

# The Commercial and FINANCIAL CHRONICLE

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## The Financial Situation

It is now evident that the President's long record of labor favoritism in general, and his veto of the so-called anti-strike bill (unsuccessful though it was) in particular are bearing fruit in the organized and vigorous efforts of both the major divisions of labor unionism to marshal the voters of the country behind him. Yet it is likewise clear that the unions are not satisfied even with this record of undeviating support. They are now demanding drastic action in respect of the cost of living, and say bluntly that unless they obtain it they will not be further bound by the so-called Little Steel formula—or words very nearly to that effect.

### A Characteristic Reaction

The reaction of the President is characteristic. Expressing sympathy with the leaders who dare assume an attitude which he would quickly and vitriolically condemn were it assumed by business; he suavely assures the public that nothing in the nature of an ultimatum has been issued, and announces that he is engaged in the formulation of a "new" program designed to reduce the cost of living—a program which, according to usually reliable sources, would include not only "roll-backs" of the prices of a substantial list of articles, but the payment of wage increases in scrip or bonds which could be converted into cash only after the war, an "industrial feeding" plan (whatever that is), a revival and expansion of the old food stamp idea, and the expenditure of large sums of the taxpayers' money to stimulate production of certain foodstuffs. By such means it is hoped to prevent or control "inflation".

### A Discouraging Picture

It is a discouraging picture. No further evidence is required that neither the President nor the leaders of labor understand what is actually taking place. Neither were able to understand what was occurring during the 'thirties when "inflation" was "in the air," so to speak. Both the President and his labor leader friends appear to think of "inflation" merely in terms of prices. If there is no rise in

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## Mortgages As Investments

### Roger W. Babson Stresses Inflation Effect Thereon

GLOUCESTER, Mass.—I am spending a few days here in this great fishing center. In fact, I am writing this column in the house where I was born at 58 Middle Street. These annual visits mean much to me. They not only enable me to renew old acquaintances, but I learn much from noting the changes of the past fifty years. Both the sunny and dark sides of the business and social cycles are so evident in this old city.

### Avoid Doing As Others Do

It was only a few years ago that the Gloucester City Fathers felt that the fishing business was "gone for good"; while that their future prosperity would depend upon the tourist and summer business. Today, however, the fish business is operating at an all-time high with great profits to all engaged therein; while many of the summer hotels are closed and cottages can be rented for a song. Yet, the breezes are as cool; the bathing is as fine, and the sunsets are as beautiful as ever. Certainly, this is the ideal



Roger W. Babson

summer to visit Gloucester and similar resorts to get both rest and attention.

The great change in the local situation here reminds me of one of the many wise things which my Father used to say:—"The wheels of business and investments are continually turning. A few persons have the courage to get on the wheel when prices are at the bottom and to get off when at the top. Most people follow the crowds and get on the wheel when prices are at the top and get off when they are at the bottom. Those, however, who will get on the wheel and stay on, through high prices and low prices, will get 6% interest, a fair profit and reasonable security."

### Banks May Be Wrong

Just now New England people are much disturbed about mortgages which were the prime and safest investment when I was a boy. Since then much of the mortgage property has deteriorated and the banks have been

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## WLB Cautions Labor Against Inflationary Wage Rise Demands

The War Labor Board announced on July 23 that it has no intention of scrapping the "Little Steel" wage formula "even though other divisions of the anti-inflation army may weaken," and cautioned labor against seeking "inflationary wage increases."

The WLB's position was presented in an opinion denying wage increases in the Los Angeles transit workers' case. The WLB told organized labor that "before making wage demands that cannot be granted under the board's stabilization program, labor should look to what is likely to happen if that program is broken down."

The "Little Steel" formula declares in general that wage increases granted to compensate for higher living costs shall not total more than 15% of wages paid Jan. 1, 1941.

In Associated Press Washington advices, the following was reported:

"The present day problems of our domestic economy are becoming so serious and critical," said the opinion written by Wayne L. Morse, public member of WLB, "that the Board must hold the lid on wages and, at least for the time being, must insist that labor make wage sacrifices." Declaring that the Board intends to hold the line against inflation "in so far as demands for inflationary wage increases are concerned," the opinion observed:

"The time has come for labor to realize that if we are going to stop inflation we cannot continue to raise wages in the wage brackets which are not substandard.

"However, having made sacrifices in the form of unrealized wage increases and decreased purchasing power, labor is in an excellent position to voice the demand that prices be rolled back to reasonable levels and that the cost of living be strictly controlled."

