Revenue Act of 1942 effected very substantial amendments to the income tax law relating to employees' pension, stock bonus and profit-sharing trusts forming part of plans for the benefit of employees. If the plans meet specified statutory requirements the trust income is exempt from tax. In addition, an employer's contributions to the trust, up to the full amount permitted by the law, are deductible in computing his own income tax liability for the year in which they are made, but such amounts are not required to be included in the taxable incomes of the employees until ultimately distributed to them.

"The statutory requirements upon which this favorable tax treatment is conditioned relate both to the amounts which may be contributed by an employer and to the allocation and distribution of the contributions and benefits to the employees. Important among these limitations are the provisions (1) that the trust seeking exemption must be part of a plan for the exclusive benefit of the employees; (2) that the plan must cover a fixed high percentage of the total employees or, in the alternative, that it must embody a classification of employees which is determined by the Commissioner of Internal Revenue not to discriminate in favor of officers, stockholders, supervisory or highly compensated employees, and (3) that the employer contributions and employee benefits must also not discriminate in favor of those classes of employees above specified.

"The subject of employees' trusts generally and, more particularly, the question of the forbidden discriminations have raised many complex and involved problems which have occupied the attention of the Treasury Department for many months. The plans which most often raise the question of discrimination are those written to cover only employees whose annual earnings are in excess of a stipulated amount, usually \$3,000. This type of plan is an outgrowth of the last few years. It includes only a small minority of all plans. Its development has in large part coincided with the high tax rates in effect since 1939. Because of a tendency to increase in number, because eligibility depends on how much an employee earns, and because almost invariably a very small percentage of the total employees will be covered, such plans must be closely examined, in view of the policy against discrimination.

"While the \$3,000 salary classification is not in itself forbidden by the statute, nevertheless, it may well result in the forbidden types of discrimination. Regarding the discrimination provisions, the law states in effect that the

prohibited discriminations will not arise merely because in coverage, contributions and benefits, employees earning \$3,000 per annum or less are excluded, if such employees are covered by the Social Security program. It also provides that discriminations will not arise merely because the benefits paid upon annual earnings in excess of \$3,000 differ from those paid upon earnings of \$3,000 or less. Moreover, it is specifically stated that discrimination will not arise merely because contributions and benefits are based on a uniform percentage of earnings. The report of the Committee on Finance of the Senate on this portion of the 1942 law states that these provisions, together with the authority granted to the Commissioner to approve non-discriminatory classifications not meeting the specified high percentage requirements as to coverage, were intended in part to make it possible for plans supplementing the Social Security program to qualify.

"It is apparent that the reason for permitting these distinctions, as between employees earning more than \$3,000 and those earning less, lies in the fact that Social Security provides benefits on all the earnings of the latter group. However, the propriety of this type of plan, in conjunction with the Social Security program, must be viewed in the light of the general policy of the law that the prohibited discriminatory effects must be avoided. In drafting regulations on this subject therefore, the task has been to establish the type of supplementation which is permitted by the law.

"It is implicit in the reason for the exclusion of those earning \$3,000 or less that if supplementation is not to favor the officers, stockholders, supervisory and highly paid employees included in the plan as against the lower paid employees excluded, the supplementary benefits must be related to the benefits under Social Security. Accordingly, the regulations issued today adopt the basic rule that plans which exclude employees whose earnings are \$3,000 a year or less must be integrated with Social Security in such manner that the total benefits received by employees covered by the plan (including their Social Security benefits), will not be proportionately greater than the benefits received under the Social Security Act by employees earning \$3,000 or less.

"There have been issued, at the same time as the regulations, three rulings by the Income Tax Unit of the Bureau of Internal Revenue specifically relating to the matter of discrimination in pension plans which adopt as a minimum eligibility requirement a salary of \$3,000. These rulings indicate two examples of such plans which will be deemed to satisfy the requirements of the regulations concerning integration with the Social Security program. The third deals with a plan which will not be deemed satisfactory in that respect. It is believed that publication of these rulings may prove helpful in connection with other plans of a similar nature. However, the principle of integration does not require any particular formula. It lends itself to expression in a variety of forms, any one of which may prove equally satisfactory. Accordingly, each case may be considered on its merits without reference to a preconceived form,

Ownership Of Bank Deposits Surveyed By Federal Reserve System

Demand deposits at commercial banks increased at an unprecedented rate in 1942 and the first quarter of 1943, and the total of business and personal deposits reached a new high figure of \$53,000,000,000 at the end of that period. Information about the ownership of these deposits has been obtained through a recent exploratory survey made by the Federal Reserve System, the Board of Governors stated on July 7 in its announcement in the matter. In its advice the Board said:

"Tentative estimates based upon the sample reports received indicate that between 70 and 80% of demand deposits of individuals, partnerships and corporations at all commercial banks in the country belong to businesses and that between 20 and 30% are personal. In total it appears that incorporated and unincorporated business deposits, including those of financial institutions and agencies other than banks as well as those of concerns engaged in manufacturing, construction, trade, services, etc., are in the neighborhood of \$35,000,000,000 to \$40,000,000,000, while personal demand deposits, including those of farmers, are between \$10,000,000,000 and \$15,000,000,000. It should be observed, however, that in addition individuals hold predominant proportions of the \$29,000,000,000 of savings and other time deposits at commercial and mutual savings banks and of the \$15,000,000,000 of currency in circulation outside banks."

The Board's announcement further said:

"It has been estimated that of the total increase of \$15,000,000,000 in demand deposits over the fifteen months ending March 31, 1943, perhaps \$6,000,000,000 to \$7,000,000,000 occurred in the accounts of manufacturing, mining, and construction business and another \$5,000,000,000 or \$6,000,000,000 in accounts of all other businesses—financial and non-financial. This estimated increase in business deposits accounts for about three-fourths of the total increase, and indicates that the growth of personal deposits (including those of farmers) was probably between \$2,000,000,000 and \$4,000,000,000 over the period, an increase of about one-third. These estimates should be considered only rough indications of probable minimum and maximum limits of personal deposits and of deposits owned by various broad business groups.

Sample of Banks Reporting

"The sample of 689 reporting banks on which these estimates are based held about 40% of all demand deposits of individuals, partnerships and corporations in the United States on March 31, 1943, and about 70% of deposits at reporting banks were classified as to ownership. The accounts so classified were the larger ones, including all those above limits varying from \$5,000 to \$100,000 at most banks, although a few banks used higher or lower limits. The bulk of the dollar volume of deposits classified was at large and medium-sized banks where the sample was relatively much more complete than for small banks. The broad estimates for deposit ownership at all banks make allowance for the greater proportion of personal deposits among the accounts not classified and among non-reporting banks than among reported classified deposits. These allowances, in the absence of actual figures, can only be approximated, and the estimated figures here given are necessarily tentative.

Ownership of Bank Deposits at Reporting Banks March 31, 1943

"Of the estimated \$53,100,000,000 of demand deposits of individuals, partnerships and corporations at all commercial banks

with a view to determining whether it achieves substantial integration."

on March 31, 1943, the 689 banks covered by the survey held \$20,800,000,000, of which \$14,400,000,000 were classified as to ownership. Slightly over half of all personal and business deposits at these banks were classified as belonging to non-financial businesses and 12% as belonging to financial businesses, while amounts of large deposits classified as personal were small. About 31% of the total were not classified. The actual amounts reported in each group are shown in Table 1, which also indicates the relative size of the sample as compared with all commercial banks.

TABLE 1. Demand Deposits of Individuals, Partnerships and Corporations at Selected Banks, by Types of Depositors March 31, 1943*

| | Amount outstanding (in millions of Dollars) | Percentage of total deposits at reporting banks |
|--|---|---|
| Classified "large" deposits: | | |
| Non-financial businesses | 10,818 | 52.0 |
| Financial businesses | 2,401 | 11.5 |
| Non-profit associations, clubs, churches, etc. | 327 | 1.6 |
| Personal (including farmers) | 882 | 4.2 |
| Total classified | 14,430 | 69.3 |
| Unclassified deposits | 6,380 | 30.7 |
| Total deposits at reporting banks | 20,810 | 100.0 |
| Deposits at non-reporting banks | 32,290 | |
| Deposits at all commercial banks† | 53,100 | |

*Reported by 689 banks, including approximately 400 branches in San Francisco Federal Reserve District.

† Lower classification limit varied from \$3,000 to \$1,000,000; most banks used from \$5,000 to \$100,000, and 8 used over \$100,000.

‡ Estimated.

Table 2 summarizes figures reported by a smaller number of banks giving a more detailed breakdown of business deposits by broad types of business. These figures indicate that nearly two-thirds of the deposits in the classified "large" non-financial business accounts belonged to concerns engaged in manufacturing, mining, and construction, with public utilities and trade each accounting for about an eighth of the group total. Among the financial accounts, those of insurance companies comprise the most important group.

Table 2. Distribution of Business Deposits By Types of Business Demand Deposits in "large" accounts at selected banks March 31, 1943

| | Amounts outstanding (in millions of dollars) | Percentage of group totals |
|---|--|----------------------------|
| Non-financial businesses | 8,738 | 100.0 |
| Manufacturing, mining, and construction | 5,571 | 63.8 |
| Public utilities, transportation and communication | 1,253 | 14.3 |
| Retail and wholesale trade and dealers in commodities | 1,112 | 12.7 |
| All other | 802 | 9.2 |
| Financial businesses | 1,581 | 100.0 |
| Insurance companies | 782 | 49.5 |
| Investment trusts and investment companies | 136 | 8.6 |
| Security brokers and dealers | 90 | 5.7 |
| Trust funds of banks | 230 | 14.5 |
| All other | 343 | 21.7 |

*Includes only deposits in accounts above certain minima, varying from \$3,000 to \$1,000,000; most banks used from \$5,000 to \$100,000 and a few used over \$100,000. Financial business breakdown based on reports from 159 banks; non-financial business from 572 banks.

Distribution of Deposits at Different Sized Banks

"Table 3 indicates that business deposits comprise a substantial proportion of demand deposits in banks of all sizes, although the

proportion is greater for large banks than for smaller ones. The amount of unclassified deposits was much greater in the small banks than in the large ones, even though lower minimum limits were used in the former than in the latter. The very large banks, which mostly classified accounts of over \$100,000, reported a classification for about three-fourths of all their demand deposits of the type covered, while the smallest banks classified slightly less than half of their deposits. These differences in proportion of unclassified deposits reflect the greater relative importance of small personal accounts at the smaller banks than at the larger ones.

Changes in Deposits by Types of Owners

Table 4 shows for 533 banks, which reported back data, the dollar and percentage increase in each type of account between December 31, 1941 and March 31, 1943. Of the total increase in deposits at reporting banks over the period, over three-fourths was in reported large non-financial business accounts, primarily those of manufacturing, mining, and construction concerns, with another 7% in financial businesses. Making allowance for a division of the unclassified deposits, it seems certain that well over 90% of the total increase in deposits at reporting banks occurred in business accounts—financial and non-financial. The broad estimates given earlier in this statement show that at all commercial banks the increase in business deposits accounts for a somewhat smaller proportion of the total increase, reflecting the larger volume of personal deposits at non-reporting banks.

President Praises Women War Workers

President Roosevelt on July 7 praised women war workers for doing "a grand job." The President paid this tribute in a letter to Secretary of Labor Frances Perkins on the occasion of the 25th anniversary of the Women's Bureau of the Labor Department.

The letter, which was read by Miss Perkins during a Blue Network program on July 7, read as follows:

Dear Madam Secretary: The Women's Bureau of the Department of Labor will be 25 years old tomorrow and it is altogether fitting that its many accomplishments over the years be told tonight.

The bureau is to be congratulated on the work it did in the first world war and on the work it is doing now in the interest of women workers all over the United States.

I am informed that approximately 16,000,000 American women are now working, more than 2,000,000 of them being engaged in the production of the munitions with which the United Nations are steadily beating down the Axis.

More and more of our women, in months to come, will go into munitions plants, aircraft plants, into shipyards and into other industries making actual equipment for our soldiers, sailors and marines or into plants servicing our armed forces.

They are doing a grand job, all of them, working under what are new conditions, for most of them, they are showing the skill and efficiency which makes for high production. We owe them and their sisters, who are taking the places of men in many drudging civilian jobs, a great debt and I join with Americans here and those in the fighting forces all over the world in acknowledging it upon an occasion such as the anniversary of the government agency which is so much concerned with their welfare. Very sincerely yours, FRANKLIN D. ROOSEVELT.

"Big Boys" Of Business Not "Cashing In" T. W. Lamont Tells Poet Benet

(Continued from first page)

for so many years, and have from my humble stance in mundane affairs so admired your eminence in letters, that I hesitate to call to your attention certain of your recent observations on purely economic and business questions with which I am not in accord.

In the May 22 issue of your "Phoenix Nest" you begin by saying "The self-righteousness of capital toward the recent high-handed conduct of John L. Lewis (and of most of the press, which can always be counted upon to side with the big money) brings to mind, etc."

Now I cannot help wondering what your definition of "capital" is that has shown such "self-righteousness." Is it the recent "high-handed conduct" of both Houses of Congress? Or is it the conduct generally of our millions of citizens who own the greatest single capital item in our country, namely, our farms, and of the other millions who own the shares of our great industrial and transportation corporations? For surely you must be aware that in the last two generations the ownership of all the thousands of our great corporations (with possibly two or three exceptions) has been fragmented, democratized; and that most of those large blocks of individual holdings no longer exist.

Well, let's not bother then, to ask you to define capital, nor for that matter to adduce proof of your dogma that the subserviency of the public press to "big money" can "always be counted upon." Having started originally in newspaper work and for years followed the course of the public press, I have always felt that its independence, just as in England, had been recognized and accepted as one of the glories attained up to the present time only by Anglo-Saxon peoples. Have I been wrong about this all this time? And are you able, moving as you do more closely in journalistic circles than I can hope to do, to assure me that you are right as to this lack of "independence" in the press?

This is rather a long preliminary to my respectful expression of astonishment that you should at this point, a full year after its publication, have taken to your bosom "The Coming Showdown," that fantasy of one Carl Dreher, whose remedy for all the ills of the world is "democratic collectivism." In America we don't know much about collectivism but we have a natural distaste for the sound of it because it is a Nazi and a Fascist product. And we know darn well that collectivism is at the antipodes from democracy, and that, Carl Dreher to the contrary notwithstanding, there can be no such thing as "democratic collectivism." As one of the reviewers a year ago pointed out: It is a "contradiction in terms" since "collectivism works in practice only when it is thoroughly undemocratic."

You quote from Mr. Dreher, calling particular attention to his idea, which you yourself seem to accept, that "Congress is still squeamish about dipping deep into war profits"; such a statement seeming to imply a previous careful study of our existing tax laws. You yourself go on to say that people (including yourself, Bill?) "have a strong suspicion that capital is cashing in on the war." Of course everybody knows that for many of our American corporations large gross earnings are the order of the day. But careful analysis fails entirely to bear out the "cashing-in" idea. Very likely you yourself may have had in mind some of our largest companies which have

been converted at the request of the Government to the production almost exclusively of war materials. I have before me a recent compilation analyzing the reports of a group of 40 such large manufacturers of war materials, and these figures present an entirely different picture from what Mr. Dreher certainly, and you probably, have had in mind. These figures show that while the sales of these concerns have grown enormously, their payrolls and taxes have immensely increased, whereas their net income and the dividends they have paid to their stockholders have declined. Tabled figures are rather annoying, I know, but these that I quote below tell the story:

| | 1940 | 1941 | 1942 | % change |
|-------------|--------------------------|----------|----------|---------------|
| | (in millions of dollars) | | | 1941-2 1940-2 |
| Sales, etc. | \$7,659 | \$11,230 | \$13,895 | +24 +81 |
| Payrolls | 2,502 | 3,697 | 4,915 | +36 +96 |
| Taxes | 598 | 1,465 | 1,753 | +20 +193 |
| Net income | 705 | 765 | 587 | -23 -17 |
| Div. paid | 482 | 515 | 368 | -25 -20 |

As you see, the immense corporate income and excess profits taxes that these industries are, quite properly, being called upon to pay, have resulted in a marked falling off of profits and dividends. So the Government, which certainly needs the money, and not the corporations, has been doing the "cashing-in." I may add that from 1940 to 1942, the average annual compensation per employee of these corporations rose from \$1,800 to \$2,450.

So you see that the Big Boys, as you call them, have not been "cashing-in" on the war as you seem to think. Even at that, many of their existing contracts are subject to fresh "renegotiation" by keen Government officials which may well reduce still more the final net income of these corporations.

No, Bill, I do not believe you need be concerned about the Big Boys in industry. On the contrary, I assure you from personal knowledge, that what we have to be concerned about is this, namely, that many of our industrial concerns, under present tax legislation, far from cashing in on the war, are more likely to be dangerously depleting the corporate reserves they will surely need to meet the task of reconversion of their plants from war uses and machines to peacetime production when the war ends. Of course we may squeeze the corporations until the pips squeak, but let us leave them enough to prepare for this vital task of reconstruction.

Reverting to Mr. Dreher's book, you do not go so far as to say that "democratic collectivism" is the solution you favor. Apparently a "balance of free enterprise and control by the Government" would be enough to satisfy you. Hardly any reasonable man, even one of the "Big Boys" of business, as you call them, would, I assure you, disagree with that ideal. The difficulty comes when the form and extent of control by Government are to be determined, and the history of the past ten years or more illustrates the complexity of the problem. All I would ask is for you and me not to be too impatient with our present system and its admitted faults—not to be too ready to believe the worst about it.

One other thing I have overlooked. That is, when you said: "We have seen unfettered initiative and free enterprise run a country right into the hole." In other words it was primarily the initiators and free enterprisers, was it? who brought on the great business depression that began late in 1929? Is that what you mean, Bill? Is that really possible? Were you not aware that in that period the whole civilized world went into a tail-spin. That

the European debacle began in 1931 with the bankruptcy of the great Credit Anstalt Bank in Vienna; that England was driven off the gold standard in September, 1931, a year and a half before we were, and so on?

Look up your history, and at the very start put this in your pipe and smoke it: if every quarter century or so our Western civilization is going to indulge in the luxury of a world war, destroy hundreds of billions of dollars of property and millions of human lives and dislocate our whole machinery of living and progress, then of course such vast conflicts are bound to be followed sooner or later by devastatingly hard times. The world really never got solidly back on its feet after World War I. In the 1920's it was feverishly at work trying to reconstruct, borrow, and go through all the motions. It was setting up, through the blindness of its politicians all over the world, trade barriers and embargoes, trying to collect impossible international loans and dedeviling international trade generally.

But it was not our initiators and free enterprisers that did the mischief. It was the great economic aftermath of a world-wide war plus unwise statesmanship.

Incidentally, do you recall that after the Napoleonic Wars that ended in 1815 England never got really back on her feet economically till 1850? For that long and dismal aftermath Napoleon was far more responsible than the free enterprisers.

Following our own Civil War we had a terrific depression from 1873 to 1877, a direct aftermath of the dislocating struggle between the North and the South. Many Southerners think that despite the best efforts of these free enterprisers the South has never recovered, after 80 years, from the devastation of that great conflict.

The Spanish American War (1898) the Boer War (1899-1902), the Russo-Japanese War (1904-05) were not world conflicts, but put together they destroyed a tidy lot of capital and upset the economies of many nations. The panic and depression that inevitably followed came about 1907, and from that time on business here was spotty until the second year of World War I in 1915.

What is going to happen to our American economy after the present, the greatest and most devastating of all world wars? The Lord only knows. But we are all aware that at this moment business men and Government are working at top speed not only to win the war, but to devise plans to lessen the post-war shocks upon employment, living standards and all else that has been a part of the American way of life.

But, Bill, just a moment at the end of a long but, you can see, a respectful and amiable letter: Forget about the machinations of these "free-enterprisers" of yours that you think have done so badly by us. Forget about your Big Boys and all the category of personal devils. Just sit down with me late some afternoon over a cool drink at the Century Coffee House, or where you will, and fix up with me a simple little international plan that will prevent wars. Then we shall be able to avoid post-war booms and depressions and you will finally get a real idea of the system that is variously called the profit system, or the capital system, or the enterprise system, or the savings and thrift system—all good names for the system under which America grew in three hundred years from the wilderness to a land in which men are free and have more nearly equal opportunity than ever before, to a land in which the average man lives better, healthier and wealthier than ever man has anywhere.

Let us be careful, you and I, in

our urge to better humanity, not to kill off the precious thing that in your piece you yourself call "the independence of Americans."

Affectionately yours,

(Signed) Thomas W. Lamont.

Mr. Rose in "The Phoenix Nest," May 22

From the May 22 column of "The Phoenix Nest" by Mr. Benet we quote the following:

The self-righteousness of capital toward the recent high-handed conduct of John L. Lewis (and of most of the press, which can always be counted upon to side with the big money) brings to mind the fact that, as Carl Dreher says in "The Coming Showdown," there was also "a sit-down strike of capital in the face of a national crisis." But that was some time back, of course, and events move fast, and people forget. Yet also "the people do get the general drift of events. . . . They know that the profits of big business have gone up. They know that the yield of the excess-profits tax for the first year of rearmament was no more than a drop in the bucket of military expenditures, and that Congress is still squeamish about dipping deep into war profits." They have a strong suspicion that capital is cashing in on the war. So, "beneath the appearance there will be that 'class suspicion and hatred' which the big boys are always muttering about when they are not too busy promoting it with all the means at their command." Sometimes when I think over where I stand myself, as a patriot, I guess it is against having the country run for those Big Boys, and in favor of having it run for Mr. Wallace's Common Man. One thing we have created in this country which I haven't found elsewhere, and which I think is a great characteristic of ours, is the independence of Americans. But "independent as a hog on ice" is also a perfect description of it. A hog on ice is great on independence, but not so sound on the principle of control. So, when tears spring to the eyes of the business man at the mention of Initiative and Free Enterprise, holiest to him of all things under the sun, is he not apt to forget, as he bows his head and sinks to his knees, the unbelievable social stupidities, to say nothing of economic crimes, that have been committed in their name? I don't think we so much admire the fellow that "gets away with it" as we used. We have seen unfettered initiative and free enterprise run a country right into the hole. Today what we want is a balance of free enterprise and control by the Government. The upholders of the status quo have always reiterated to us that "you can't change human nature." No, say I to them, you can't, it seems, change the human nature of you fellows; so to protect yourselves from yourselves and the public from you, it is necessary for the Government to exercise certain controls. Or who do you think you are?

With which moral—if it be a moral—I drop my theorbo, as Browning said.

Mr. Benet's Reply to Mr. Lamont

The column written by Mr. Benet for the "Saturday Review," of July 17, follows:

THE PHOENIX NEST

The Nest could hardly escape being flattered by the attention paid to its vestiges of opinion by an eminent financier. You see, if Tom Lamont can be a mossy violet, I can be mossier! Nor could I escape being rather appalled by having my name, so to speak, headlined, just as I had quietly stolen away to Cape Ann for a communion with the shades of some of the Transcendentalists who once sojourned here. But such, I suppose, are the penalties

of opinion. Mr. Lamont's letter was that of a scholar and a gentleman, as was to be expected. It was an honest letter from an honest man, which also goes without saying. He puts the blame for "dat ole devil" Economic Cycle on Wars. Wars have undoubtedly had a great deal to do with the woes of the world from time immemorial; and they get worse and worse. But wars do not just happen because men like to fight. They happen also because men hold opinions they think are worth fighting for, for those opinions become principles and ideals. We are now fighting abroad for our own ideals, which very word means (as people are likely to forget) that they are only in process of being realized, and may, indeed, never be wholly realized. At home we are engaged in a great deal of friction, hardly exhibiting the unity of the Tight Little Isle—which, just because it is a little isle and we a great sprawling continent, has less trouble, it would seem, in cohering under crisis. All this causes my own infinitesimal corner to wax controversial now and then, and sometimes, like most journalists, I am inclined to make sweeping statements. But I was aware that many people now owned shares in our great corporations; and Tom knows that when I said "capital" I did not mean those people. After all, the many small stockholders in a large corporation exercise practically no control over the affairs of that corporation. They may politely be asked to "sit in" at times, to be represented at a board meeting. If any did, they'd be too overawed to venture an opinion. I meant by capital the men in the uppermost income brackets (if we eliminate the Movie Stars!) who, through their money, and hence power, control, or help control, great industrial corporations and public utilities; whose holdings (however democratized corporations may be today) are not small; who wield the power that money can wield; who direct lobbies and pressure groups; whose object is to maintain the social and economic system of the United States for the benefit of the few and for the profit of the few, and not for the benefit of the great majority and the profit of the great majority. If Tom says there are no such Americans now, I can only say that I cannot agree with him, and feel that he sees the picture through the rosy glasses of a too amiable temperament. There are such men as those of whom I speak, and they are powerful. In private life they may be pleasant men, and they are honest enough, because they believe in a country being run for a few. They believe in privilege. I don't believe in any such thing, and I think it is totally un-American. But that is what I mean by Capital. It goes hand in hand with the obstruction of all progress in sociology and economics, because it is afraid that it will lose its preferred position of power. It has taken up the slogan of Free Enterprise because that assures its preferred position.

"It would be nice to wake up tomorrow and find that this statement was what Tom calls Carl Dreher's book, a 'fantasy.' But so long as I hear of the head of a large corporation slicing himself off a huge bonus—for what?—while his workingmen live in working conditions that should be a scandal, I will believe in such men. Such bonuses have been known in the immediate past, and such working conditions are, unfortunately, known today. It isn't fantasy. And I once took a look at the published figures of incomes in these United States and they sickened me. A very few had enormous incomes and the great majority had incomes upon which, at best, the cost of living

being what it is, they could barely scrape along. What on earth is the world for, if not to enable every one to work, have three square meals a day, and a decent roof over their heads, sound healthy recreation and the opportunity to be properly educated? And all that is now humanly possible—for everyone in this country. Tom says that a lot of it has happened here already. (Let us leave out War-time which establishes an unusual set of conditions.) He thinks I am looking entirely too much on the dark side of the picture. Possibly. But from the earliest times that is the only way facts have been brought out into the open, and conditions improved.

"About 'collectivism'? Yes, it is a Nazi and a Fascist product, but also it is (what Tom omitted to say) a Communist product. And it started as a Key-Stone of Socialism. The Nazis and the Fascists merely stole such features as suited them. At this point I shall not add to the current rather acrimonious discussion of Russia and Communism. But Russia is a Communist State, and also our praised and respected ally, and it is obviously collectivist; and if Russia can profitably learn from our ways of democracy (as I believe she can) we can also profitably study how collectivism works, and in what respects it does not work, over there. I myself do not believe in any kind of dictatorship, and I never did believe in, among other kinds, 'the dictatorship of the proletariat.' Insofar as Russia is a dictatorship, I think it is a dangerous form of government. Certain achievements in Russia were accomplished (and there is no argument about this) at a terrific cost in human lives. I do not wish that kind of collectivism in America, and certainly not at that price. I do want 'the independence of Americans' preserved. But quite aside from whether Carl Dreher's book is gospel or a lot of hokey (and I myself thought he said some pretty shrewd things), is it too much to ask that this cherished independence of ours cease to be made a cloak for those who would rule America for their own profit and oppose every kind of reform of our processes? The ideals of the New Deal—however faulty the processes may have been in certain respects—have always really been anathema to these—pardon me, Tom!—Big Boys. Sufficit.

"As for sitting down to a cool drink with Mr. Lamont at the Coffee House or anywhere, it would be a pleasure. I might not be much help to him in immediately eliminating wars! Perhaps I would modify my opinion of our press. It is pretty much ruled by its advertisers except 'PM', but it also produces some remarkable things, like the reporting of the present war, which is an everlasting tribute to the efficiency and perspicacity of the special correspondent. I should say to Tom, too, right off, that I liked his 'tabled figures,' and that I was glad to have him mention 'the immense corporate income and excess profits taxes that these industries are, quite properly, being called upon to pay' (*boldface my own.) I should say to him that I realize the necessity of maintaining corporate reserves; but that such a howl has gone up about them, in the midst of a vital war, from the big industrialists, that I have also felt, 'Methinks, they do protest too much!' And I should ask: what is it in our present social philosophy and economic thinking that breeds these devastating wars: what shall we do to be saved? Tom is, I believe, in direct descent from the clergy, and is sincerely interested in what we shall do to be saved. From what? Well, for instance, I suppose anyone would grant that William Allen White is a good American, no

wild-eyed Red, a solid citizen—and we know that he at one time backed the Kansas Sunflower. Yet recently I read something he said about big business men in Washington. He said as men they were good fellows and good friends; but that the minute you got them on the subject of their own business and its future they became fierce, fanatical, and ruthless. I'm merely saying what I read, and what Bill White thought. Straws.

"Over and above that, I won't say I love this country—any more than a man would boast in public of how much he loved his mother—but I am part of this country, and it is still The Country of the Great Experiment. I know how much my brother loved this country, who was a far better man than I. And, Boy, how I hate its faults! Which does not mean that I am a many 'plaster saint,' as anyone who knows me knows. 'The form and extent of control by the government.' Yes, that is what we shall have to work out. But it will always involve a certain amount of fighting—men being made that way. Tom is a most charming, informed, and amiable man, but when he tells me, 'Let us be careful,' I say, 'No, let us not be too careful! Let us be bold. The early initiators and enterprisers were bold. Let us be bold for the future of all the people of this country. Let us not be contented with saying how much better the workman over here has lived than have the peasants in Europe. This is a great, strong, rich country with food for all, work for all, homes for all, if we make it so. It is a country that, even as it is, men will fight and die for. Let us make it truly the hope of the whole world.'

"William Rose Benet."

From Washington

(Continued from first page)

grounds which decent Americans hate to discuss.

The facts in the De Gaulle-Giraud controversy are that the American and the British fighting men assume that they will have to do the fighting everywhere that is necessary to crush the Axis. Our propagandists make high sounding phrases about the liberty loving Chinese and the liberty loving Yugo-Slovakians and the liberty loving Poles, and above all, those liberty loving French who did nothing about their liberty but lay down. But the military men, considering that to be just good sport, go right ahead assuming that we and the British will have to do the job. They even go through the form of arming the Chinese and the French - African mercenaries so they will have something to play with, but they have no illusions about the score.

Yet into this situation, a group of American commentators, men who were whooping it up for the war, must come with the insistence that unless our Government deals with men of their selection, it will not be an authentic victory even if we win it!

It is a pretty disgusting situation that has been going on around here for several weeks and the lines, if you will check, are pretty definitely drawn. De Gaulle escaped from France and the British, for propaganda purposes, built him up as representing that great "flame" of a Free French. It was a natural thing to do. With their support De Gaulle built up a great personal propaganda organization. He has propaganda staffs in New York, in Washington, in other places around the globe. They were supported by the British. Now, inasmuch as we are paying all the bill, they are being supported by us. In Washington, his staff is housed in pretentious quarters on what is known as Diplomatic Row, Sixteenth St. Writing as one whose ancestry is French, the

Allied support of the so-called De Gaulle Movement has been a luxurious setup for the emigre frogs.

Where can they be of use to us? Well, they are being paid to propagandize the French. Our military men who in the actual fighting don't expect any assistance from any of the people they are "liberating"—all they hope is that they won't get stabbed in the back—found that in North Africa De Gaulle was contentious. He has a "movement" and God knows these military men fear "movements" behind their backs.

They particularly fear the movement which Walter Lippman and his clique are trying to stir up. Without going into the delicate details it is capable of letting loose a storm in North Africa.

The question arises as to whether these men have gone about stirring up this trouble sincerely. The facts are that the newspaper "PM," a journal devoted to spreading only sunshine and happiness, sent a correspondent to North Africa several weeks ago for the purpose of "exposing" our "political blundering" in North Africa. After an investigation he came back and refused to write the "expose." Instead, he wanted to write the truth which was a tribute to our whole diplomatic handling of the situation. His paper would not run this story and he resigned.

Also, Lippman recently wrote a vicious story about Demaree Bess of the "Saturday Evening Post" who had gone to North Africa and had access to the official correspondence dealing with our diplomatic arrangements there. One thing that incensed the majority of the Washington correspondents was his statement that Bess had "sung for his supper." But what is more important to his readers is that Lippman, by distorting Bess' context, gave the impression in some quarters that we had double crossed Giraud. Giraud was here in Washington at the time. You wonder what is the game of Lippman and his clique—the men who wanted the war—whether it is to win it, or to win it on their basis. And they are taking advantage of decent men when they pursue the course they are pursuing—because they would be the first to scream "intolerance."

They have gone so far, this clique, as to represent that our State Department was composed of Fascists and that in their bringing Giraud over here, instead of De Gaulle, we were seeking to undermine the British. The British, they represented, were for De Gaulle. We were seeking to outmaneuver the British in the control of France after the war. All very helpful stuff, of course. But it so happens that Churchill, himself, has sent a memorandum over here, saying, in effect, he is damned tired of paying agitator De Gaulle's way, that De Gaulle has been using the money which Britain gave him, to propagandize against Britain—which means the money we've been giving Britain in the first place.

And in the final analysis, does anyone suppose that either De Gaulle or Giraud will have any appreciable part in the outcome of the war? The answer being no, then what are Lippman and his clique trying to pull off?

Babies, Soil, Work And Bombers

(Continued from first page)

rubber made from alcohol; while the oil men want to sell petroleum. For every ton of rubber made—either from alcohol or petroleum—we are robbing our grandchildren at a criminal rate. This craze for synthetics may easily become an important factor in the downfall of America.

We Need More Manual Workers

I have a great many letters from young people wanting jobs, but very few want to work with their hands except to press the keys of a typewriter or some other machine. As a result, we are getting to an actual shortage of manual workers. The real reason that John L. Lewis has been able to hold up 136,500,000 people is because his union is made up exclusively of manual workers, namely, the miners. No labor union, consisting of those doing work which we can do for ourselves, could hold us up. Hence, we should get back to the soil and be less dependent upon the labor of others.

The simple truth is that all of us were designed to do some manual work in order to live healthy, courageous and useful lives. In the long-run, we people cannot hire others to exercise for us and do all our manual work any more than we can hire others to eat for us, sleep for us or breathe for us. If you want further advice on this subject read the eleventh verse of the fourth chapter of I Thessalonians and the tenth verse of the third chapter of II Thessalonians, which were the first books written for the New Testament. Whether our educational system is to blame for today's dangerous tendencies, I do not know; but they must be corrected or we will end up with John L. Lewis, or someone else who controls manual labor, the dictator of America. Labor union control can be prevented only as

we become less dependent upon their members.

We Need More Good Bombers

I am no army or navy expert, but I am a statistician. When my Washington friends tell me that one of our bombs will wipe out 50 German buildings, I can reach an important conclusion. For instance, we know how many buildings there are in Germany which if bombed would cause the Germans to surrender. By simple division we know, therefore, how many bombs would be necessary to complete this job and hence how many bombers would be required to make a slaughtering invasion unnecessary at this time.

My Washington friends tell me that we must be prepared to lose from 3 to 5% of our bombers on each successful raid. Hence, it is only a question of making enough bombers and bombs. This we can do. If this would require dropping 300,000 tons in six months it would mean dropping 50,000 tons a month, or 12,000 tons a week. If we must lose a plane for every 50 tons dropped, this would mean a loss of about 6,000 bombers and perhaps 60,000 men in the process of wiping out Germany. To a statistician, it seems a crime to lose the lives of 1,000,000 good Americans in too hasty invasion attempts.

Conclusion

When my associates read this copy they say, "The above four facts are self-evident; but what is needed to bring these changes about?" Well, unfortunately, they cannot be brought about by legislation and I fear education of itself will be unsuccessful. These four great needs require voluntary willingness to sacrifice on the part of all of us for the common good. Only a spiritual awakening can bring this condition about. Hence, only a spiritual awakening can save America.

Building Construction In First Half Of 1943 Totaled \$4,300,000,000 Labor Dept. Reports

New construction activity in the continental United States, which amounted to \$4,300,000,000 in the first six months of 1943, is expected to decrease to less than \$2,500,000,000 for the last half of the year, Secretary of Labor Frances Perkins reports. "Operating under stringent controls and faced with shortages in many lines of materials the construction industry put in place only \$753,000,000 of privately financed work in the

first half of the year," she said. "Public construction, with the military and naval and industrial facilities programs nearing completion, totaled approximately \$3,600,000,000 in the first six months of 1943 and probably will amount to not much more than half that much in the remainder of the year."

Secretary Perkins further stated:

"Private construction continued the decline started in the last half of 1941 and is expected to drop below \$700,000,000 in the last half of 1943. Non-farm residential construction fell to \$334,000,000 in the first half of the year and should increase slightly in the last six months. Private non-residential construction of \$73,000,000 amounted to less than a fourth of the total for the first half of 1942.

"Farm and public utility construction both showed declines as compared with the first half of 1942, although the declines were not so severe as in other types of private construction. Further curtailment of farm and public utility construction in 1943 is not expected to be so great as in other types of private construction.

"Expenditures for Federally financed war housing amounted to \$375,000,000 in the first half of the year, an increase of 116% over the same period last year.

A 30% decline in war housing expenditures is expected in the last half of the year.

"The \$1,100,000,000 of industrial facilities construction was about two-thirds of the total for the first six months of 1942 but only slightly more than one-half of expenditures in the last six months of the year. This program is nearing completion and expenditures for the remainder of 1943 are forecast at \$390,000,000.

"Military and naval construction expenditures of \$1,600,000,000, although less than half of the total for the last half of 1942, were only slightly below the total for the first half of 1942. Expenditures of slightly more than \$700,000,000 are expected on this program in the last six months of the year.

"Highway construction expenditures of \$192,000,000 were about 42% less than in the comparable period of 1942 and are expected to decline 4% in the last half of the year. Other public construction, including river, harbor and flood control works, TVA projects and public service enterprises such as water and sewage, rapid transit, electric light and power, and pipe lines, increased from \$172,000,000 in the first half of 1942 to \$216,000,000 in the first six months of the current year. This rise was largely the result of increased activity in the construction of Federally financed pipe lines."

April Home Mortgage Recordings Higher

The Federal Home Loan Bank Administration reports that responding to the normal Spring acceleration of the home financing market, the amount of non-farm mortgage recordings of \$20,000 or less rose 15% from the March figure. This is the second successive month, it is pointed out, in which mortgage recordings have shown an improvement over the previous period. The gain, although largely seasonal in character, was sufficient to carry April mortgage activity to a point only 14% below April of last year. The total dollar volume of \$308,975,000 was, however, 22% below April, 1941, when recordings were the highest for any comparable month since the inception of the series in 1939.