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## Pension Trust Regulations Released

By PETER GUY EVANS

Certified Public Accountant; Member of New York Bar; Lecturer on Taxation at Rutgers and Columbia Universities

On July 8, there were released the long-awaited Regulations explaining Section 162, of the Revenue Act of 1942, regarding the allowance of deductions for payments to pension trusts coming within the purview of Section 165 of the Internal Revenue Code. These Regulations, issued as Treasury Decision 5278, are interpretations of the law of pension trusts as now included in the Code; they are promulgated by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury.

That it took the Commissioner a long time to write them cannot be denied. They were promised in February although the Revenue Act of 1942 was passed on October 21, 1942!

Both the law and the Regulations must be carefully read and studied by those interested in pension trusts. Not only should they be read by those contemplating the creation of new pension (also stock bonus and profit-sharing) plans, but also by those who have such plans in operation. The latter, to maintain or to establish their legality under the new tax provisions, must make the necessary amendments or changes in their plans before the end of the year. The Regulations solve some of the problems created by the 1942 law.

The object of such trust plans is to provide for systemic retirement of employees and to cut down ultimate pension costs, to improve employee efficiency and relations, to encourage savings and help build up security and independence for old age by taking care of salaried employees, and finally to effectuate a tax saving.



Peter Guy Evans

(Since Unions take care of the wage earners, employers usually exclude such hourly employees from their plans.) Taxes are saved by the employer who makes the payments to the qualified trust and gets his deduction currently, while the employee who is the beneficiary does not have to pay taxes until he ultimately receives his pension.

That the Treasury derives no taxes on payments made to employees' trusts is not material despite the fact that the employer gets his tax deduction. The tax on the employee is merely deferred and who can say what the tax rates of the future will be when the employee receives his pension. The derivable tax revenues from this source, comparatively, are negligible.

If a trust, embodied in a pension plan, is to be accorded favorable tax treatment certain requirements must be strictly met by the plan.

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

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## From Washington Ahead Of The News

By CARLISLE BARGERON

It is probably a little late to be writing about the tribulations of Mussolini but the fact is that they have had a profound effect on Washington. A healthy one, too. It is nothing unusual now to see a Big Shot or a Czar going around with a hanging head. Somehow or another it has tended to put a fellow's feet on the ground, to give him a touch of humility when humility was so badly needed.

The reason for this is that in our generation Mussolini was the original Big Shot. Your correspondent remembers just as well as anything that happened yesterday when he marched into Rome. There was nothing particularly pompous about him at the time, the Government was given over to him on a silver platter. Then he got to developing the Jutting Jaw.

You get a real kick on looking back on those days. We were riding high, wide and handsome. Our literature concerned the number of people who annually broke their skulls by slipping in bathtubs—there were two of them in

every house. Coolidge came in and gave us a thrill by espousing "economy" in government. It was his futile but heroic way of getting us interested in Government. One night down at Constitution Hall, his budget director, Charlie Dawes, created a sensation at one of Coolidge's meetings of Government employees, by grabbing a broom and sweeping the stage. Coolidge had told the employees that they had to save on erasers and pencils. Dawes, to dramatize this and by way of stealing the show, grabbed a broom and began sweeping the stage. "Sweep

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## The Financial Situation

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prices, there is no inflation, they seem to suppose, and no harm done. If they choose to define inflation as a rise in prices, that, of course, is their right, but it would be more than foolish to permit this definition of the term to lead to the conclusion that such underlying changes as those occurring in money and banking in the 'thirties, and those now taking place on a much larger scale do no harm unless they cause or are accompanied by a rise in prices.

### No Inflation?

According to the President's definition the mad 'twenties was not a period of inflation. Possibly it would be as well to call it by some other name. The matter is no great importance unless we permit ourselves to be deceived by terminology. The fact is, though, that bank deposits rose from about \$36 billion in 1921 to about \$57 billion at the end of 1928. The wholesale price level as measured by the index of the Bureau of Labor Statistics was lower in 1928 than in 1921. There was only a very slight increase in the cost of living throughout the period. It was not, therefore, an inflation period—as terms are used in Washington. It was, however, certainly not a period of economic and financial sanity and health, and it was followed by one of the most severe and generally devastating depressions in history. Evidently something happened during those years which had to be paid for through the nose at a later date.