The announcement further said:

All classes of lenders shared in the upward movement of recordings. Commercial banks and trust companies indicated the greatest proportional rise, 19%, savings and loan associations and mutual savings banks ranked next with rises of 18% and 17%, respectively. Each of the remaining types of institutions exhibited an increase of approximately 10%.

| Type of Lender | April 1943 | | April 1942 | | April 1941 | | Cumulative Recordings January-April | |
|----------------|--------------|------------------|--------------|------------------|--------------|------------------|-------------------------------------|-------|
| | Volume (000) | % Chg. from Mar. | Volume (000) | % Chg. from Mar. | Volume (000) | % Chg. from Mar. | 1943 | 1942 |
| S. & L. Assns. | 101,135 | 32.7 + 18.1 | 108,582 | 30.2 + 8.3 | \$318,650 | \$386,202 | -17.5 | -17.5 |
| Ins. Cos. | 24,558 | 8.0 + 10.3 | 34,468 | 9.6 + 8.5 | 84,720 | 126,724 | -33.1 | -33.1 |
| Bk. & Tr. Cos. | 63,385 | 20.5 + 19.2 | 82,082 | 22.8 + 5.1 | 203,484 | 309,200 | -32.0 | -32.0 |
| Mut. Svs. Bks. | 11,122 | 3.6 + 16.6 | 15,310 | 4.2 + 25.9 | 36,598 | 51,400 | -28.6 | -28.6 |
| Individuals | 65,807 | 21.3 + 10.3 | 62,707 | 17.4 + 4.0 | 225,906 | 235,445 | -4.1 | -4.1 |
| Others | 42,950 | 13.9 + 9.6 | 56,821 | 15.8 + 9.0 | 151,163 | 205,250 | -26.3 | -26.3 |
| Total | \$308,975 | 100.0 + 14.7 | \$359,968 | 100.0 + 7.2 | 1,026,541 | 1,313,041 | -21.8 | -21.8 |

Cumulative recordings for the first four months of the year were \$1,027,000,000. This was about 22% less than in the same month of last year and nearly one-fourth below 1941 totals for comparable months. During the January-April period, savings and loan associations accounted for 31% of the total. Individual lenders ranked second, having recorded 22%, while banks and trust companies were third in magnitude, having recorded 20% of the total for the four months. In all periods prior to 1943, recordings of commercial banks have exceeded those of individuals by a sizeable margin.

Jones Denies Wallace's Charges Of Stockpile Delays: House Group Not To Inquire

The House Rules Committee on July 6 failed to approve the resolution calling for an investigation into the controversy between Vice-President Wallace and Secretary of Commerce Jesse H. Jones. Mr. Jones has declared that he would welcome a Congressional inquiry.

Mr. Wallace had publicly charged on June 29 the Reconstruction Finance Corporation, which is under Mr. Jones's jurisdiction, with obstructing the acquisition of strategic and critical war materials by the Board of Economic Warfare, which the Vice-President heads.

Secretary Jones on July 5 issued a 7,500-word statement of denial of Mr. Wallace's charges, and in a letter to the Senate Appropriations Committee also took exception to Secretary Wallace's allegations.

Mr. Jones denied that the RFC had delayed purchases of war materials but said the BEW had been guilty, if anyone.

James F. Byrnes, Director of War Mobilization, sought on June 30 to compose the differences between the two administration officials but failed in his initial peace-making attempt. Following a White House conference, both principals issued new critical statements. Bernard M. Baruch, Assistant to Mr. Byrnes and Administration adviser, was also reported as active in efforts to straighten out differences of policy between the BEW and the RFC. It was disclosed on July 3 by Milo Perkins, the BEW's Executive Director, that Mr. Baruch "has helped us break log-jams" which had developed when the two agencies had differed over purchases of war materials from abroad.

In Associated Press Washington advices of July 6 the following was reported concerning Mr. Jones's statement:

"He took up one by one the Vice-President's complaints that the RFC had held up BEW purchases of beryllium, cobalt, corundum, tantalum, zirconium and quartz crystal and he denied them all. RFC, in fact, is purchasing 37 different metals and the 29 not mentioned by Mr. Wallace account for 97% of its dollar commitments and 99% by weight, said Mr. Jones.

"Mr. Wallace's statement that Mr. Jones had harassed the BEW's administrative employees, 'is as

silly and ridiculous as it is false,' Mr. Jones added.

"He lobbed back at Mr. Wallace the very charge aimed at him, declaring that the BEW had been running around in circles in its purchasing program and resorted to methods bordering on the hysterical, 'without getting anywhere. He said the board had sent 100 men to Brazil on one assignment alone and added that he thought it would have been handled better if all had stayed home.

"Mr. Jones questioned the validity of an order from Mr. Wallace as President of the BEW which would require the RFC to sign 'without question or inquiry' a contract for foreign purchases. This directive was issued by Mr. Wallace while Mr. Roosevelt was attending the famous Casablanca conference, and Mr. Jones said that its force was open to serious question.

"Stacked against these contentions was a letter by Mr. Perkins to the Senate Committee, accusing Mr. Jones of throwing up a smokescreen.

"He has not proved and cannot prove that he bought what the Vice-President charged him with not buying," wrote Mr. Perkins."

Mr. Wallace's charges were noted in these columns July 1, page 20.

Cotton Report As Of July 1

The acreage of cotton in cultivation in the United States on July 1, 1943 is estimated by the Crop Reporting Board at 21,995,000 acres which is 1,307,000 acres or 5.6% less than last year, and 7,513,000 acres or 25.5% less than the 10-year (1932-41) average. Assuming 10-year average abandonment an acreage of 21,576,000 acres is indicated for harvest in 1943. Such an acreage would be smaller than that for any year since 1895.

Reduction in acreage from last year is indicated for all States excepting Mississippi where there was an increase of approximately

2%, and in North Carolina where 1943 acreage is slightly above last year.

Texas shows a reduction of 380,000 acres, Oklahoma 292,000, Georgia 155,000, Alabama 152,000, and Arkansas 101,000. A large part of the acreage decrease in Oklahoma and Arkansas was due to losses from floods during late May and early June. Increases in acreage above last year were confined chiefly to counties in the Mississippi River Delta, where most of the longer staples of upland cotton are produced.

Total acreage planted in the three Western States (New Mexico, Arizona, and California) is 165,000 below that planted in 1942. In Arizona and California considerable difficulty was experienced in harvesting the crop last year. Most of the reduction in New Mexico occurred in the dry land area where rainfall has been deficient throughout the planting season.

The acreage planted to American Egyptian cotton is estimated at 146,400, compared with 192,900 acres planted in 1942. Sea Island cotton acreage, at 3,100, is slightly less than half the 6,700 acres planted a year ago.

June Living Cost Up 0.1%

Living costs of wage earners and lower-salaried clerical workers in the United States continued their upward movement, but at a reduced rate, in June with a rise of 0.1%, according to the National Industrial Conference Board.

The Board's announcement further said:

"Food prices, which have long led the upward movement, rose only 0.1% in June, while sundries moved up 0.4%. Clothing rose 0.1%, while fuel and light declined 0.3%. Housing remained unchanged.

"The Board's index of the cost of living (1923=100) stood at 104.3 in June as compared with 104.2 in May, and 97.4 in June, 1942.

"The level of living costs was 7.1% higher than that of a year ago. Food showed the greatest advance over June, 1942, with an increase of 16.5%. Other advances during the twelve months were: sundries, 2.7%, fuel and light, 2.3%, and clothing 0.6%. Housing declined 0.2%.

"The purchasing value of the dollar, on the basis of 100 cents to the dollar in 1923, which amounted to 96.0 cents in May, declined to 95.9 cents in June. It stood at 102.7 in June, 1942."

President Tells Poles Hour Of Liberation Nears

President Roosevelt told Wladyslaw Raczkiewicz, Polish President-in-exile in London, that he fully shares the view that "our increasing victories are bringing closer the hour of deliverance for the nations of Europe struggling against the brutal invader." Reporting this, Associated Press Washington advices of July 9 further said:

"Replying to a message from the Polish President on American Independence Day, the President declared that 'the Polish people may be certain that their sufferings and unceasing contributions to our common cause will not be forgotten when their hour of liberation strikes.'

"Mr. Roosevelt said he was fully cognizant of what the loss of General Sikorski, Polish Premier, means to the people of Poland and that he was confident they would carry on 'with redoubled efforts their fight against Nazi tyranny, secure in the thought that the high principles of integrity, justice and statesmanship laid down by General Sikorski will be carried on by other leaders.'

"General Sikorski was killed in the crash of an airplane taking off from Gibraltar."

World Organization To Prevent Future Wars Urged By Dr. Wei

Dr. Wei Tao-ming, Chinese Ambassador to the United States, on July 10 called for "an effective world organization" to prevent future wars, Dr. Wei proposed this in an address before the National Maritime Union's convention in New York City.

In the New York "Herald Tribune" of July 11 his remarks were further reported as follows:

After a tribute to the merchant seamen of the United States and all the United Nations "whose heroism, courage and fortitude in this war will be emblazoned across the pages of history," Dr. Wei said: "Everyone realizes that after this war is over, we must build an effective world organization to prevent such destruction and bloodshed from happening again."

The spirit of co-operation and mutual understanding forged on the fields of battle must be carried, Dr. Wei said, into the post-war period "so that a better world will be established, in which there will be freedom for every nation in the world and every man in each nation."

Senate Quits Effort To Ban Subsidies

The Senate on July 8 by a vote of 34 to 33 receded from its effort to ban the Administration's use of subsidies to roll back retail food prices. This reversal of its previous stand cleared the way for final action on the legislation continuing the life of the Commodity Credit Corporation until Jan. 1, 1944 and increasing the latter's borrowing power by \$350,000,000. By this vote the Senate instructed its conferees to accept the House-approved measure which did not contain the ban on food subsidy payments.

The Senate had voted 36 to 28 on July 6 to include a prohibition on Governmental payments to processors to cut the retail price of such foods as meat and butter. However, the House refused to accept this Senate amendment to the CCC bill, principally for fear of another Presidential veto.

It is expected that the subsidy issue will be brought up again when Congress returns from its two-month recess on Sept. 14.

House passage of the CCC bill and the President's veto of the previous bill banning subsidies was reported in these columns July 8, page 129.

Nation-Wide Study Of Anthracite Distribution

Another step toward assuring equitable distribution of anthracite was announced on July 8 by Solid Fuels Administrator for War Harold L. Ickes, who stated that he had ordered the industry to report to him immediately where and to whom the approximately 58,000,000 tons of "commercial" anthracite were distributed in the last burning season.

"On the basis of these reports," Mr. Ickes said, "it will be possible to estimate fairly closely the requirements of each community in the anthracite-consuming area and to take into account wartime shifts in population, conversions from fuel oil and other factors. We must have this information available to complete the permanent hard coal distribution program which is now being developed.

"A carefully integrated plan is required to prevent inequities in meeting anthracite requirements next winter because of wartime shifts in distribution."

This will be the first detailed national distribution study of anthracite ever made. Ordered to

file reports at the latest by July 26 were the industry's 300-odd producers, wholesalers and dock operators. The study will cover their anthracite distribution during the "coal year" April 1, 1942, to March 31, 1943.

Anthracite is the primary fuel for homes and other domestic uses in the Eastern Seaboard States north of Virginia. Administrator Ickes instituted a temporary program on June 22 designed to maintain fair distribution until a permanent measure can be placed in effect. Under it, producers and wholesalers are directed to distribute their available supplies of coal so that each community receives by September 1, as nearly as possible the amount it received between April 1, 1942, and August 31, 1942, or five-twelfths of the amount it received in the 1942-43 "coal year," whichever is larger.

The reports will show the distribution by sizes of coal, method of transportation and destination of shipments. Tonnage figures will be broken down among the various types of consumers including power plants, railroads, general industry and retail yards. The form of the reports was developed in consultation with industry representatives.

NYSE Borrowings Low

The New York Stock Exchange announced on July 8 that the total of money borrowed as reported by Stock Exchange member firms as of the close of business June 30 was \$607,717,152, a decrease of \$12,986,410 below the May 29 total of \$620,703,562.

The following is the Stock Exchange's announcement:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges, (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$149,899,347; (2) on all other collateral, \$457,817,805; reported by New York Stock Exchange member firms as of the close of business June 30, 1943, aggregated, \$607,717,152.

The total of money borrowed, compiled on the same basis, as of the close of business May 29, 1943, was (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$197,064,147; (2) on all other collateral, \$423,639,415. Total \$620,703,562.

U.S. And Iceland Extend Stabilization Agreement

Secretary of the Treasury Morgenthau and Thor Thors, Minister of Iceland, announced in a joint statement on July 1 that the Stabilization Agreement of 1942 between the United States and Iceland, under which the United States Stabilization Fund undertakes to purchase Icelandic Krona to the amount of \$2,000,000 for the purpose of stabilizing the United States' dollar-Icelandic krona rate of exchange, has been extended for a period of one year beyond June 30, 1943. The Agreement also provides for periodic conferences among representatives of the two countries.

The joint statement added: "The extension of the 1942 Agreement is in accord with the policy of the Icelandic Ministry of Finance and the United States Treasury 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 Iceland and the United States is maintained.

"The extension of this Agreement was signed for Iceland by Mr. Thor Thors, Minister of Iceland."

Selected Income And Balance Sheet Items Class I Railways For April

The Bureau of Statistics of the Interstate Commerce Commission has issued a statement showing the aggregate totals of selected income and balance sheet items for class I steam railways in the United States for the month of April, 1943 and 1942, and the 4 months ending with April, 1943 and 1942.

These figures are subject to revision and were compiled from 132 reports representing 136 steam railways. The present statement excludes returns for class A switching and terminal companies. The report is as follows:

| Income Items— | All Class I Railways | | Class I Railways Not in Receivership or Trusteeship | |
|--|-----------------------------|---------------|---|------------------------------|
| | For the Month of April 1943 | 1942 | Balance at end of April 1943 | Balance at end of April 1942 |
| Net ry. operat. income | \$127,059,362 | \$101,596,297 | \$468,119,129 | \$323,278,276 |
| Other income | 12,438,954 | 11,681,581 | 48,371,219 | 46,913,483 |
| Total income | 139,498,316 | 113,277,878 | 516,490,348 | 370,191,759 |
| Miscellaneous deductions from income | 2,676,434 | 2,601,047 | 9,477,606 | 9,897,570 |
| Income available for fixed charges | 136,821,882 | 110,676,831 | 507,012,742 | 360,294,189 |
| Fixed charges: | | | | |
| Rent for leased roads and equipment | 15,131,525 | 13,722,032 | 58,955,747 | 54,605,762 |
| *Interest deductions | 35,950,288 | 37,030,693 | 145,610,247 | 148,143,296 |
| Other deductions | 120,130 | 113,850 | 499,624 | 469,927 |
| Total fixed charges | 51,201,943 | 50,866,575 | 205,065,618 | 203,219,005 |
| Inc. after fixed charges | 85,619,939 | 59,811,256 | 301,947,124 | 157,075,184 |
| Contingent charges | 2,718,685 | 2,333,605 | 9,596,151 | 9,027,727 |
| †Net income | 82,901,254 | 57,477,651 | 292,350,973 | 148,047,457 |
| Depreciation (way and structures and equip.) | 26,627,524 | 20,744,317 | 106,128,362 | 77,029,654 |
| Amortization of defense projects | 10,318,632 | 6,293,227 | 40,665,619 | 19,663,447 |
| Federal income taxes | 122,382,770 | 53,270,024 | 426,228,750 | 141,156,516 |
| Dividend appropriations: | | | | |
| On common stock | 383,082 | 270,000 | 23,254,284 | 19,522,803 |
| On preferred stock | 852,990 | 778,185 | 6,378,953 | 5,933,278 |
| ‡Ratio of income to fixed charges | 2.67 | 2.18 | 2.47 | 1.77 |

| Selected Asset Items— | All Class I Railways | | Class I Railways Not in Receivership or Trusteeship | |
|--|------------------------------|---------------|---|---------------|
| | Balance at end of April 1943 | 1942 | Balance at end of April 1943 | 1942 |
| Investments in stocks, bonds, etc., other than those of affiliated companies | \$551,403,963 | \$464,745,592 | \$524,441,389 | \$447,818,210 |
| Cash | 1,029,649,859 | 799,887,773 | 746,119,898 | 581,252,125 |
| Temporary cash investments | 1,159,891,049 | 135,588,227 | 924,915,090 | 126,500,164 |
| Special deposits | 156,729,098 | 155,450,146 | 103,996,248 | 109,248,589 |
| Loans and bills receivable | 302,228 | 1,149,446 | 279,071 | 991,919 |
| Traffic and car-service balances (Dr.) | 39,586,065 | 37,979,741 | 32,194,107 | 32,548,424 |
| Net balance receivable from agents and conductors | 159,719,039 | 96,473,189 | 130,546,325 | 80,531,403 |
| Miscellaneous accounts receivable | 535,613,789 | 267,246,368 | 420,956,366 | 211,904,030 |
| Materials and supplies | 519,519,230 | 528,837,930 | 416,517,277 | 426,924,818 |
| Interest and dividends receivable | 20,625,025 | 20,122,448 | 19,085,392 | 18,318,168 |
| Rents receivable | 1,185,568 | 1,121,418 | 895,411 | 869,826 |
| Other current assets | 23,584,014 | 26,527,924 | 12,240,741 | 24,768,441 |
| Total current assets | 3,646,404,964 | 2,070,394,630 | 2,813,745,928 | 1,613,857,907 |
| Selected Liability Items— | | | | |
| ‡Funded debt maturing within six months | \$164,253,103 | \$93,193,779 | \$152,103,386 | \$81,135,385 |
| Loans and bills payable | 16,894,607 | 17,641,533 | 2,600,000 | 3,271,236 |
| Traffic and car-service balances (Cr.) | 129,520,445 | 74,447,178 | 88,019,635 | 55,056,605 |
| Audited accounts and wages payable | 379,785,852 | 310,319,848 | 306,288,228 | 249,895,434 |
| Miscellaneous accounts payable | 82,525,822 | 52,920,376 | 58,220,352 | 35,437,001 |
| Interest matured unpaid | 56,723,812 | 43,440,755 | 48,980,396 | 44,478,359 |
| Dividends matured unpaid | 2,727,500 | 2,167,777 | 2,385,336 | 1,815,515 |
| Unmatured interest accrued | 67,660,389 | 75,640,487 | 63,192,158 | 64,944,149 |
| Unmatured dividends declared | 8,213,031 | 5,445,243 | 8,213,031 | 5,445,243 |
| Unmatured rents accrued | 27,577,942 | 26,231,700 | 24,021,968 | 23,979,218 |
| Accrued tax liability | 1,271,679,019 | 466,990,745 | 1,116,998,786 | 422,070,332 |
| Other current liabilities | 68,781,112 | 56,086,500 | 46,765,454 | 43,147,703 |
| Total current liabilities | 2,112,274,531 | 1,137,332,147 | 1,765,685,344 | 949,540,800 |

| Analysis of accrued tax liability: | All Class I Railways | | Class I Railways Not in Receivership or Trusteeship | |
|------------------------------------|------------------------|-----------------------------------|---|-----------------------------------|
| | U. S. Government taxes | Other than U. S. Government taxes | U. S. Government taxes | Other than U. S. Government taxes |
| U. S. Government taxes | 1,145,021,729 | 353,564,411 | 1,017,756,299 | 333,824,959 |
| Other than U. S. Government taxes | 126,657,290 | 113,426,334 | 99,242,487 | 88,245,373 |

*Represents accruals, including the amount in default. †For railways not in receivership or trusteeship the net income was as follows: April, 1943, \$62,447,149; April, 1942, \$47,317,453; for the four months ended April, 1943, \$220,109,653; for four months ended April, 1942, \$125,247,601. ‡Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report. ††For railways in receivership and trusteeship the ratio was as follows: April, 1943, 2.60; April, 1942, 1.86; for four months, 1943, 2.44; for four months, 1942, 1.51. §Includes obligations which mature not more than two years after date of issue.

National Fertilizer Association Commodity Price Average Again Lower

There was another decline in the general level of wholesale prices last week according to the commodity price index compiled by The National Fertilizer Association and made public July 12. This index in the week ended July 10 dropped to 134.4 from 134.8 in the preceding week. The index was 135.5 a month ago and 128.9 a year ago, based on the 1926-1928 average as 100. This is the fifth consecutive week the index has registered a decline. The Association's report added:

Last week's decline in the all-commodity index resulted from lower quotations for farm products, foods and textiles, with the general average for all other commodities remaining unchanged. Declines in the cotton and livestock averages more than offset rises in grain quotations and resulted in the farm product index falling to the lowest level reached since February. The recession in the food price average to the March level was due in large part to a drop in prices for potatoes and beans. Declines in the textile group index

were caused by lower prices for cotton. For the sixth consecutive week all other group averages comprising the index remained unchanged.

Changes in price series during the week were about evenly balanced, with 5 advances and 7 declines; in the preceding week there were 10 advances and 6 declines; and in the second preceding week there were 6 advances and 6 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX Compiled by The National Fertilizer Association 1935-1939=100*

| % Each Group Bears to the Total Index | Group | Latest Week | Preceding Week | Month Ago | Year Ago |
|---------------------------------------|---------------------------|--------------|----------------|--------------|--------------|
| | | July 10 1943 | July 3 1943 | June 12 1943 | July 11 1942 |
| 25.3 | Foods | 137.6 | 138.3 | 140.4 | 125.9 |
| | Fats and Oils | 145.1 | 145.1 | 145.1 | 137.3 |
| | Cottonseed Oil | 159.0 | 159.0 | 159.0 | 159.6 |
| 23.0 | Farm Products | 151.9 | 152.7 | 152.7 | 137.4 |
| | Cotton | 199.8 | 201.0 | 200.0 | 189.9 |
| | Grains | 149.0 | 148.1 | 143.9 | 113.2 |
| | Livestock | 144.0 | 145.3 | 146.7 | 133.5 |
| 17.3 | Fuels | 122.8 | 122.8 | 122.8 | 125.2 |
| 10.8 | Miscellaneous commodities | 130.1 | 130.1 | 130.1 | 128.0 |
| 8.2 | Textiles | 151.2 | 151.3 | 151.1 | 149.1 |
| 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 | 134.4 | 134.8 | 135.5 | 128.9 |

*Indexes on 1926-1928 base were July 10, 1943, 104.7; July 3, 105.0; and July 11, 1942, 100.4.

Moody's Bond Prices And Bond Yield Averages

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

| 1943— Daily Averages | MOODY'S BOND PRICES† (Based on Average Yields) | | | | | | | | |
|-------------------------|---|-------------|-----------------------|--------|--------|----------------------|--------|--------|--------|
| | U. S. Govt. Bonds | Corpo- rate | Corporate by Ratings* | | | Corporate by Groups* | | | |
| | Aaa | Aa | A | Baa | R. R. | P. U. | Indus | | |
| July 13 | 120.64 | 111.07 | 119.00 | 116.61 | 111.25 | 99.04 | 102.96 | 114.08 | 117.00 |
| 12 | 120.78 | 111.07 | 119.20 | 116.61 | 111.25 | 98.88 | 102.96 | 114.08 | 116.80 |
| 10 | 120.77 | 111.07 | 119.20 | 116.61 | 111.25 | 98.88 | 102.96 | 114.08 | 116.80 |
| 9 | 120.73 | 111.07 | 119.20 | 116.61 | 111.25 | 98.88 | 102.96 | 114.08 | 116.80 |
| 8 | 120.75 | 111.07 | 119.20 | 116.61 | 111.25 | 98.88 | 102.96 | 114.08 | 116.80 |
| 7 | 120.79 | 111.08 | 119.00 | 116.61 | 111.25 | 98.57 | 102.80 | 113.89 | 116.80 |
| 6 | 120.87 | 110.88 | 119.00 | 116.41 | 111.25 | 98.57 | 102.80 | 113.89 | 116.80 |
| 5 | | | | | | | | | |
| 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 | 120.74 | 110.70 | 118.80 | 116.22 | 111.25 | 98.41 | 102.46 | 113.89 | 116.61 |
| Jun 25 | 120.41 | 110.70 | 118.80 | 116.22 | 111.07 | 99.09 | 102.46 | 113.70 | 116.61 |
| 18 | 120.15 | 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 |
| 4 | 119.92 | 110.34 | 118.40 | 115.82 | 111.07 | 97.78 | 102.30 | 113.50 | 116.02 |
| May 28 | 119.82 | 110.34 | 118.20 | 115.82 | 110.88 | 97.78 | 102.30 | 113.51 | 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 | 115.82 |
| 22 | 118.22 | 109.60 | 118.00 | 115.43 | 110.34 | 96.69 | 100.98 | 113.12 | 115.63 |
| 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 | 96.89 | 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 |
| 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 | 111.07 | 119.20 | 116.61 | 111.25 | 99.04 | 102.96 | 114.08 | 117.00 |
| 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 | 114.06 |
| Low 1942 | 115.90 | 106.04 | 115.43 | 112.75 | 107.00 | 90.63 | 95.32 | 109.60 | 114.75 |
| 1 Year ago | | | | | | | | | |
| July 13, 1942 | 118.20 | 106.74 | 116.41 | 113.31 | 107.98 | 91.62 | 95.77 | 111.44 | 114.27 |
| 2 Years ago | | | | | | | | | |
| July 12, 1941 | 119.44 | 107.62 | 118.20 | 114.85 | 108.16 | 92.06 | 97.16 | 111.81 | 115.04 |

| 1943— Daily Averages | MOODY'S BOND YIELD AVERAGES† (Based on Individual Closing Prices) | | | | | | | | |
|-------------------------|--|-------------|-----------------------|------|-------|----------------------|-------|------|------|
| | U. S. Govt. Bonds | Corpo- rate | Corporate by Ratings* | | | Corporate by Groups* | | | |
| | Aaa | Aa | A | Baa | R. R. | P. U. | Indus | | |
| July 13 | 1.81 | 3.11 | 2.70 | 2.82 | 3.10 | 3.81 | 3.57 | 2.95 | 2.80 |
| 12 | 1.80 | 3.11 | 2.69 | 2.82 | 3.10 | 3.82 | 3.57 | 2.95 | 2.81 |
| 10 | 1.80 | 3.11 | 2.69 | 2.83 | 3.10 | 3.82 | 3.57 | 2.95 | 2.81 |
| 9 | 1.80 | 3.11 | 2.69 | 2.82 | 3.10 | 3.82 | 3.57 | 2.95 | 2.80 |
| 8 | 1.80 | 3.12 | 2.70 | 2.82 | 3.10 | 3.84 | 3.58 | 2.96 | 2.81 |
| 7 | 1.79 | 3.12 | 2.70 | 2.83 | 3.10 | 3.84 | 3.58 | 2.96 | 2.81 |
| 6 | 1.79 | 3.12 | 2.70 | 2.84 | 3.10 | 3.84 | 3.59 | 2.97 | 2.81 |
| 5 | | | | | | | | | |
| 3 | 1.80 | 3.13 | 2.71 | 2.84 | 3.10 | | | | |

Market Value Of Stocks On New York Stock Exchange Higher On June 30

The New York Stock Exchange announced on July 8 that as of the close of business June 30, there were 1,231 stock issues, aggregating 1,468,974,383 shares listed on the stock exchange, with a total market value of \$48,876,520,886. This compares with 1,234 stock issues, aggregating 1,469,720,387 shares, with a total market value of \$48,437,700,647 on May 29 and with 1,242 stock issues aggregating 1,469,960,158 shares listed on the stock exchange on June 30, 1942, with a total market value of \$33,419,047,743.

In making public the figures, the Exchange also said: "As of the close of business June 30, New York Stock Exchange member total net borrowings amounted to \$607,717,152, of which \$457,817,805 represented loans which were not collateralized by U. S. Government issues. The ratio of the latter borrowings to the market value of all listed stocks, on that date, was, therefore, 0.94%. As the loans not collateralized by U. S. Government issues include all other types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value."

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

| | June 30, 1943 | | May 29, 1943 | |
|-------------------------------|----------------|---------------|----------------|---------------|
| | Market Value | Average Price | Market Value | Average Price |
| Amusement | 520,472,405 | 23.90 | 525,350,132 | 24.11 |
| Automobile | 4,160,227,612 | 34.34 | 3,997,282,018 | 33.00 |
| Aviation | 708,621,466 | 21.17 | 708,874,574 | 21.18 |
| Building | 575,751,838 | 28.05 | 573,679,851 | 27.95 |
| Business and Office Equipment | 408,900,396 | 34.67 | 400,566,035 | 33.96 |
| Chemical | 6,293,992,113 | 65.99 | 6,298,708,233 | 66.04 |
| Electrical Equipment | 1,721,853,534 | 42.53 | 1,645,323,222 | 40.64 |
| Farm Machinery | 987,978,369 | 61.00 | 752,015,171 | 57.41 |
| Financial | 3,097,627,468 | 33.12 | 3,069,205,540 | 32.87 |
| Food | 46,378,746 | 27.72 | 44,568,754 | 26.63 |
| Garment | 33,801,467 | 6.95 | 32,247,800 | 6.63 |
| Land & Realty | 230,947,462 | 27.42 | 225,860,244 | 26.86 |
| Leather | 1,727,115,847 | 25.25 | 1,714,815,025 | 25.07 |
| Machinery & Metals | 1,418,494,986 | 24.10 | 1,481,786,563 | 25.23 |
| Mining (excluding iron) | 465,962,908 | 20.66 | 467,253,597 | 20.72 |
| Paper & Publishing | 5,838,242,179 | 30.48 | 5,788,809,610 | 30.22 |
| Petroleum | 3,762,983,097 | 33.46 | 3,832,456,550 | 33.76 |
| Railroad | 2,599,426,849 | 35.69 | 2,479,514,888 | 34.05 |
| Retail Merchandising | 564,199,975 | 53.30 | 547,818,406 | 51.85 |
| Rubber | 105,939,783 | 19.20 | 106,590,534 | 22.48 |
| Ship Building & Operating | 15,483,140 | 8.98 | 16,758,347 | 9.72 |
| Shipping Services | 2,262,932,273 | 45.19 | 2,247,100,550 | 44.87 |
| Steel, Iron & Coke | 504,016,183 | 35.45 | 476,204,752 | 33.49 |
| Textiles | 1,271,830,299 | 47.31 | 1,247,877,500 | 46.42 |
| Tobacco | | | | |
| Utilities: | | | | |
| Gas & Electric (Operating) | 2,057,647,718 | 22.42 | 2,059,324,026 | 22.25 |
| Gas & Electric (Holding) | 1,067,979,428 | 11.15 | 1,046,488,360 | 10.93 |
| Communication | 3,610,447,854 | 86.30 | 3,588,785,399 | 85.81 |
| Miscellaneous Utilities | 109,088,432 | 14.80 | 113,315,911 | 15.39 |
| U. S. Cos. Operating Abroad | 817,372,254 | 24.03 | 811,221,772 | 23.87 |
| Foreign Companies | 952,203,167 | 23.53 | 986,906,104 | 24.39 |
| Miscellaneous Businesses | 140,009,808 | 23.85 | 143,477,203 | 24.44 |
| All Listed Stocks | 48,876,520,886 | 33.27 | 48,437,700,647 | 32.96 |

Electric Output For Week Ended July 10, 1943, Shows 14.3% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended July 10, 1943, was approximately 3,919,398,000 kwh., compared with 3,428,916,000 kwh. in the corresponding week last year, an increase of 14.3%. The output for the week ended July 3, 1943, was 20.1% in excess of the similar period of 1942.

| Major Geographical Divisions | PERCENTAGE INCREASE OVER PREVIOUS YEAR | | | |
|------------------------------|--|-------------|--------------|--------------|
| | July 10 1943 | July 3 1943 | June 26 1943 | June 19 1943 |
| New England | +0.8 | 13.0 | 9.3 | 8.4 |
| Middle Atlantic | 12.0 | 20.8 | 19.2 | 17.7 |
| Central Industrial | 9.1 | 19.5 | 16.4 | 16.1 |
| West Central | 8.2 | 16.3 | 17.2 | 14.9 |
| Southern States | 18.7 | 28.3 | 23.5 | 25.9 |
| Rocky Mountain | 11.1 | 16.6 | 13.6 | 12.5 |
| Pacific Coast | 19.5 | 26.6 | 25.0 | 27.4 |
| Total United States | 14.3 | 20.1 | 19.2 | 19.4 |

| Week Ended | DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours) | | | | |
|------------|---|-----------|-----------|-----------|-----------|
| | 1943 | 1942 | 1941 | 1932 | 1929 |
| Apr 3 | 3,889,858 | 3,348,608 | 2,959,646 | 1,465,076 | 1,633,291 |
| Apr 10 | 3,882,467 | 3,320,858 | 2,905,581 | 1,480,738 | 1,696,543 |
| Apr 17 | 3,916,794 | 3,307,700 | 2,897,307 | 1,469,810 | 1,709,331 |
| Apr 24 | 3,925,175 | 3,273,190 | 2,950,448 | 1,454,505 | 1,699,822 |
| May 1 | 3,866,721 | 3,304,602 | 2,944,906 | 1,429,032 | 1,688,434 |
| May 8 | 3,903,723 | 3,365,208 | 3,003,921 | 1,436,928 | 1,698,942 |
| May 15 | 3,869,161 | 3,376,921 | 3,011,345 | 1,435,731 | 1,704,426 |
| May 22 | 3,892,250 | 3,379,985 | 3,040,029 | 1,425,151 | 1,705,460 |
| May 29 | 3,990,040 | 3,322,651 | 2,954,647 | 1,381,452 | 1,615,085 |
| Jun 5 | 3,925,893 | 3,372,374 | 3,076,323 | 1,435,471 | 1,689,925 |
| Jun 12 | 4,040,376 | 3,463,528 | 3,101,291 | 1,441,532 | 1,699,227 |
| Jun 19 | 4,098,401 | 3,433,711 | 3,091,672 | 1,440,541 | 1,702,501 |
| Jun 26 | 4,120,038 | 3,457,024 | 3,156,825 | 1,456,961 | 1,723,428 |
| July 3 | 4,110,793 | 3,424,188 | 2,903,727 | 1,341,730 | 1,615,075 |
| July 10 | 3,919,398 | 3,428,916 | 3,178,054 | 1,415,704 | 1,711,625 |
| July 17 | 3,665,367 | 3,463,528 | 3,199,105 | 1,433,993 | 1,727,225 |
| July 24 | 3,625,645 | 3,463,528 | 3,220,526 | 1,440,386 | 1,732,031 |
| July 31 | 3,649,146 | 3,463,528 | 3,263,082 | 1,426,986 | 1,724,728 |

Moody's Common Stock Yields

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

MOODY'S WEIGHTED AVERAGE YIELD ON 200 COMMON STOCKS

| | Industrials (125) | Railroads (25) | Utilities (25) | Banks (15) | Insurance (10) | Average Yield (200) |
|-----------------|-------------------|----------------|----------------|------------|----------------|---------------------|
| May, 1942 | 6.7 | 7.8 | 8.2 | 5.7 | 4.9 | 6.9 |
| June, 1942 | 6.4 | 7.8 | 8.4 | 5.6 | 4.8 | 6.9 |
| July, 1942 | 6.1 | 7.7 | 8.2 | 5.5 | 4.7 | 6.4 |
| August, 1942 | 6.0 | 7.5 | 8.0 | 5.1 | 4.7 | 6.1 |
| September, 1942 | 5.8 | 7.3 | 7.9 | 4.9 | 4.4 | 5.8 |
| October, 1942 | 5.5 | 7.0 | 7.2 | 5.0 | 4.5 | 5.9 |
| November, 1942 | 5.5 | 8.0 | 7.1 | 5.2 | 4.2 | 5.7 |
| December, 1942 | 5.3 | 8.6 | 7.2 | 5.0 | 4.1 | 5.4 |
| January, 1943 | 5.0 | 7.9 | 6.8 | 4.5 | 4.1 | 5.1 |
| February, 1943 | 4.7 | 7.3 | 6.3 | 4.0 | 3.9 | 4.8 |
| March, 1943 | 4.5 | 6.8 | 6.2 | 4.0 | 3.9 | 4.8 |
| April, 1943 | 4.5 | 6.6 | 5.8 | 4.1 | 3.9 | 4.8 |
| May, 1943 | 4.3 | 6.2 | 5.5 | 4.0 | 3.8 | 4.6 |
| June, 1943 | 4.2 | 6.4 | 5.4 | 3.9 | 3.8 | 4.5 |

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 July 3 is estimated at 10,350,000 net tons, which compares with 8,172,000 tons in the corresponding period last year, during which latter period output was curtailed by the miners' holiday and the observance of Independence Day. Production in the week ended June 26, this year, amounted to only 4,610,000 net tons because of the nation-wide coal strike which started at midnight on June 20 and lasted for two days before the men started to return to their jobs. For the present year to July 3, soft coal output was 0.2% in excess of that for the same period in 1942.

The U. S. Bureau of Mines estimated that the total production of Pennsylvania anthracite for the week ended July 3 was 623,000 tons, an increase of 339,000 tons (119.4%) over the preceding week. When compared with the output in the corresponding week of 1942, however, there was a decrease of 324,000 tons, or 34.2%. The calendar year to July 3, 1943, shows a decrease of 1.5% when compared with the corresponding period of 1942.

The Bureau of Mines also reported that the estimated production of by-product coke in the United States for the week ended July 3 showed a decrease of 7,300 tons when compared with the output for the week ended June 26. The quantity of coke from beehive ovens increased 44,700 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL

| | Week Ended | | | January 1 to Date | | |
|-----------------------------|-------------|--------------|-------------|-------------------|-------------|-------------|
| | July 3 1943 | June 26 1943 | July 4 1942 | July 3 1943 | July 4 1942 | July 3 1937 |
| Bituminous coal and lignite | 10,350 | 4,610 | 8,172 | 290,718 | 290,138 | 227,625 |
| Total, incl. mine fuel | 1,725 | 768 | 2,043 | 1,860 | 1,878 | 1,465 |
| Daily average | | | | | | |

*Revised. †Subject to current adjustment. ‡Average based on a 4-day working week.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

| | Week Ended | | | Cal. Year to Date | | |
|------------------------------|-------------|--------------|-------------|-------------------|-------------|-------------|
| | July 3 1943 | June 26 1943 | July 4 1942 | July 3 1943 | July 4 1942 | July 6 1929 |
| Penn. anthracite | 623,000 | 284,000 | 947,000 | 29,735,000 | 30,180,000 | 36,284,000 |
| Total incl. coll. fuel | 598,000 | 273,000 | 909,000 | 28,546,000 | 28,973,000 | 33,672,000 |
| †Total anthracite production | | | | | | |
| Beehive coke | 98,500 | 53,800 | 132,200 | 3,893,100 | 4,191,900 | 3,497,300 |
| United States total | 1,150,300 | 1,157,600 | 1,193,900 | 31,901,800 | 31,149,400 | |

*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

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

| State | Week Ended | | | | | June Ave. 1923 |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|----------------|
| | June 26 1943 | June 19 1943 | June 27 1942 | June 28 1941 | June 26 1937 | |
| Alabama | 59 | 390 | 381 | 375 | 246 | 387 |
| Alaska | 5 | 6 | 5 | 4 | 3 | 3 |
| Arkansas and Oklahoma | 43 | 88 | 78 | 20 | 17 | 70 |
| Colorado | 58 | 145 | 126 | 104 | 80 | 175 |
| Georgia and North Carolina | 1 | 1 | 1 | 1 | †† | †† |
| Illinois | 670 | 1,476 | 1,213 | 1,074 | 604 | 1,243 |
| Indiana | 232 | 503 | 438 | 449 | 246 | 416 |
| Iowa | 31 | 55 | 45 | 43 | 16 | 88 |
| Kansas and Missouri | 122 | 164 | 136 | 139 | 72 | 128 |
| Kentucky—Eastern | 288 | 943 | 956 | 998 | 704 | 661 |
| Kentucky—Western | 179 | 298 | 242 | 207 | 121 | 183 |
| Maryland | 20 | 39 | 41 | 39 | 24 | 47 |
| Michigan | †† | 7 | 8 | 1 | 4 | 12 |
| Montana (bituminous and lignite) | 73 | 92 | 61 | 49 | 35 | 38 |
| New Mexico | 23 | 34 | 31 | 23 | 22 | 51 |
| North and South Dakota (lignite) | 32 | 31 | 27 | 24 | 12 | **14 |
| Ohio | 198 | 682 | 720 | 659 | 416 | 888 |
| Pennsylvania (bituminous) | 775 | 2,938 | 2,879 | 3,035 | 1,934 | 3,613 |
| Tennessee | 38 | 130 | 154 | 161 | 98 | 113 |
| Texas (bituminous and lignite) | 2 | 3 | 6 | 7 | 18 | 21 |
| Utah | 44 | 107 | 116 | 48 | 34 | 89 |
| Virginia | 175 | 414 | 396 | 405 | 231 | 240 |
| Washington | 17 | 31 | 44 | 28 | 30 | 44 |
| *West Virginia—Southern | 947 | 2,360 | 2,225 | 2,366 | 1,620 | 1,380 |
| *West Virginia—Northern | 492 | 1,012 | 891 | 895 | 565 | 856 |
| Wyoming | 86 | 167 | 108 | 108 | 81 | 104 |
| ††Other Western States | †† | †† | †† | †† | †† | **5 |
| Total bituminous and lignite | 4,610 | 12,100 | 11,328 | 11,322 | 7,233 | 10,866 |
| †Pennsylvania anthracite | 284 | 1,345 | 1,238 | 1,314 | 937 | 1,956 |
| Total all coal | 4,894 | 13,445 | 12,566 | 12,636 | 8,170 | 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.