### Money Supply

Clearly, there was a continuous, large and wholly unwarranted increase in what has become popularly known as the "money supply" which succeeded in stimulating activity which was not well or soundly conceived, and in making it possible to postpone for several years the facing of underlying economic ills—to postpone dealing with them, but not to avoid the consequences of that postponement. Those consequences proved to be as inexorable as natural law always is. The fact that there was no important upward movement of prices either at retail or wholesale may or may not have softened the economic retribution somewhat, but it certainly did no more than that. Plainly the evil of such economic procedures as dominated that period were in no way measured by changes in prices.

### Not Merely A Matter Of Prices

Neither can the financial evils which have characterized the management of public affairs since 1933 be measured in terms of price indexes. Commercial bank deposits which stood at \$29 billion at the end of 1933, had risen to about \$60 billion before we entered the war. On December last they amounted to \$78 billion, and today probably are very nearly, if not quite, \$85 billion. Money in circulation, which stood at \$5.7 billion on June 30, 1933, had risen to \$11.2 billion by the end of 1941. Today the figure is more than \$17 billion. Underlying these increases and primarily responsible for them is the increase in the sales of Treasury deficits to the commercial banks. The commercial banks of the country (including the Federal Reserve) held about \$9.8 billion of Government obligations on June 30, 1933. By the end of 1941 they held about \$24 billion and today they hold probably not less than \$60 billion.

As a result of all this the public today owns some \$100 billions in money, or its equivalent, as compared with \$35 billions in 1933, and \$71 billion at the end of 1941. The assets held by the banks which gave rise to this enormously inflated money supply are for the most part at the opposite pole from anything that could be termed self-liquidating. This money supply will survive the war, and will inevitably remain for years thereafter. It is largely beyond the reach of ordinary techniques of credit control. It can be reduced only by sale of bank assets to the public. If the President or his friends among the labor leaders think that this situation will result in no great injury if only prices do not meanwhile rise, they are doomed to a rude awakening at one time or another. We have sown, and are still sowing, the wind, and we shall not escape the whirlwind by so simple a device—if it is simple in actual practice—as preventing it from blowing things about for a period.

### War Finance

It will be said by many that such is the inevitable cost of total war. In one degree or another it is. Nothing is to be gained by gainsaying that fact. It is equally as true, however, that, other things being equal, the more this expansion of credit is limited the lighter will be later consequences. Equally true is it that the efforts of the Administration to limit it leave a great deal to be desired. To be sure, the government has greatly increased taxes, and is constantly appealing—often fatuously—to the public to buy government bonds with savings. The fact remains that its taxes fall most lightly upon those who are enjoying the

largest increase in income as a result of war activity. It is bleeding enterprise to the point where it may not be able to conserve strength and vigor sufficient to carry inevitable postwar burdens as it is expected to do. It is drying up the springs of new capital by taking enormous amounts regularly from those groups in the population which have substantial incomes. The wage earner, by and large, the very individual who is now crying unto heaven about the cost of living, has more left after supplying his daily needs and satisfying the tax collector than he ever had before in his life. Failure to reach him in current tax programs is not only making it difficult to stem the tide of rising prices at its source but is laying up trouble no end for some later date when the consequences of that failure become really apparent.

It would be a good thing if the Administration and labor worried less about higher prices now and more about the ultimate consequences of the inflation that is already proceeding regardless of prices.

## A Gem!

"If we are to mobilize peace production in the service of all the people we must completely turn away from scarcity economics. Too many corporations have made money by holding inventions out of use, by holding up prices and by cutting down production.

"Witness 1932 with farm machinery and automobile prices cut less than 15%, but with production cut by 75%. No wonder hog prices in 1933 fell as a result of unemployment and scarcity in the cities to a level only 40% of normal.

"But pig production in 1933, even with the program of killing little pigs at light weights, was normal. In contrast pig iron production went down by more than 60%.

"I say that a million times as much injustice has been done to the American people by the slaughter of immature pig iron, the abortion of baby farm machinery, and the killing of promising inventions as ever was done by killing little pigs at light weight.

"But in any event, the little pigs did not die in vain. Their death helped the country through an emergency. And the fact that it was necessary to kill them gave the American public a complete and utter abhorrence of scarcity economics—the economics which in 1932 held up city prices, but cut down city manufactures, cut them in half, lengthened bread lines, and cut farm prices by more than one-half.

"What we want is balanced production of both pigs and pig iron, with prices of both equally flexible and equally stable."—Vice President Henry A. Wallace.

Verily, the thought processes of the "mystic" are past finding out!

The apostle of scarcity now a prophet of abundance!  
The Vice President would do well, and the American people still better, if he took a long vacation.