Roosevelt And Churchill Laud Late Polish Premier

General Wladislaw Sikorski, Premier of the Polish Government and commander-in-chief of the Polish armed forces, was killed in an airplane accident at Gibraltar on July 4. The plane was bringing General Sikorski back to London after an inspection of Polish forces in the Middle East. Fourteen other persons, including the General's only daughter, died in the crash.

President Roosevelt on July 5 said General Sikorski's death was "a severe loss to all freedom-loving people." In a message to the Polish President, Wladyslaw Raczkiwicz, Mr. Roosevelt recalled General Sikorski's several visits to Washington and said he had learned to admire "his integrity, his patriotism and those great qualities of leadership which so fully justified the confidence which you and the Polish people placed in him." The message added:

"His high sense of statesmanship and devotion to the cause of liberty and democracy made him one of the outstanding leaders of our time. His passing represents a severe loss to all freedom-loving people."

Prime Minister Churchill of Great Britain told the House of Commons on July 6 that the death of General Sikorski was "one of the heaviest strokes we have sustained." In paying tribute to the memory of the Polish leader, Mr. Churchill said that General Sikorski had personally directed the movement of resistance of the Polish people to German aggression.

T. R. Gamble To Direct War Bond Drive

Secretary of the Treasury Morgenthau announced on July 2 the appointment of Ted R. Gamble, Assistant to the Secretary, as National Director of the Treasury Department's War Finance Division. In this capacity Mr. Gamble will be in charge of the sale of war savings bonds, and will organize the forthcoming third war loan drive starting Sept. 9. Mr. Gamble has been affiliated with the bond sales organization in Washington since December, 1941, when he became consultant to the Secretary of the Treasury and headed the National War Bond Pledge Campaign.

Immediately following this campaign in May, 1942, Mr. Gamble was appointed Assistant to the Secretary, and was given supervision of the field organizations of the War Savings Staff.

Finished Steel Shipments By Subsidiaries Of U. S. Steel Corporation Declined In June

Shipments of finished steel products by subsidiary companies of the United States Steel Corporation were affected sharply in June by reduced activities at furnaces and mills because of the soft-coal strike, official figures released on June 12 disclosed. In fact, deliveries for June were the smallest for any month since February, 1941.

The total of finished products shipped by the corporation's subsidiaries was 1,552,663 net tons, compared with 1,706,543 tons in the preceding month, a decrease of 153,880 tons. This compares with 1,774,068 tons in June, 1942, a decline of 221,405 tons. For June, 1941, deliveries amounted to 1,668,637 tons.

For the year 1943 to date, shipments were 10,040,016 net tons compared with 10,503,507 net tons in the comparable period of 1942, a decrease of 463,491 net tons.

| | 1943 | 1942 | 1941 | 1940 | 1939 | 1929 |
|----------------|-----------|------------|------------|------------|------------|------------|
| January | 1,685,993 | 1,738,893 | 1,682,454 | 1,145,592 | 870,866 | 1,364,801 |
| February | 1,691,592 | 1,616,587 | 1,548,451 | 1,009,256 | 747,427 | 1,388,407 |
| March | 1,772,397 | 1,780,938 | 1,720,366 | 931,905 | 845,108 | 1,605,510 |
| April | 1,630,828 | 1,758,894 | 1,687,674 | 907,904 | 771,752 | 1,617,302 |
| May | 1,705,543 | 1,834,127 | 1,745,295 | 1,084,057 | 795,689 | 1,701,874 |
| June | 1,552,663 | 1,774,068 | 1,668,637 | 1,209,684 | 607,562 | 1,529,241 |
| July | | 1,765,749 | 1,666,667 | 1,296,887 | 745,364 | 1,480,003 |
| August | | 1,788,650 | 1,753,665 | 1,455,604 | 885,636 | 1,500,281 |
| September | | 1,703,570 | 1,664,227 | 1,392,838 | 1,086,683 | 1,262,874 |
| October | | 1,787,501 | 1,851,279 | 1,572,408 | 1,346,855 | 1,333,388 |
| November | | 1,665,545 | 1,624,186 | 1,425,352 | 1,406,205 | 1,110,050 |
| December | | 1,849,635 | 1,846,036 | 1,544,623 | 1,443,969 | 931,744 |
| Total by mos. | | 21,064,157 | 20,458,937 | 14,976,110 | 11,752,116 | 16,825,477 |
| Yearly adjust. | | | *42,333 | 37,639 | *46,865 | *12,827 |
| Total | | | 20,416,604 | 15,013,749 | 11,707,251 | 16,812,650 |

*Decrease.

NOTE—The monthly shipments as currently reported during the year 1942, are subject to adjustments reflecting annual tonnage reconciliations. These will be comprehended in the cumulative yearly shipments as stated in the annual report.

Bank Debits For Month Of June

The Board of Governors of the Federal Reserve System issued on July 10 its usual monthly summary of "bank debits," which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS
(In millions of dollars)

| Federal Reserve District— | June | | —3 Months Ended— | |
|---------------------------|--------|--------|------------------|---------|
| | 1943 | 1942 | June | June |
| Boston | 3,234 | 2,854 | 10,313 | 8,410 |
| New York | 25,688 | 19,346 | 80,845 | 55,803 |
| Philadelphia | 2,982 | 2,553 | 9,390 | 7,501 |
| Cleveland | 4,501 | 3,810 | 12,356 | 10,922 |
| Richmond | 2,343 | 2,065 | 6,981 | 6,039 |
| Atlanta | 2,037 | 1,637 | 6,057 | 4,921 |
| Chicago | 9,695 | 7,911 | 28,841 | 22,800 |
| St. Louis | 1,848 | 1,651 | 5,799 | 4,934 |
| Minneapolis | 1,167 | 926 | 3,552 | 2,707 |
| Kansas City | 2,144 | 1,680 | 6,325 | 4,735 |
| Dallas | 1,784 | 1,305 | 5,122 | 3,825 |
| San Francisco | 5,787 | 4,371 | 17,091 | 12,465 |
| †Total, 274 centers | 63,208 | 50,107 | 193,672 | 145,062 |
| *New York City | 23,595 | 17,394 | 74,686 | 50,402 |
| *140 other centers | 34,430 | 28,292 | 103,697 | 81,985 |
| †133 other centers | 5,183 | 4,421 | 15,290 | 12,675 |

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

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

Steel Operations Slightly Higher — War Output Still Being Jeopardized — Less Cancellations

"Production of steel for the war was still being jeopardized this week in the Pittsburgh district due to uncertain conditions in the coal fields, where roving bands of pickets have been disrupting operations, states the 'Iron Age' in its issue of today (July 15), further adding:

"It was estimated that 11,000 miners were idle on July 13, while 14 blast furnaces were down for lack of fuel. Operations at the Clairton by-product coke plant were reduced to about 50% and there was a possibility of a further decline unless coal is received quickly.

"It is now estimated that the series of coal strikes which started last Spring and now are viewed as the worst domestic disaster since the war started, caused the loss of 220,000 tons of steel instead of the 170,000 tons which THE IRON AGE estimated several weeks ago prior to the continuation of the outlaw strikes. Important by-products needed for war have been lost also. The steel-for-victory drive has been hampered definitely. Strategic stockpiles of coal and coke probably cannot be rebuilt to a comfortable level for the duration of the war. No immediate step which will end the troubles at the mines appears to be in sight.

"Demand for fourth quarter steel by claimant agencies is reported to be approximately 22,700,000 tons against a supply of about 17,000,000 tons. Third quarter demand was about 800,000 tons greater than the reported fourth quarter requirements. Third quarter allocations of carbon and alloy steel were 17,500,000 tons.

"Among the headaches in the steel industry last week and this

of the industry will be 97.0% of capacity for the week beginning July 12, compared with 96.6% one week ago, 97.8% one month ago and 98.4% one year ago. This represents an increase of 0.4 point or 0.4% from the preceding week. The operating rate for the week beginning July 12 is equivalent to 1,679,700 tons of steel ingots and castings, compared to 1,672,800 tons one week ago, 1,693,600 tons one month ago, and 1,683,300 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on July 12 stated in part as follows: "Mill schedules are becoming so extended in some products that revisions probably will be necessary, to meet most essential needs for the war program.

"Cutbacks during recent weeks have made the trade particularly alert to this possibility. The recent wave of cancellations has subsided but it is appreciated that revisions will be dictated by changes in strategy and the more advanced schedules become the more disruption will follow. It seems certain that during the time covered by long schedules important needs will appear which can be handled only by directives or some other means of revising sequence of orders.

"Additionally, some claimant agencies have lagged in getting allotment numbers and inasmuch as contracts are entered in the order of their receipt some tonnage gets on books that is not as important as later bookings.

"Leading consumers are being asked to review their contracts with the idea of deferring all purchases except those most urgently needed, including tonnages for which they already have allotment numbers.

"Plate mills are booked almost solidly through October, with many orders running well beyond. Bar mills have full schedules for almost four months and in heavy rounds and flats there are large accumulations far beyond that. Sheets are becoming increasingly scarce, with little hot or cold-rolled tonnage available before November and some sellers have little for that month. Wire shipments extend late in the year. Some structural shapes can be taken for late August delivery and some pipe, notably butt weld, is equally available.

"Ingot production for first half at 43,866,912 net tons, set a new record in spite of recent interruptions because of the coal stoppage. However, June production, 7,027,101 tons, showed the effect, being the lowest monthly output since last June, with the exception of February.

"Steel plate production in June was 1,056,085 net tons, compared with 1,114,920 tons in May. The record figure was set in March with 1,167,679 tons.

"Scrap supply is sufficient for current needs, industrial grades and heavy melting steel coming out in good volume. Yards are accumulating considerable tonnage which is not being handled promptly, in view of labor shortage.

"In an effort to stimulate production of Fluorspar, Office of Price Administration has raised the ceiling \$5 per ton on all grades, the new range being \$30 to \$33 per ton, instead of \$25 to \$28. Of the \$5 increase \$3.50 is to compensate for higher wages and the remaining \$1.50 is to encourage development of new fields. In case the latter result is not achieved this part of the advance may be withdrawn.

"Iron ore shipments from Lake Superior mines continue to lag and the deficit from 1942 tonnage was greater at the end of June than at the close of May. June shipments totaled 11,864,401 gross tons, which was 760,701 tons less than in May, a loss of 6.03%. For the season to July 1 the decrease from 1942 to the same date

Gates Says Question Of Isolationism Must Be Decided By People Before Peace Talks Begin

The question of isolationism must be decided by the people before military victory is achieved and the peace talks begin, Dr. Thomas S. Gates, President of the University of Pennsylvania, said on July 2, in an address of welcome at the opening of the new school year.

His remarks, as reported in Philadelphia advices to the New York "Times" follow:

"Twice isolationism has failed and now we must ask ourselves whether it will save us a third time.

"That is the decision the people must make before military victory comes and the peace conference begins. That is a question that you must think about, ponder over and discuss among yourselves, because in very truth it affects each and every one of you.

"But whatever course our country may choose, the peace which the world must achieve when victory is finally attained must be a lasting peace, one wrought not with hatred and fear, but built on a foundation of courage and strength, a peace that is flexible to provide for the smaller and weaker groups, and a peace that is tolerant and free from the prejudices that destroy."

FDIC Banks To Act As Depositories Of Taxes Withheld From Wages

The Federal Reserve Bank of New York through Allan Sproul President began on July 7 distribution of the Treasury regulations governing the payment through depository banks of funds withheld as taxes in accordance with the provisions of the Current Tax Payment Act of 1943, effective July 1.

All incorporated banks which are insured by the Federal Deposit Insurance Corporation are designated by the Secretary of the Treasury to receive funds withheld as taxes, and any such banks may qualify to act under the designation. Qualification is being accomplished through the Federal Reserve Banks upon the execution of an application and agreement.

Under the regulations, the depository banks will remit to the Federal Reserve Bank, as fiscal agent of the United States, the entire balance of funds when they are in excess of \$5,000. Such remittances, however, will not be made more often than daily, but at the end of each month the entire balance must be remitted. The Treasury circular says:

"At the time of receiving a deposit of withheld taxes the depository will issue to the employer a receipt therefor in the form prescribed by the Secretary of the Treasury. The receipts will be prepared in triplicate. The original is to be retained by the employer until filed with his quarterly tax return to the Collector of Internal Revenue. The first copy will be sent to the Federal Reserve Bank with the depository's remittance, and the second copy will be retained as the depository's record of the transaction."

The announcement also stated that "for the purpose of offsetting additional costs incurred by depositories in receiving and accounting for deposits of withheld taxes, two alternative methods are provided by which a depository may purchase 2% Depository Bonds, Second Series. Under one method the depository will be permitted to purchase such bonds with its own funds, and under the other method such bonds may be purchased with certain funds placed with the depository to the credit of the Treasurer of the United States."

was 9,158,276 tons, 26.97% compared with a shortage of 8,397,575 tons June 1."

The amount of 2% depository bonds which a depository will be permitted to purchase under either of the alternative methods will be in proportion to the business transacted in the first full calendar month after it begins to accept the deposits. Appropriate adjustments of allotments of these bonds will be considered periodically.

Information released by Guy T. Helvering, Commissioner of Internal Revenue, in Circular WT, copies of which may be obtained from collectors of internal revenue, is to the effect that on or before the last day of each month following the close of each quarter, every employer will be required to make a tax return to the collector of his district, covering the aggregate amount of taxes withheld during the quarter. A Treasury announcement further explained:

"It will be the duty of every employer who withholds more than \$100 during the month to pay, within ten days after the close of each month, to a depository authorized by Mr. Morgenthau to receive such payments, all funds withheld as taxes during that month; except that amounts withheld during the last month of a quarter may, at the election of the employer, be remitted directly to the collector with the employer's tax return.

"In making payment to the collector of the amount due as shown on the tax return, the employer must attach thereto receipts, in the form approved by the Secretary of the Treasury, issued by the authorized depository evidencing payments made to such depository of funds withheld as taxes.

"The employer who withholds \$100 or less during the month may elect either to remit the amount withheld to the collector with his quarterly tax return or to pay it monthly to an authorized depository.

In Diplomatic Posts

The Senate on July 7 confirmed President Roosevelt's nominations of Ray Atherton of Illinois, to be Minister to Canada; William C. Burdett of Tennessee, to be Minister to New Zealand, and Loy W. Henderson of Colorado, to be Minister to Iraq. The President had submitted these nominations on June 24. Mr. Atherton, although still officially holding his post as Minister to Denmark, has served since June, 1940, as Acting Chief of the Division of European Affairs of the State Department in Washington. He was named to succeed Jay Pierrepont Moffatt, who died last January. Mr. Atherton was also named to serve concurrently and without additional compensation as Minister to the Government of Luxembourg which is now established in Canada.

Mr. Burdett, now a Foreign Service officer of Class I, was nominated to succeed Brig.-Gen. Patrick J. Hurley, who resigned to assume active duty with the Army.

Mr. Henderson, a Foreign Service officer of Class II, was appointed to succeed Thomas M. Wilson, Minister Resident and Consul General in Iraq. The post is being raised to the full rank of Minister.

Wholesale Commodity Index Declines 0.1% During Week Ended July 3

The U. S. Department of Labor announced on July 8 that during the week ended July 3 market prices for livestock and fruits and vegetables declined for the third consecutive week and the Bureau of Labor Statistics' all-commodity index of nearly 900 price series decreased 0.1%. At 103.0% of the 1926 average the general price level was 0.9% below a month ago and 4.6% higher than during the first week of July last year.

The Department's announcement further said:

"Farm Products and Foods. Markets for farm products averaged 0.2% lower than in the week ended June 26 primarily because of seasonally lower prices for fresh fruits and vegetables, particularly apples and potatoes, and for hogs and cotton. Grains advanced nearly 2%, recovering the loss of the previous week, and higher prices were reported for eggs, lemons, hay and onions. Prices of farm products on the average were 20% higher than during the first week of July 1942.

"Prices for foods declined 0.4%, compared with the drop of 1.7% for the week ended June 19 and 0.9% for the week ended June 26. In addition to lower prices for fruits and vegetables, quotations for bacon dropped nearly 7%. Prices for wheat flour averaged slightly higher than a week ago.

"Industrial commodities. There were few changes in industrial commodity markets during the week. Prices for maple flooring, rosin and turpentine showed fractional increases. No important commodity declined in price."

The following notation is made:

During the period of rapid changes caused by price controls, materials allocated, 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 June 5, 1943 and July 4, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

WHOLESALE PRICES FOR WEEK ENDED JULY 3, 1943 (1926=100)

| Commodity groups— | 1943 | | | 1942 | | | Percentage changes to June 26, 1943 from— | | |
|--|--------|--------|--------|--------|-------|------|---|-------|--|
| | 7-3 | 6-26 | 6-19 | 6-5 | 7-4 | 6-26 | 6-5 | 7-4 | |
| All commodities | *107.0 | *103.1 | *103.5 | *103.9 | 98.5 | -0.1 | -0.9 | +4.6 | |
| Farm products | *125.9 | *126.2 | *127.0 | *126.3 | 104.9 | -0.2 | -0.3 | +20.0 | |
| Foods | 107.6 | 108.0 | 109.0 | 110.6 | 99.3 | -0.4 | -2.7 | +8.4 | |
| Hides and leather products | 118.4 | 118.4 | 118.4 | 118.4 | 118.9 | 0 | 0 | +0.4 | |
| Textile products | 96.8 | 96.9 | 96.9 | 96.9 | 97.3 | 0 | 0 | +0.4 | |
| Fuel and lighting materials | 81.5 | 81.4 | 81.4 | 81.4 | 79.5 | +0.1 | +0.1 | +2.5 | |
| 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 | 110.4 | 110.6 | 0 | 0 | -0.2 | |
| Chemicals and allied products | 100.2 | 100.2 | 100.2 | 100.2 | 97.2 | 0 | 0 | +3.1 | |
| Miscellaneous goods | 104.3 | 104.3 | 104.3 | 104.2 | 104.5 | 0 | +0.1 | -0.2 | |
| Household commodities | 91.6 | 91.6 | 91.8 | 91.7 | 90.1 | 0 | -0.1 | +1.7 | |
| Miscellaneous commodities | *114.0 | *114.2 | *114.5 | *114.1 | 99.9 | -0.2 | -0.1 | +14.1 | |
| Raw materials | 92.7 | 92.7 | 92.9 | 92.9 | 92.8 | 0 | -0.2 | -0.1 | |
| Semimanufactured articles | *99.7 | *99.7 | *100.0 | *100.9 | 98.9 | 0 | -1.2 | +0.8 | |
| Manufactured products | | | | | | | | | |
| All commodities other than farm products | *98.1 | *98.1 | *98.4 | *99.1 | 97.2 | 0 | -1.0 | +0.9 | |
| All commodities other than farm products and foods | *96.9 | *96.9 | *96.9 | *96.9 | 96.1 | 0 | 0 | +0.8 | |

Civil Engineering Construction \$42,002,000 For Week

Civil engineering construction volume in continental U. S. totals \$42,002,000 for the short week due to the Fourth of July holiday. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 90% below the near-record high reported for the corresponding 1942 week by "Engineering News-Record" on July 8 and compares with \$60,148,000 for the preceding week. Private construction is 62% below the week last year, and public work is down 90% due to the 67% decline in state and municipal construction and the 91% decrease in Federal volume. The report continued as follows:

The current week's volume brings 1943 construction to \$1,868,402,000, an average of \$69,200,000 for each of the 27 weeks. On the weekly average basis, 1943 construction is 65% below the \$5,524,720,000 for the 28-week period a year ago. Private construction, \$230,442,000, is 35% lower than last year, and public work, \$1,637,960,000, is down 67% when adjusted for the difference in the number of weeks.

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

| | July 9, 1942 (four days) | July 1, 1943 (five days) | July 8, 1943 (four-days) |
|--------------------------|--------------------------|--------------------------|--------------------------|
| Total U. S. Construction | \$401,603,000 | \$60,148,000 | \$42,002,000 |
| Private Construction | 8,237,000 | 4,863,000 | 3,095,000 |
| Public Construction | 393,366,000 | 55,285,000 | 38,907,000 |
| State and Municipal | 8,271,000 | 5,297,000 | 2,766,000 |
| Federal | 385,095,000 | 49,988,000 | 36,141,000 |

In the classified construction groups, waterworks construction with a gain over the preceding week is the only class of work to increase. All classes of construction are below their respective totals of a year ago. Subtotals for the week in each class of construction are: waterworks, \$1,388,000; sewerage, \$988,000; bridges, \$132,000; industrial buildings, \$311,000; commercial building and large-scale private housing, \$2,572,000; public buildings, \$14,586,000; earthwork and drainage, \$456,000; streets and roads, \$3,207,000; unclassified construction, \$18,362,000.

New capital for construction purposes for the week totals \$5,149,000, an increase of 228% over the 1942 week. The week's new financing is made up of \$3,399,000 in state and municipal bond sales, and \$1,750,000 in corporate security issues.

New construction financing for the 27 weeks of 1943, \$2,915,072,000, is 61% under the \$7,800,618,000 reported for the 28-week period last year.

June Department Store Sales Advance

The Board of Governors of the Federal Reserve System announced on July 8 that department store sales, which usually decline from May to June, showed little change this year and the Board's seasonally adjusted index rose from 125 to 129% of the 1923-25 average. Total sales in June were augmented considerably by a buying wave that occurred around the middle of the month when shoppers were endeavoring to purchase shoes before the expiration of ration coupon No. 17 and at the same time purchased other goods.

| | INDEX OF DEPARTMENT STORE SALES† (1923-25 AVERAGE=100) | | | |
|---------------------------------|--|----------|------------|-----------|
| | June 1943 | May 1943 | April 1943 | June 1942 |
| Adjusted for seasonal variation | 129 | 125 | 128 | 104 |
| Without seasonal adjustment | 124 | 125 | 133 | 100 |

| | Change from corresponding period a year ago (per cent) | | | | | | | | |
|---------------------------|--|-------------------|--------------|--------------|-----|------|------|-----|-----|
| | One Week Ending | Four Weeks Ending | Year to Date | Year to Date | | | | | |
| Federal Reserve District— | 7-3 | 6-26 | 6-19 | 6-12 | 7-3 | 6-26 | 5-26 | 5-1 | 7-3 |
| Boston | +26 | +9 | +13 | +19 | +16 | +9 | +20 | +18 | +11 |
| New York | +29 | +7 | +20 | +29 | +21 | +14 | +17 | +11 | +8 |
| Philadelphia | +36 | +9 | +16 | +19 | +19 | +9 | +14 | +16 | +9 |
| Cleveland | +36 | +18 | +26 | +25 | +26 | +13 | +18 | +18 | +14 |
| Richmond | +38 | +24 | +19 | +24 | +25 | +18 | +21 | +30 | +26 |
| Atlanta | +62 | +38 | +53 | +51 | +50 | +44 | +33 | +30 | +26 |
| Chicago | +35 | +14 | +27 | +19 | +23 | +14 | +15 | +12 | +11 |
| St. Louis | +44 | +24 | +44 | +38 | +37 | +25 | +24 | +13 | +17 |
| Minneapolis | § | § | § | § | § | +30 | +25 | +18 | +15 |
| Kansas City | +67 | +45 | +56 | +49 | +54 | +55 | +47 | +34 | +35 |
| Dallas | +74 | +47 | +61 | +81 | +65 | +55 | +47 | +44 | +42 |
| San Francisco | +55 | +35 | +36 | +42 | +41 | +30 | +35 | +29 | +27 |
| U. S. total | +39 | +19 | +28 | +29 | +29 | +19 | +22 | +17 | +15 |

| WEEKLY INDEX, WITHOUT SEASONAL ADJUSTMENT (1935-39 AVERAGE=100) | | | |
|---|-----|---------|-----|
| 1943— | | 1942— | |
| June 5 | 137 | June 6 | 135 |
| June 12 | 151 | June 13 | 117 |
| June 19 | 148 | June 20 | 116 |
| June 26 | 118 | June 27 | 100 |
| July 3 | 117 | July 4 | 84 |

*Revised. †The large increases over last year reflect in part the fact that this year stores were open for 6 business days whereas in the corresponding week last year stores were closed on Saturday in observance of the Independence Day holiday. ‡Monthly indexes refer to daily average sales in calendar month; June, 1943, figures estimated from weekly sales. §Not shown separately but included in United States total.

New York Stock Exchange Odd-Lot Trading

The Securities and Exchange Commission has made public a summary for the weeks ended June 19 and 26, of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the commission by the odd-lot dealers and specialists.

| STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE | | |
|--|------------|------------|
| | June 19 | June 26 |
| ODD-LOT SALES BY DEALERS (Customers' Purchases) | | |
| Number of Orders | 17,820 | 16,352 |
| Number of Shares | 514,912 | 474,134 |
| Dollar value | 18,396,179 | 17,724,489 |
| ODD-LOT PURCHASES BY DEALERS (Customers' Sales) | | |
| Number of Orders | 154 | 164 |
| Customers' short sales | 18,106 | 17,287 |
| *Customers' other sales | 18,260 | 17,451 |
| Customers' total sales | 36,366 | 34,738 |
| Number of Shares: | 4,425 | 4,782 |
| Customers' short sales | 493,887 | 468,059 |
| *Customers' other sales | 498,312 | 472,841 |
| Customers' total sales | 15,647,049 | 15,254,065 |
| Dollar value | | |

| ROUND-LOT SALES BY DEALERS | | |
|----------------------------|---------|---------|
| | June 19 | June 26 |
| Number of Shares: | | |
| Short sales | 230 | 60 |
| †Other sales | 124,530 | 139,530 |
| Total sales | 124,760 | 139,450 |

| ROUND-LOT PURCHASES BY DEALERS | | |
|--------------------------------|---------|---------|
| | June 19 | June 26 |
| Number of Shares: | 155,520 | 140,286 |

* Sales marked "short exempt" are reported with "other sales."
† Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

May Hotel Sales Higher

In its July bulletin, Horwath & Horwath, New York public accountants, report that the total increases in May over the same month of last year exceeded somewhat those in April, and were identical on practically all points with the gains for the year to date. The total sales were up 30% over May, 1942.

The firm supplies the following statistical data:

| MAY, 1943, COMPARED WITH MAY, 1942 | | | | | | | | | |
|------------------------------------|-----------------------------|-------|------------|------|-----------|-----------|----------|-----------|----------|
| | Sales, Increase or Decrease | | | | | Occupancy | | Room Rate | |
| | *Total | Rooms | Restaurant | Food | Beverages | May 1943 | May 1942 | May 1943 | May 1942 |
| New York City | +36% | +36% | +55% | +34% | +36% | 88% | 71% | +9% | +9% |
| Chicago | +42 | +39 | +46 | +43 | +52 | 93 | 75 | +12 | +12 |
| Philadelphia | +49 | +28 | +63 | +50 | +83 | 80 | 65 | +12 | +12 |
| Washington | +11 | +7 | +14 | +13 | +17 | 85 | 84 | +4 | +4 |
| Cleveland | +16 | +12 | +20 | +10 | +40 | 88 | 79 | 0 | 0 |
| Detroit | +33 | +27 | +40 | +44 | +35 | 90 | 78 | +10 | +10 |
| Pacific Coast | +41 | +50 | +37 | +37 | +37 | 87 | 66 | +15 | +15 |
| Texas | +41 | +35 | +55 | +56 | +55 | 86 | 73 | +14 | +14 |
| All Others | +24 | +18 | +30 | +27 | +36 | 83 | 72 | +2 | +2 |
| Total | +30% | +26% | +34% | +31% | +38% | 85% | 72% | +6% | +6% |
| Year to Date | +30% | +26% | +34% | +31% | +38% | 83% | 71% | +7% | +7% |

| MONTHLY TOTALS FOR LAST SIX MONTHS | | | | | | | | | |
|------------------------------------|----------|------------|------------|---------------|--------------|---------------|----------|------------|------------|
| | May 1943 | April 1943 | March 1943 | February 1943 | January 1943 | December 1942 | May 1942 | April 1942 | March 1942 |
| Total | +30% | +26% | +34% | +31% | +38% | 85% | 72% | +6% | +6% |
| May 1943 | +27 | +24 | +29 | +27 | +33 | 83 | 71 | +6 | +6 |
| April 1943 | +34 | +28 | +40 | +38 | +43 | 83 | 70 | +8 | +8 |
| March 1943 | +32 | +27 | +35 | +33 | +41 | 82 | 70 | +8 | +8 |
| February 1943 | +28 | +23 | +31 | +28 | +37 | 81 | 71 | +6 | +6 |
| January 1943 | +28 | +23 | +28 | +27 | +32 | 74 | 61 | +5 | +5 |

†The term "rates" whenever used refers to the average sales per occupied room and not to scheduled rates. *Rooms and restaurant only.

Lend-Lease To Africa Put At \$40 Million

Lend-lease goods valued at \$40,000,000 and weighing 170,000 tons were shipped to North Africa from the United States prior to May 31, Lend-Lease Administrator E. R. Stettinius, Jr., reported on June 27, emphasizing that an "extremely high percentage" of the total tonnage had been distributed. This was noted in Washington advices to the "Wall Street Journal" of June 28 which stated that French authorities in North Africa who directed the distribution through normal channels of trade already have paid back \$25,000,000 of the amount involved and are arranging to pay the remainder in the near future, the Administrator further reported. In his statement Mr. Stettinius said:

"It has been abundantly proved that the program accomplished several purposes, including winning of good will, inducing the people to stop hoarding and to put their farm produce into circulation, providing the people with an incentive to work for the allied armies and spurring them to produce and make available materials of vital use to the allied nations."

The report recounted that when Gen. Dwight D. Eisenhower led his British-American forces into North Africa he found the economy of the whole country virtually stagnant after two years of Axis looting, and the French and Arab population saturated with Axis propaganda.

The report also stated, according to the Associated Press:

"From a purely military point of view, it was important to win Arab good-will so that the natives would hinder Axis secret agents and paratroopers who might try to cut the Allies' supply line to Tunisia by destroying bridges, railroad tracks and highways. Considerable civilian labor was needed also to augment military personnel in perfecting the Allied supply line. If the Arab natives proved unfriendly, General Eisenhower would have been compelled to use additional divisions of troops in perfecting and guarding his tenuous supply line. . . ."

"Lack of imports and Axis siphoning of local goods had stripped the markets. Many shops were closed for lack of wares and those open had little to sell. Even people with plenty of money could buy practically nothing, and there was no incentive to work and earn money, to harvest and sell food crops or carry on other normal business."

"A vital part of the Allied military program was the creation of a Fighting French ally. A reasonably contented civilian population was essential to the creation of this new French army, and a sound local economy was necessary to aid the military effort of the British and Americans."

Penna. Airlines Officers Guests Of NYSE

The common stock of the Pennsylvania-Central Airlines Corp. was admitted to trading July 6 on the New York Stock Exchange, and C. Bedell Monro, President; J. H. Carmichael, Vice-President; Robert J. Wilson, Vice-President and Secretary, and R. G. Lochiel, Treasurer and Comptroller, were guests of the Exchange and were present on the floor when the first transaction of their company's stock took place.

The visiting officers were luncheon guests of Emil Schram, President of the Exchange.

Trading On New York Exchanges

The Securities and Exchange Commission has made public figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the weeks ended June 19 and June 12, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended June 19 (in round-lot transactions) totaled 1,728,987 shares, which amount was 15.84% of the total transactions on the Exchange of 5,458,290 shares. This compares with member trading during the week ended June 12 of 1,790,297 shares or 15.72% of total trading of 5,693,460 shares. On the New York Curb Exchange member trading during the week ended June 19 amounted to 360,635 shares, or 13.82% of the total volume of that Exchange of 1,304,490 shares; during the June 12 week trading for the account of Curb members of 427,125 shares was 14.16% of total trading of 1,508,005 shares.

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

| | Total for Week | †Per Cent | Total for Week | †Per Cent |
|--|------------------|--------------|------------------|--------------|
| | 6-19-43 | | 6-12-43 | |
| A. Total Round-Lot Sales: | | | | |
| Short sales | 105,900 | | 94,680 | |
| †Other sales | 5,352,390 | | 5,598,780 | |
| Total sales | 5,458,290 | | 5,693,460 | |
| B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists: | | | | |
| 1. Transactions of specialists in stocks in which they are registered— | | | | |
| Total purchases | 446,980 | | 446,620 | |
| Short sales | 52,740 | | 61,120 | |
| †Other sales | 382,450 | | 413,420 | |
| Total sales | 435,190 | 8.08 | 474,540 | 8.09 |
| 2. Other transactions initiated on the floor— | | | | |
| Total purchases | 263,190 | | 222,570 | |
| Short sales | 10,500 | | 10,240 | |
| †Other sales | 216,130 | | 229,730 | |
| Total sales | 226,630 | 4.49 | 239,970 | 4.06 |
| 3. Other transactions initiated off the floor— | | | | |
| Total purchases | 196,420 | | 222,870 | |
| Short sales | 5,800 | | 7,900 | |
| †Other sales | 154,777 | | 175,827 | |
| Total sales | 160,577 | 3.27 | 183,727 | 3.57 |
| 4. Total— | | | | |
| Total purchases | 906,590 | | 892,060 | |
| Short sales | 69,040 | | 79,260 | |
| †Other sales | 753,357 | | 818,977 | |
| Total sales | 822,397 | 15.84 | 898,237 | 15.72 |

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

| | Total for Week | †Per Cent | Total for Week | †Per Cent |
|---|------------------|--------------|------------------|--------------|
| | 6-19-43 | | 6-12-43 | |
| A. Total Round-Lot Sales: | | | | |
| Short sales | 8,530 | | 12,010 | |
| †Other sales | 1,295,960 | | 1,495,995 | |
| Total sales | 1,304,490 | | 1,508,005 | |
| B. Round-Lot Transactions for the Account of Members: | | | | |
| 1. Transactions of specialists in stocks in which they are registered— | | | | |
| Total purchases | 106,805 | | 125,005 | |
| Short sales | 5,545 | | 6,185 | |
| †Other sales | 106,265 | | 120,915 | |
| Total sales | 111,810 | 8.38 | 127,100 | 8.36 |
| 2. Other transactions initiated on the floor— | | | | |
| Total purchases | 39,195 | | 47,315 | |
| Short sales | 1,500 | | 2,400 | |
| †Other sales | 35,175 | | 48,010 | |
| Total sales | 36,675 | 2.91 | 50,410 | 3.24 |
| 3. Other transactions initiated off the floor— | | | | |
| Total purchases | 17,105 | | 27,085 | |
| Short sales | 600 | | 200 | |
| †Other sales | 48,445 | | 50,010 | |
| Total sales | 49,045 | 2.53 | 50,210 | 2.56 |
| 4. Total— | | | | |
| Total purchases | 163,105 | | 199,405 | |
| Short sales | 7,645 | | 8,785 | |
| †Other sales | 189,885 | | 218,935 | |
| Total sales | 197,530 | 13.82 | 227,720 | 14.16 |
| C. Odd-Lot Transactions for the Account of Specialists— | | | | |
| Customers' short sales | 25 | | 54,824 | |
| †Customers' other sales | 51,935 | | 54,849 | |
| Total purchases | 51,935 | | 54,849 | |
| Total sales | 40,015 | | 47,824 | |

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

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

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

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

barrels of gasoline; 1,232,000 barrels of kerosine; 3,659,000 barrels of distillate fuel oil, and 7,815,000 barrels of residual fuel oil during the week ended July 3, 1943; and had in storage at the end of that week 78,316,000 barrels of gasoline; 8,254,000 barrels of kerosine; 34,330,000 barrels of distillate fuel, and 66,470,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

| | *P. A. W. Recommendations June | *State Allowables Begin June 1 | Actual Production Week Ended July 3, 1943 | Change from Previous Week | 4 Weeks Ended July 3, 1943 | Week Ended July 4, 1942 |
|------------------------------------|--------------------------------|--------------------------------|---|---------------------------|----------------------------|-------------------------|
| Oklahoma | 373,500 | 373,500 | 1,335,500 | + 3,950 | 335,900 | 376,050 |
| Kansas | 300,000 | 300,000 | 1,280,100 | -26,850 | 298,750 | 260,100 |
| Nebraska | 2,400 | ----- | 2,150 | - 50 | 2,100 | 3,750 |
| Panhandle Texas | ----- | ----- | 90,200 | + 100 | 90,100 | 79,500 |
| North Texas | ----- | ----- | 134,300 | + 2,500 | 132,450 | 142,550 |
| West Texas | ----- | ----- | 236,100 | + 7,150 | 230,750 | 138,550 |
| East Central Texas | ----- | ----- | 125,500 | + 2,000 | 124,000 | 74,300 |
| East Texas | ----- | ----- | 350,400 | +15,500 | 338,750 | 217,600 |
| Southwest Texas | ----- | ----- | 217,600 | + 9,350 | 209,900 | 98,450 |
| Coastal Texas | ----- | ----- | 394,300 | +14,100 | 383,700 | 171,850 |
| Total Texas | 1,602,000 | 1,603,709 | 1,548,400 | +50,700 | 1,509,650 | 922,800 |
| North Louisiana | ----- | ----- | 85,150 | + 450 | 85,350 | 91,350 |
| Coastal Louisiana | ----- | ----- | 250,800 | + 9,950 | 243,350 | 218,250 |
| Total Louisiana | 330,800 | 350,550 | 335,950 | +10,400 | 328,700 | 309,600 |
| Arkansas | 72,800 | 75,043 | 75,700 | + 550 | 75,100 | 74,100 |
| Mississippi | 50,000 | ----- | 55,050 | + 1,950 | 53,550 | 83,950 |
| Illinois | 246,200 | ----- | 220,550 | +12,800 | 217,850 | 278,300 |
| Indiana | 15,500 | ----- | 13,600 | - 900 | 14,350 | 18,750 |
| Eastern (not incl. Ill. Ind., Ky.) | 88,400 | ----- | 79,750 | + 2,800 | 78,500 | 83,000 |
| Kentucky | 23,100 | ----- | 20,800 | + 1,000 | 20,950 | 11,700 |
| Michigan | 58,900 | ----- | 57,500 | + 3,100 | 56,800 | 67,100 |
| Wyoming | 97,000 | ----- | 86,550 | - 5,450 | 91,650 | 92,250 |
| Montana | 22,300 | ----- | 20,850 | - 1,000 | 20,850 | 21,900 |
| Colorado | 7,000 | ----- | 7,000 | + 100 | 7,050 | 6,350 |
| New Mexico | 105,700 | 105,700 | 97,050 | - 100 | 97,100 | 65,150 |
| Total East of Calif. | 3,395,600 | 3,230,000 | 3,236,500 | +46,100 | 3,208,850 | 2,679,850 |
| California | 823,300 | 823,300 | 771,300 | + 6,800 | 770,150 | 617,300 |
| Total United States | 4,218,900 | 4,053,300 | 4,007,800 | +52,900 | 3,979,000 | 3,297,150 |