## The State Of Trade

Reports from the heavy industries were generally favorable for the week, with electric power production reaching a new all-time high. Carloadings showed a substantial rise above the previous week's figures, with steel production only slightly lower. The retail trade continues to show outstanding gains compared with last year's figures.

Another new record was set in electric power production during the week ended July 17th, the Edison Electric Institute reports, with a total of 4,184,143,000 kilowatt hours against 3,919,398,000 the week before.

The previous high of 4,120,038,000 kilowatt hours was set in the week ended June 26th.

Demand for the nation as a whole was 17.4% above that of 1942, with the Pacific Coast showing the greatest increase, 23.4% over last year.

Carloadings of revenue freight for the week ended July 17th totaled 877,330 cars, according to the Association of American Railroads. This was an increase of 68,700 cars from the preceding week this year, 20,184 cars more than the corresponding week in 1942 and 22,000 cars under the like period two years ago.

This total was 123.86% of average loading for the corresponding week of the ten preceding years.

The steel industry appeared to have pretty well recovered its wartime stride judging from reports from major producing centers, indicating projected mill rates for the new week.

With coal production once more approaching pre-shutdown levels in most mining areas, steel makers were evidently pushing schedules ahead as rapidly as reserve fuel piles and incoming coal supplies will permit.

Pittsburgh mills, for example, plan to start off next week at 100% of capacity, a gain of one point over the current period and contrasting with 78.5% a month

ago, when the coal strike was in progress.

Steel operations this week for the industry as a whole are scheduled at 98% of ingot capacity, a decrease of 0.3% from the previous week, according to the American Iron & Steel Institute. A month ago, when the coal strike was on, steel mills operated at 90.3%, while operations stood at 96.3% a year ago.

Production this week will total approximately 1,697,000 net tons, against 1,702,200 tons a week ago; 1,563,700 tons a month ago, and 1,647,700 tons in the like 1942 week.

Civil engineering construction in continental United States totals \$48,969,000 for the week. This volume, not including the construction by military combat engineers, American contracts outside the country, and ship-building, is 53% below a week ago and 67% below the corresponding 1942 week, Engineering News-Record reports.

Private construction is 63% below last week and 54% below the 1942 week. Public construction is 51% below last week and 67% below the same week last year. Federal construction at \$36,917,000 compares with \$34,425,000 a week ago and \$128,487,000 a year ago.

The retail trade continues quite active. Retail sales, supported by generally favorable weather conditions and an active consumer interest in summer and early fall lines, recorded fair volume during the week and less than the

usual seasonal let-up, according to the weekly review of Dun & Bradstreet, Inc. Promotions were diversified and reflected compliance with the War Production Board request asking retailers to refrain from promotional activity which might induce "scare" buying.

Retailers reported that to date no effect of the new withholding tax had been noticed. Trading in wholesale markets remained quiet except in those regional centers now holding fall market openings. Buyers in the market were largely concerned with checking the progress of orders previously placed, the review said.

Department store sales on a country-wide basis were up 20% for the week ended July 17 compared with the like week a year ago, according to the Federal Reserve system.

Store sales were up 19% for the four week period ended July 17th compared with last year.

Department store sales in New York City were 11% larger in the July 24th week than in the corresponding week of last year, according to a preliminary estimate issued by the Federal Reserve Bank of New York.

In the previous week sales of New York City department stores were also 11% higher than in the comparable week a year ago.

The Commerce Department estimated that liquid assets of individuals and businesses may increase as much this year as the \$50,000,000,000 gain experienced during the two preceding years together.

Liquid assets are regarded as savings, including War Bonds, bank deposits and idle money.

"Should the war continue two years or longer," the department added "this huge reserve of accumulated funds is certain to grow by further tens of billions."

Pointing to the post-war inflationary potentialities of this "prospective mountain of accumulated liquid assets," a department statement said the "danger can be avoided chiefly by placing the further financing of the war as largely as possible on a pay-as-you-go basis, which is the declared policy of the Federal Government."

## Atlantic Charter Not Treaty, Says Churchill

Prime Minister Winston Churchill told the House of Commons on July 14 that the Atlantic Charter "was not a treaty requiring ratification or any formal endorsement of a constitutional character on either side of the Atlantic."

In reporting this, Associated Press London advices also said:

"His statement was made in reply to a question from Maurice Petherick, who asked whether the charter has any binding force on the United States or on Great Britain in view of the dangers to peace treaties which might follow the war."