*P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline prorations. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in 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 30, 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.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JULY 3, 1943

| District | Daily Refining Capacity | Crude Runs to Still | Crude % Re-ported | Average erated | Production | | | Stocks of Gas Oil and Distillate Fuels | Stocks of Residual Fuel Oil |
|--|-------------------------|---------------------|-------------------|----------------|----------------|--------------------------|------------------|--|-----------------------------|
| | | | | | at Re-fineries | Finished and Un-finished | Blended Gasoline | | |
| *Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas | 2,444 | 88.7 | 1,866 | 76.4 | 4,890 | 31,133 | 14,131 | 12,493 | |
| Appalachian | 177 | 84.8 | 145 | 81.9 | 404 | 2,301 | 1,058 | 546 | |
| Ind., Ill., Ky. | 824 | 85.2 | 743 | 90.2 | 2,505 | 16,312 | 4,928 | 3,123 | |
| Okla., Kans., Mo. | 416 | 80.1 | 339 | 81.5 | 1,174 | 6,229 | 1,894 | 1,634 | |
| Rocky Mountain | 147 | 55.9 | 107 | 72.8 | 319 | 1,840 | 358 | 664 | |
| California | 817 | 89.9 | 705 | 86.3 | 1,600 | 20,501 | 12,011 | 48,010 | |
| Tot. U. S. B. of M. basis July 3, 1943 | 4,825 | 86.4 | 3,905 | 80.9 | 10,892 | 78,316 | 34,380 | 66,470 | |
| 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 | |
| U. S. Bur. of Mines basis July 4, 1942 | ----- | ----- | 3,552 | ----- | 10,798 | 86,660 | 33,022 | 77,401 | |

*At the request of the Petroleum Administration for War, finished, 67,818,000 barrels; unfinished, 10,498,000 barrels. †At refineries, at bulk terminals, in transit and in pipe lines. ‡Not including 1,232,000 barrels of kerosene, 3,659,000 barrels of gas oil and distillate fuel oil and 7,815,000 barrels of residual fuel oil produced during the week ended July 3, 1943, which compares with 1,488,000 barrels, 3,876,000 barrels and 8,126,000 barrels, respectively, in the preceding week and 1,154,000 barrels, 3,591,000 barrels and 6,693,000 barrels, respectively, in the week ended July 4, 1942.

Note—Stocks of kerosene amounted to 8,254,000 barrels at July 3, 1943, against 7,788,000 barrels a week earlier and 9,636,000 barrels a year before.

Commercial Paper Outstanding

Reports received by the Federal Reserve Bank of New York from commercial paper dealers show a total of \$159,600,000 of open market paper outstanding on May 29. This was a decline of \$19,300,000 from the April 30 total and a decline of \$194,600,000 from the May 29, 1942, total. The current total is the smallest since June 30, 1935, when the amount outstanding was \$159,300,000. This was the fifteenth successive monthly decline.

Following are the totals for the last two years:

| 1943— | \$ | 1942— | \$ |
|---------|-------------|---------|-------------|
| May 29 | 159,600,000 | Apr 30 | 373,100,000 |
| Apr 30 | 178,900,000 | Mar 31 | 384,300,000 |
| Mar 31 | 200,600,000 | Feb 28 | 388,400,000 |
| Feb 27 | 203,100,000 | Jan 31 | 380,600,000 |
| Jan 30 | 220,400,000 | 1941— | ----- |
| Dec 31 | 229,900,000 | Dec 31 | 374,500,000 |
| Nov 30 | 260,600,000 | Nov 29 | 387,100,000 |
| Oct 31 | 271,400,000 | Oct 31 | 377,700,000 |
| Sep 30 | 281,800,000 | Sep 30 | 370,500,000 |
| Aug 31 | 297,200,000 | Aug 31 | 353,900,000 |
| July 31 | 305,300,000 | July 31 | 329,900,000 |
| June 30 | 315,200,000 | June 30 | 299,000,000 |
| May 29 | 354,200,000 | May 31 | 295,000,000 |

Daily Average Crude Oil Production For Week Ended July 3, 1943 Increased 52,900 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended July 3, 1943 was 4,007,800 barrels, an increase of 52,900 barrels over the preceding week and 710,650 barrels per day more than produced in the week ended July 4, 1942. The current figure, however, is 211,100 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of June, 1943. Daily output for the four weeks ended July 3, 1943 averaged 3,979,000 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,905,000 barrels of crude oil daily and produced 10,892,000

Nominate Burgess For ABA Vice-Presidency

The New York State Bankers Association has submitted the name of W. Randolph Burgess, Vice-Chairman of the Board of the National City Bank of New York, as a candidate for the Vice-Presidency of the American Bankers Association, it was announced on May 31 by E. Chester Gerstein, President of the State Bankers' organization, who is President of the Public National Bank and Trust Co.

Mr. Burgess was President of the New York State Bankers Association in 1940. The election for ABA officers will be held in New York in connection with the Association's War Service Meeting on Sept. 15.

The position assumes more than ordinary importance this year, according to Mr. Gerstein, not only because of the Association's war services but also because of the decision of the ABA's executive council to recommend the election of only one Vice-President instead of two as in former years. Mr. Burgess is the first commercial banker from New York State to be proposed for a major elective office in the ABA for several years.

Mr. Burgess's banking experience has been particularly in the field of Treasury financing. He was for a number of years Deputy Governor and then Vice-President of the Federal Reserve Bank of New York in charge of fiscal agency transactions and of open market operations for the Federal Reserve System. He is also a recognized authority on a wide range of economic and financial subjects.

At the outbreak of the Second World War in 1939 he served for two months as special assistant to the Secretary of the Treasury. In 1918 and 1919 he was assistant and acting chief of the statistics branch of the General Staff with rank of major. In 1919-1920 he was statistician with the Russell Sage Foundation. In 1920 Mr. Burgess joined the Federal Reserve Bank of New York, serving as Deputy Governor, or Vice-President, of that institution from the period 1930 to 1938. Since 1938 Mr. Burgess has been Vice-Chairman of the board of the National City Bank of New York.

Mr. Burgess has been President of the American Statistical Association and president of the Academy of Political Science. He is a trustee of Robert College, Teachers College, and the Carnegie Corporation and is a fellow of Brown University. He is also author of a number of publications including "Trends of School Costs," "The Reserve Banks and the Money Market," and "Interpretations of Federal Reserve Policy in the Speeches and Writings of Benjamin Strong," the first Governor of the Federal Reserve Bank of New York.

In the American Bankers Association, Mr. Burgess is Chairman of the Economic Policy Commission. He is an ex officio member of the Executive Council and a member of the special committee on war borrowing.

He is director of the City Bank Farmers Trust Company, the Royal Lieverpool Group of Insurance Companies and a trustee of the Mutual Life Insurance Company. He did postgraduate work at Brown University, McGill University, and Columbia University. Columbia gave him the degree of Ph.D. in 1920, and Brown awarded him the honorary degree of LL. D. in 1937.

Revenue Freight Car Loadings During Week Ended July 3, 1943 Increased 91,262 Cars

Loading of revenue freight for the week ended July 3, 1943, totaled 852,106 cars, the Association of American Railroads announced on July 9. This was an increase above the corresponding week of 1942 of 98,366 cars, or 13.1%, and an increase above the same week in 1941 of 111,747 cars, or 15.1%.

Loading of revenue freight for the week of July 3 increased 91,262 cars, or 12.0% above the preceding week.

Miscellaneous freight loading totaled 386,910 cars, a decrease of 3,050 cars below the preceding week, but an increase of 30,324 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 100,596 cars, an increase of 2,222 cars above the preceding week, and an increase of 18,552 cars above the corresponding week in 1942.

Coal loading amounted to 145,198 cars, an increase of 76,728 cars above the preceding week, and an increase of 24,901 cars above the corresponding week in 1942.

Grain and grain products loading totaled 60,479 cars, an increase of 4,869 cars above the preceding week, and an increase of 18,137 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of July 3 totaled 46,384 cars, an increase of 4,690 cars above the preceding week and an increase of 16,136 cars above the corresponding week in 1942.

Live stock loading amounted to 11,757 cars, an increase of 236 cars above the preceding week, and an increase of 2,242 cars above the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of July 3 totaled 8,200 cars, an increase of 236 cars above the preceding week, and an increase of 1,396 cars above the corresponding week in 1942.

Forest products loading totaled 44,618 cars, a decrease of 238 cars below the preceding week but an increase of 187 cars above the corresponding week in 1942.

Ore loading amounted to 89,692 cars, an increase of 8,591 cars above the preceding week and an increase of 3,745 cars above the corresponding week in 1942.

Coke loading amounted to 12,856 cars, an increase of 1,904 cars above the preceding week, and an increase of 278 cars above the corresponding week in 1942.

All districts reported increases compared with the corresponding weeks in 1942 and 1941. Both 1942 and 1941 included July 4th holiday.

| | 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 | 3,073,428 | 3,174,781 | 2,866,011 |
| 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 |
| 4 weeks of June | 3,151,146 | 3,385,655 | 3,510,057 |
| Week of July 3 | 852,106 | 753,740 | 740,359 |
| Total | 20,949,128 | 21,817,141 | 20,591,091 |

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended July 3, 1943. During this period 91 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED JULY 3

| Railroads | Total Revenue Freight Loaded | | | Total Loads Received from Connections | |
|------------------------------------|------------------------------|----------------|----------------|---------------------------------------|----------------|
| | 1943 | 1942 | 1941 | 1943 | 1942 |
| Eastern District— | | | | | |
| Ann Arbor | 253 | 345 | 503 | 1,371 | 1,355 |
| Bangor & Aroostook | 969 | 867 | 910 | 173 | 256 |
| Boston & Maine | 6,744 | 5,610 | 7,592 | 14,161 | 13,935 |
| Chicago, Indianapolis & Louisville | 1,271 | 1,320 | 1,225 | 1,850 | 2,033 |
| Central Indiana | 33 | 27 | 25 | 41 | 57 |
| Central Vermont | 1,103 | 865 | 1,243 | 2,479 | 2,406 |
| Delaware & Hudson | 5,332 | 5,269 | 2,760 | 11,619 | 11,134 |
| Delaware, Lackawanna & Western | 7,470 | 6,622 | 6,391 | 10,784 | 10,031 |
| Detroit & Mackinac | 228 | 231 | 408 | 106 | 127 |
| Detroit, Toledo & Ironton | 1,942 | 1,559 | 2,320 | 1,275 | 1,126 |
| Detroit & Toledo Shore Line | 425 | 321 | 321 | 2,374 | 2,812 |
| Erle | 12,804 | 11,280 | 13,691 | 17,721 | 16,606 |
| Grand Trunk Western | 3,878 | 3,953 | 5,563 | 7,629 | 8,169 |
| Lehigh & Hudson River | 200 | 186 | 1,195 | 2,002 | 2,344 |
| Lehigh & New England | 804 | 1,784 | 1,468 | 14,693 | 13,501 |
| Lehigh Valley | 6,881 | 7,282 | 5,964 | 2,285 | 2,489 |
| Maine Central | 2,854 | 2,114 | 4,031 | 351 | 304 |
| Monongahela | 5,456 | 5,208 | 4,031 | 131 | 40 |
| Montour | 2,130 | 1,900 | 1,432 | 131 | 40 |
| New York Central Lines | 56,792 | 44,033 | 44,846 | 46,799 | 52,532 |
| N. Y., N. H. & Hartford | 9,885 | 8,660 | 9,788 | 16,724 | 18,969 |
| New York, Ontario & Western | 1,328 | 834 | 782 | 2,095 | 2,855 |
| New York, Chicago & St. Louis | 6,569 | 6,445 | 5,868 | 15,317 | 16,645 |
| N. Y., Susquehanna & Western | 595 | 315 | 437 | 1,585 | 1,351 |
| Pittsburgh & Lake Erie | 7,421 | 7,117 | 7,472 | 8,167 | 9,379 |
| Pere Marquette | 4,728 | 4,783 | 5,920 | 7,443 | 6,167 |
| Pittsburg & Shawmut | 922 | 562 | 485 | 21 | 27 |
| Pittsburg, Shawmut & North | 400 | 312 | 316 | 316 | 247 |
| Pittsburg & West Virginia | 1,135 | 782 | 726 | 3,669 | 3,586 |
| Rutland | 358 | 353 | 488 | 863 | 1,071 |
| Wabash | 5,577 | 4,735 | 5,730 | 13,489 | 13,427 |
| Wheeling & Lake Erie | 6,254 | 5,744 | 5,061 | 4,881 | 4,944 |
| Total | 162,895 | 141,152 | 146,126 | 213,621 | 222,366 |

| Allegheny District— | | | | | |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Akron, Canton & Youngstown | 759 | 674 | 617 | 960 | 1,036 |
| Baltimore & Ohio | 41,713 | 33,759 | 34,412 | 29,424 | 24,108 |
| Bessemer & Lake Erie | 6,286 | 6,592 | 6,144 | 1,557 | 2,665 |
| Buffalo Creek & Gauley | 306 | 230 | 151 | 7 | 2 |
| Cambria & Indiana | 57 | 1,516 | 1,149 | 7 | 10 |
| Central R. R. of New Jersey | 6,691 | 5,981 | 5,552 | 19,850 | 19,264 |
| Cornwall | 660 | 659 | 594 | 32 | 55 |
| Cumberland & Pennsylvania | 267 | 215 | 214 | 9 | 16 |
| Ligonier Valley | 199 | 112 | 69 | 45 | 46 |
| Long Island | 1,178 | 601 | 754 | 3,470 | 3,715 |
| Penn-Reading Seashore Lines | 1,715 | 1,426 | 1,510 | 2,619 | 2,439 |
| Pennsylvania System | 79,239 | 76,978 | 74,155 | 63,611 | 60,625 |
| Reading Co. | 11,565 | 12,093 | 10,945 | 25,068 | 26,480 |
| Union (Pittsburgh) | 16,351 | 21,110 | 19,587 | 7,581 | 7,572 |
| Western Maryland | 3,974 | 3,152 | 3,124 | 12,121 | 11,899 |
| Total | 170,960 | 165,698 | 158,977 | 166,358 | 159,932 |

| Pocahontas District— | | | | | |
|----------------------|---------------|---------------|---------------|---------------|---------------|
| Chesapeake & Ohio | 28,935 | 19,304 | 20,191 | 12,126 | 12,616 |
| Norfolk & Western | 21,965 | 14,459 | 16,933 | 7,474 | 7,070 |
| Virginian | 4,738 | 2,669 | 3,054 | 2,011 | 2,083 |
| Total | 55,638 | 36,432 | 40,178 | 21,611 | 21,769 |

| Railroads | Total Revenue Freight Loaded | | | Total Loads Received from Connections | |
|---------------------------------|------------------------------|----------------|----------------|---------------------------------------|----------------|
| | 1943 | 1942 | 1941 | 1943 | 1942 |
| Southern District— | | | | | |
| Alabama, Tennessee & Northern | 303 | 455 | 706 | 251 | 410 |
| Atl. & W. P.—W. R. R. of Ala. | 584 | 620 | 754 | 1,089 | 1,135 |
| Atlanta, Birmingham & Coast | 695 | 881 | 905 | 1,089 | 9,283 |
| Atlantic Coast Line | 12,179 | 10,648 | 9,105 | 9,669 | 9,283 |
| Central of Georgia | 3,966 | 4,671 | 4,312 | 4,630 | 4,201 |
| Charleston & Western Carolina | 373 | 453 | 579 | 1,634 | 1,434 |
| Clinchfield | 1,620 | 1,529 | 1,318 | 2,551 | 2,634 |
| Columbus & Greenville | 322 | 367 | 408 | 121 | 234 |
| Durham & Southern | 105 | 126 | 175 | 338 | 919 |
| Florida East Coast | 1,374 | 912 | 376 | 1,800 | 843 |
| Gainesville Midland | 36 | 40 | 55 | 76 | 208 |
| Georgia & Florida | 981 | 1,355 | 1,084 | 3,375 | 2,616 |
| Gulf, Mobile & Ohio | 508 | 467 | 453 | 519 | 432 |
| Illinois Central System | 3,986 | 3,935 | 3,447 | 4,178 | 4,210 |
| Louisville & Nashville | 26,121 | 23,719 | 21,388 | 18,892 | 16,614 |
| Macon, Dublin & Savannah | 25,131 | 19,791 | 19,652 | 11,463 | 10,978 |
| Mississippi Central | 172 | 184 | 183 | 733 | 836 |
| Nashville, Chattanooga & St. L. | 225 | 190 | 161 | 374 | 599 |
| Norfolk Southern | 3,071 | 3,241 | 3,126 | 5,201 | 4,955 |
| Piedmont Northern | 2,314 | 1,520 | 2,079 | 1,148 | 1,885 |
| Richmond, Fred. & Potomac | 599 | 333 | 394 | 1,076 | 1,028 |
| Seaboard Air Line | 361 | 474 | 355 | 11,078 | 9,912 |
| Southern System | 9,950 | 10,373 | 8,803 | 7,341 | 8,173 |
| Tennessee Central | 20,378 | 21,659 | 22,156 | 22,457 | 23,304 |
| Winston-Salem Southbound | 1,134 | 565 | 461 | 935 | 1,040 |
| | 104 | 87 | 141 | 704 | 830 |
| Total | 114,392 | 108,595 | 102,146 | 114,450 | 110,985 |

| Northwestern District— | | | | | |
|----------------------------------|----------------|----------------|----------------|---------------|---------------|
| Chicago & North Western | 21,788 | 19,801 | 19,712 | 12,903 | 12,902 |
| Chicago Great Western | 2,404 | 2,193 | 2,449 | 3,105 | 3,147 |
| Chicago, Minn., St. P. & Pac. | 21,727 | 16,446 | 19,750 | 11,753 | 9,780 |
| Chicago, St. Paul, Minn. & Omaha | 3,789 | 3,263 | 3,543 | 3,638 | 4,282 |
| Duluth, Missabe & Iron Range | 8,762 | 29,507 | 24,240 | 342 | 500 |
| Duluth, South Shore & Atlantic | 1,138 | 835 | 903 | 620 | 450 |
| Elgin, Joliet & Eastern | 9,043 | 9,132 | 9,653 | 9,195 | 10,738 |
| Fl. Dodge, Des Moines & South | 449 | 474 | 439 | 82 | 101 |
| Great Northern | 25,952 | 22,525 | 22,419 | 5,967 | 4,627 |
| Green Bay & Western | 420 | 430 | 555 | 868 | 800 |
| Lake Superior & Ishpeming | 1,470 | 1,620 | 2,117 | 35 | 43 |
| Minneapolis & St. Louis | 1,910 | 1,653 | 1,733 | 2,513 | 2,144 |
| Minn., St. Paul & S. M. | 7,828 | 6,385 | 7,028 | 2,920 | 2,772 |
| Spokane International | 11,111 | 8,658 | 10,191 | 5,520 | 4,478 |
| Northern Pacific | 121 | 144 | 275 | 571 | 554 |
| Spokane, Portland & Seattle | 2,832 | 2,003 | 1,987 | 3,750 | 2,837 |
| Total | 142,744 | 125,439 | 126,994 | 63,793 | 60,160 |

| Central Western District— | | | | | |
|--------------------------------|----------------|----------------|----------------|---------------|---------------|
| Atch., Top. & Santa Fe System | 26,743 | 25,749 | 26,054 | 11,915 | 10,266 |
| Alton | 3,270 | 2,881 | 3,217 | 4,086 | 4,500 |
| Bingham & Garfield | 559 | 712 | 557 | 78 | 103 |
| Chicago, Burlington & Quincy | 19,583 | 13,925 | 15,803 | 11,223 | 9,820 |
| Chicago & Illinois Midland | 2,566 | 2,552 | 2,566 | 784 | 848 |
| Chicago, Rock Island & Pacific | 13,376 | 11,459 | 13,032 | 13,338 | 12,723 |
| Chicago & Eastern Illinois | 2,462 | 2,144 | 2,450 | 5,996 | 3,970 |
| Colorado & Southern | 719 | 687 | 573 | 1,711 | 1,790 |
| Denver & Rio Grande Western | 3,813 | 2,598 | 1,960 | 6,204 | 5,483 |
| Denver & Salt Lake | 680 | 435 | 387 | 19 | 15 |
| Fort Worth & Denver City | 1,340 | 1,499 | 1,112 | 2,362 | 1,232 |
| Illinois Terminal | 2,227 | 1,660 | 1,916 | 2,313 | 2,041 |
| Missouri-Illinois | 1,040 | 1,086 | 1,065 | 415 | 445 |
| Nevada Northern | 2,040 | 2,006 | 1,729 | 64 | 101 |
| North Western Pacific | 985 | 968 | 653 | 671 | 503 |
| Peoria & Pekin Union | 15 | 8 | 14 | 0 | 0 |
| Southern Pacific (Pacific) | 32,299 | 28,825 | 25,292 | 14,473 | 9,822 |
| Toledo, Peoria & Western | 202 | 275 | 232 | 1,875 | 1,555 |
| Union Pacific System | 14,883 | 12,866 | 14,049 | 17,134 | 13,261 |
| Utah | 489 | 458 | 187 | 3 | 45 |
| Western Pacific | 2,224 | 1,619 | 1,608 | 3,913 | 2,635 |
| Total | 131,515 | 114,412 | 114,456 | 98,577 | 79,175 |

| Southwestern District— | | | | | |
|------------------------------|--------|--------|--------|--------|--------|
| Burlington-Rock Island | 835 | 229 | 143 | 248 | 232 |
| Gulf Coast Lines | 5,083 | 4,154 | 2,374 | 2,486 | 1,839 |
| International-Great Northern | 2,138 | 2,350 | 2,097 | 2,896 | 1,852 |
| Kansas, Oklahoma & Gulf | 246 | 320 | 248 | 957 | 1,129 |
| Kansas City Southern | 5,619 | 4,661 | 2,465 | 2,895 | 2,956 |
| Louisiana & Arkansas | 3,766 | 4,273 | 1,901 | 2,980 | 2,484 |
| Litchfield & Madison | 363 | 231 | 329 | 1,288 | 1,223 |
| Midland Valley | 505 | 588 | 432 | 317 | 211 |
| Missouri & Arkansas | 148 | 124 | 164 | 311 | 360 |
| Missouri-Kansas-Texas Lines | 5,842 | 4,340 | 4,267 | 5,950 | 3,704 |
| Missouri Pacific | 19,241 | 14,596 | 16,538 | 17,900 | 16,397 |
| Quanah Acme & Pacific | 192 | 124 | 165 | 247 | 240 |
| St. Louis-San Francisco | 8,433 | 8,321 | 7,849 | 9,521 | 7,806 |
| St. Louis Southwestern | 2,814 | 2,752 | 2,321 | 7,824 | 6,956 |
| Texas & New Orleans | 13,594 | 10,412 | | | |

Items About Banks, Trust Companies

John F. Flaacke, Assistant Secretary of Chemical Bank & Trust Co. of New York, on July 12 began his 73rd year of continuous service with the bank. In point of service, he is the dean of New York bankers and as far as known, for length of continuous service with one institution, he holds the record for the entire country. Mr. Flaacke was born in New York City on Aug. 22, 1855. He entered the bank's employ on July 12, 1871, during the Presidency of John Quentin Jones, and has served under seven of the ten Presidents which the bank has had in its 119 years of existence. He is Honorary President of the Quarter Century Club of the Chemical Bank & Trust Co. Mr. Flaacke was one of the organizers of the Bank Clerks' Building & Loan Co. in 1890 and was also active in organizing the New York Chapter of the American Institute of Banking, of which he was the first Treasurer. He is a member of the Blizzard Men's Club and the Society of Old Brooklynites.

The statement of the Chase National Bank of New York for June 30, 1943, shows deposits of \$4,193,352,000, compared with \$4,203,291,000 on March 31, 1942, and \$3,595,451,000 on June 30, 1942. Total resources at the latest date amounted to \$4,482,606,000, as against \$4,482,656,000 on March 31 and \$3,869,464,000 a year ago; cash and due from banks, \$943,768,000, compared with \$1,025,488,000 and \$1,137,399,000 on the respective dates; investments in U. S. Government securities, \$2,548,664,000, contrasting with \$2,403,236,000 and \$1,573,405,000; loans, discounts and bankers' acceptances, \$717,909,000, compared with \$727,477,000 and \$822,753,000. On June 30, 1943, the capital of the bank was \$100,270,000 and the surplus \$100,270,000, both amounts unchanged. The undivided profits on June 30, 1943, after deducting \$5,180,000 from that account for a semi-annual dividend payable Aug. 2, amounted to \$49,842,000, compared with \$49,353,000 on March 31, 1943, and \$40,800,000 on June 30, 1942.

S. Sloan Colt, President of Bankers Trust Co. of New York, announced on July 7 that Laurence G. Payson has been elected Assistant Vice-President of the company. Mr. Payson has just completed a year of service as Assistant Executive Manager of the Victory Fund Committee of the Second (New York) Federal Reserve District. Mr. Payson was largely responsible for the internal management of the Victory Fund organization.

After graduating from Princeton in the Class of 1916, Mr. Payson was connected with the American Locomotive Co. He later became President of the Stock Clearing Corp., affiliated with the New York Stock Exchange. He was Chairman of the Graduate Council of Princeton University and served four years as an Alumni Trustee. He is a member of the Council and Chairman of the Finance Committee of New York University. He is a Trustee of the Franklin Savings Bank and until his election to his present post was a Director of the Bank of the Manhattan Co. During World War I, Mr. Payson served with the A. E. F., having enlisted as a private and was commissioned Captain in the Medical Corps in France.

The statement of condition of the Savings Banks Trust Co., which is wholly owned by the savings banks in New York State, shows that as of June 30, 1943, aggregate deposits amounted to \$354,944,264, compared with \$249,374,267 at the close of 1942. Total assets amounted to \$395,506,004 as against \$290,204,963 on Dec. 31, 1942. The total deposits consisted chiefly of \$130,752,395 due to New

York State savings banks, an increase of about \$35,000,000 over the year-end figure, and \$220,069,916 due to the U. S. Treasury, as against \$153,290,173 at the end of 1942. Cash due from Federal Reserve and other banks declined to \$22,514,128 from \$47,187,211 on Dec. 31, 1942. Investment in U. S. Government obligations held by the trust company were \$370,918,785 on June 30. Capital funds were \$39,765,520, as against \$39,414,370 on Dec. 31. The trust company acts as depository for mutual savings banks of New York State and their instrumentalities.

Bankers Trust Co., New York, in its statement of condition as of June 30, reports total resources of \$1,475,882,417 and total deposits of \$1,347,633,892, compared with \$1,336,854,525 and \$1,218,162,690 as of June 30, 1942. Holdings of U. S. Government securities amount to \$789,385,550, against \$529,591,777 a year ago; cash and due from banks totals \$289,234,208, compared with \$392,619,699, and loans and bills discounted to \$308,417,549, against \$315,927,282. Capital is unchanged from a year ago at \$25,000,000, but surplus has been increased to \$75,000,000 from \$50,000,000 on June 30, 1942, and undivided profits total \$22,515,492 against \$37,612,292 last year. The bank's directors voted in June to transfer \$25,000,000 from undivided profits to surplus account, to transfer \$7,000,000 from general reserve to undivided profits and to write down the book value of its banking premises by \$2,000,000. The bank had net operating earnings for the first six months of 1943 of \$4,711,938—operating earnings having amounted to \$10,697,957 and operating expenses to \$5,986,018.

John W. White, Vice-President and General Manager of Westinghouse Electric International Company, has been elected a director of Pan American Trust Company.

The East River Savings Bank of New York announces the election of Bruce Barton and Douglas Gibbons to the Board of Trustees. Mr. Barton, President of Batten, Barton, Durstine & Osborn, Inc., is a Director of the State Street Investment Corporation. He was recently elected Chairman of the Board of the Advertising Federation of America.

Mr. Gibbons, President of Douglas Gibbons and Company, Inc., is a Trustee of the Title Guarantee and Trust Co.; Director, Northern Insurance Co.; Vice-President, Lincoln Building Corp.; Director, New York Dock Co.; Director, American Red Cross, New York Chapter, and a member of the Council of Boy Scout Foundation of Greater New York.

Clinton Trust Company of New York reports that deposits of the bank on June 30, 1943 increased to \$14,498,202, compared with deposits of \$13,077,208 on March 31, 1943 and \$10,706,797 on June 30, 1942. Total assets of the bank increased to \$15,658,950 at June 30, 1943 from \$14,263,728 on March 31 of this year, and \$12,068,361 a year ago. Surplus and undivided profits of the bank totaled \$457,444, against \$425,193 three months ago, \$400,000 on June 30, 1942. Loans and discounts totaling \$2,792,818 at June 30, 1943, compared with \$2,239,967 three months before and \$2,966,953 a year ago. Capital stock of the Clinton Trust Company remained unchanged at \$600,000. United States Government, State and Municipal bonds totaled \$6,770,882 on June 30, 1943, against \$6,409,994 on March 31 and \$3,702,539 on June 30, 1942. Cash on hand and due from banks was \$3,833,724, compared with \$3,473,645 three months earlier and \$3,433,231 a year ago.

The Brevoort Savings Bank, Brooklyn, N. Y., has received authorization from the State Banking Department to open a branch office at 465 86th St.

Harry M. Dent, President of the Durez Plastics & Chemicals Inc., North Tonawanda, N. Y., has been elected to the Board of Directors of the Marine Trust Co., Buffalo. Mr. Dent is also a Director of the First Trust Co. of Tonawanda.

The Philadelphia National Bank, Philadelphia, reports in its statement of condition as of June 30, 1943, total deposits of \$722,821,102 and total resources of \$780,916,341, compared with deposits of \$703,038,134 and resources of \$759,239,931 on March 31, 1943. In the current statement, cash and due from banks amounts to \$193,367,810, as against \$205,037,384; holdings of U. S. Government securities, \$452,309,070, compared with \$406,817,692, and loans and discounts to \$78,672,247, against \$84,197,020. Capital stock and surplus are unchanged at \$14,000,000 and \$21,000,000, respectively, but undivided profits now total \$13,482,162, compared with \$13,146,968 at the end of the first quarter of 1943.

Shareholders of the Grays Ferry Building and Loan Association, Philadelphia, have approved absorption of the 45-year-old organization by Home Builders Building and Loan Association, it was announced July 6. The plan was approved by the State Banking Department. The merger, it is stated, increases the assets of Home Builders to \$470,000 and dollar volume of mortgage loans to \$355,000.

Frederick C. Dreyer, Assistant Treasurer of the Maryland Trust Co. of Baltimore, died on July 5 at his home in Baltimore. He was 75 years old. The following regarding his career is from the Baltimore "Sun" of July 6:

"Mr. Dreyer began his banking career with the old Merchants National Bank. Later he moved to the National Union Bank as Cashier. When the Continental Trust Co. was organized in 1899 Mr. Dreyer was appointed Treasurer.

He was appointed Assistant Treasurer of the Maryland Trust Co. in 1930 when the company merged with the Continental Trust."

Richard A. Connett has been appointed an Assistant Treasurer of the Guardian Bank and Savings Co., Cincinnati. Mr. Connett, who has been with the bank 14 years, was formerly Manager of the Commercial Department.

The Board of Directors of the Mid-City National Bank, Chicago, has been increased to 13 by the election of Armand F. Bastien, Vice-President and Treasurer of John P. Harding Market Co., and Edward H. Ball, President, Chicago Belting Co. According to the Chicago "Journal of Commerce" the company also announced an increase in the surplus account to \$300,000, this being accounted for by a transfer of \$50,000 from undivided profits.

The statement of condition of the First National Bank in St. Louis, as of June 30, 1943, showed total deposits of \$350,604,100, comparing with \$339,580,214 on Dec. 31, 1942. The statement also shows total resources of \$373,730,643, against \$361,651,665 six months ago. Holdings of U. S. Government securities are \$186,092,352, compared with \$165,255,891; loans and discounts, \$84,812,166, against \$74,992,279, and cash and due from banks, \$87,558,740, compared with \$103,614,815. Capital is unchanged from six months ago at \$10,200,000, while surplus and profits on June 30 are given as \$10,579,520, after providing \$480,000 for the Aug. 31 and the Nov. 30, 1943,

dividends, as compared with \$10,288,735, after making provision for the Feb. 27, 1943, dividend of \$240,000.

The Commerce Trust Co., Kansas City, Mo., reports in its statement of condition as of the close of business June 30, 1943, total resources of \$332,170,909 and total deposits of \$317,250,565, compared with \$321,543,567 and \$307,314,706, respectively, on Dec. 31, 1942. Cash and due from banks is reported at \$113,372,069, against \$107,848,252 six months ago; holdings of U. S. obligations (direct and fully guaranteed), \$134,361,016, compared with \$125,956,020; and loans and discounts of \$56,792,468, against \$57,109,333. The trust company's capital and surplus are unchanged at \$6,000,000 and \$4,000,000, respectively, but undivided profits in the latest statement total \$4,553,934, compared with \$4,043,304 on Dec. 31, 1942.

Marshall B. Hall, Vice-President and Director of the Adams-Millis Corporation, High Point, N. C., has been elected Vice-President of the Trust Company of Georgia, Atlanta, it is announced by Robert Strickland, President of the bank. Mr. Strickland also announced the appointment of Robert B. Kimsey as Assistant Secretary and of Garnett O. Wood as Auditor. Mr. Hall had been associated for many years with New York banking institutions—the old National Bank of Commerce from 1915 to 1929 and the Guaranty Trust Co. from 1929 to 1941. He became connected with the Adams-Millis Corp. in the latter year. Mr. Kimsey has been connected with the Trust Co. of Georgia since 1927, while Mr. Wood's association dates back to 1922. According to the Atlanta "Constitution," Mr. Hall will assume duties in the Commercial Banking Department of the Trust Company of Georgia and will have direct supervision of the company's business in the industrial areas of North Carolina and South Carolina. Mr. Wood succeeds to the duties of L. L. Davis, Assistant Secretary, who will devote his entire time to direction and supervision of tax matters for the company.

The Directors of the Midland Bank, Ltd., London, recently announced the election of Clarence T. A. Sadd, Chief General Manager, to membership on the Board. Mr. Sadd, who has been connected with the Midland Bank since 1898, has also been elected to the Board of the Midland Bank Executor and Trustee Co., Ltd.

NY Curb Trading Ahead Of Year Ago

The New York Curb Exchange states that while the pace of stock trading during the six-and-a-quarter months of this year is not comparable with the hectic sessions of 14 years ago nor the balcony days of more recent memory, most of the brokerage fraternity consider it quite satisfactory. Supplemental opinion, unannouncedly expressed, the Exchange's announcement says, is that attention to a wider group of stocks—"peace" as well as "war" issues—is indicative of a growing public awareness of securities as investments; a healthy condition which they welcome more readily than the erratic speculative interest. Their more farsighted colleagues add the interpretation that increased public participation points up a new or revised public opinion of securities which augurs well for the future of the securities industry.

The Curb Exchange announcement further said:

"A most striking illustration of the expanded interest in stock trading is readily apparent at the New York Curb Exchange where

the volume of shares traded in the 155 business days of 1943 was more than twice as large as the total turnover reported for the 301 trading sessions of last year, and substantially ahead of the total volumes scored on that Exchange in 1941 and 1940. Present volume is also but 1,000,000 shares away from the 1939 figure and about 5,000,000 under the turnover for 1938.

"Since the beginning of the current year, 44,863,672 shares have changed hands as compared with 22,305,690 shares in 1942; 34,656,354 in 1941; 42,928,377 in 1940; 45,729,888 in 1939; and 49,640,238 shares in 1938. Volume in 1937 was 104,178,804 shares. Trading on the Curb Exchange in as the 90 sessions through April 19 brought the volume to a total that was 213,762 shares in excess of the 1942 business. In the 65 sessions since then, 23,344,220 shares were traded.

"In May of this year, 11,202,975 shares changed hands, setting a six-year record for such a period and marking the best May in ten years.

"A comparison of the monthly totals through June for 1942 and 1943 shows an increase for the current year of 386%.

| | 1942 | 1943 |
|--------------|-----------|------------|
| January | 2,096,415 | 3,591,161 |
| February | 1,380,255 | 5,581,711 |
| March | 1,782,300 | 7,990,045 |
| April | 1,359,152 | 8,498,660 |
| May | 1,124,606 | 11,202,975 |
| June | 1,196,948 | 6,643,135 |
| Total shares | 8,939,676 | 43,507,687 |

"Based on the present rate of turnover, volume for 1943 will be the largest in six years."

Chiang Urges Allies Strike Now Against Japs

Generalissimo Chiang Kai shek, in a message to the peoples of the United Nations, urged on July 7 an immediate large-scale Allied offensive against Japan because the present is the most opportune moment "to reap great results within a relatively short span of time."

On the occasion of the sixth anniversary of Japan's attack on China, Gen. Chiang asserted Japan now "is at her weakest as her ready resources are approaching a point of exhaustion."

"Should we let her have further respite to complete impregnable defense and to wage a long drawn-out war with us," he added, "the time and price the Allies will have to pay to defeat her will be many times longer and heavier than what are required today."

In Associated Press Chungking advices, the following was also reported:

Gen. Chiang, who told his own people in another message that the time limit for utter defeat of the Japanese invasion armies "cannot exceed two years," urged full support of the Roosevelt-Churchill agreement to "wage the war on the Japanese and European fronts with equal power."

"In the execution of this strategy," he promised, "our Allies can count upon the determination of the Chinese army to contribute whatever is within their power and to make whatever sacrifices necessary. . . ."

Gen. Chiang ruled out any "negotiated peace," insisted it should be one "seeking the emancipation of entire mankind," and declared:

"The United Nations should set up at the earliest possible moment joint machinery for the winning of the peace as well as the efficient prosecution of the war.

"To safeguard international justice and collective security and to insure the successful functioning of democratic governments after the war, there must be a post-war world organization with the solid backing of an international force."