"Then Mr. Petherick asked if the Prime Minister would start negotiations for amendment of the charter in view of the apprehension which exists in this and Allied countries that some of its clauses will gravely hamper freedom of action of the United Nations in settling the terms of peace."

"It was a statement of broad views and principles which are our common guide in our forward march," Mr. Churchill said.

"Mr. Petherick referred particularly to the first two clauses, which are:

"1. They seek no territorial or other aggrandizement.

"2. No territorial changes that do not accord with the freely expressed wishes of the peoples concerned."

## Pension Trust Regulations Released

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fits must also not discriminate in favor of those classes of employees above specified. Two sections of the Regulations cover integration with the Social Security system of plans which do not include employees not earning over \$3,000 a year. No particular formula is established. However, it is ruled that such plans must be so integrated that the total benefits received by members of a plan (including their Social Security benefits) will not be proportionately greater than the benefits received under the Social Security Act by those not included in the plan.

Simultaneously with the release of the Regulations, there were issued three special rulings by the Income Tax Unit of the Bureau relating to plans covering employees earning over \$3,000. The first two are held legal and payments made thereto are deductible as they comply with the requirements concerning integration with Social Security; the third does not come within the provisions of the law and consequently payments made thereto are not deductible.

The three plans are outlined below:

	I.T.3613	I.T.3614	I.T.3615
Effective date of plan	1-1-42	12-1-42	10-1-42
Covers those earnings over \$3,000 a year having—years of service	1	5	5
Are others covered by the plan when the eligibility requirements are met?	Yes	Yes	Yes
Retirement age	65	65	60
Provided—years of service completed	15	15	15
Contributions by employees	None	None	None
Total number of persons employed	2,000	1,000	3,000
Total number in plan	300	100	150
Non-stockholders	295	90	147
Stockholders	5	10	3
Owning directly or indirectly—		Not Over	
Of outstanding stock	20%	5%	5%
Officers or supervisory employees	30	15	28
Does plan meet requirements of the Internal Revenue Code and Regulations?	Yes	Yes	No

(a). Provides an annual retirement income for life equal to 1% of employee's base salary in excess of \$3,000 for each year after inception of plan, and 3/4% of the base salary for each year's service, for the five years immediately preceding the plan's inception.

(b). Provides retirement income for life equal to 30% of the average amount of employee's annual base salary in excess of \$3,000 for the period during which he was covered. But annuity paid could in no event exceed 25% of the average annual pay, plus 1/4%, times the number of completed years of service after Dec. 31, 1941.

(c). Provides retirement benefits, at employee's option at age 60, equal to 50% of the total salary for the year in which employee entered plan, irrespective of year of retirement. Here, an employee aged 60, having 30 years of service and receiving \$10,000 a year, would receive, were he to continue working until he reaches 65, benefits of \$5,000 plus the Social Security benefits, or about 55.3% of his salary. On the other hand, an employee not covered by the plan would receive at age 65, about \$533 in Social Security benefits or about 17.77% of his salary. Thus the percentage applicable to employees earning over \$3,000 is much greater than that applicable to employees earning \$3,000 or less. Furthermore, employees covered by the plan may retire at age 60, whereas those not in the plan receive no benefits under the Social Security program until they have reached 65. Since benefits under the plan are based upon salaries in effect at time employees enter plan, it is evident that the present highly compensated employees will receive benefits based on their current high salaries. The present lower paid employees and the new employees will be limited to benefits based on salaries when they enter the plan, regardless of any subsequent increases in salary. Obviously, for these reasons, this plan was not approved.

Now, coming to the Regulations we find that the following are some of the more important highlights:

(1) **Qualification**—To qualify, the trust's eligibility conditions, benefits and contributions may not discriminate in favor of employees who are officers, shareholders, supervisory or highly compensated employees. No doubt the established maxim of law "the substance and not the form will control," will prevail here, as it does in all matters of tax procedure, the purpose of which is to effectuate a tax saving. Consider-

ation will also be given to the plan's actual operation as well as its attendant circumstances.

(2) **Duration**—Employer may reserve the right to change or terminate the plan and to discontinue contributions thereunder. However, where such right is exercised, the Commissioner will look closely into all the facts to ascertain whether such action was prompted by business necessity. He may even question whether or not the trust plan was established in good faith, especially so, where it is abandoned within a few years after its inception. The resulting consequences may be fatal to the employer who claimed deductions for contributions.

(3) **Proof of Exemption**—An affidavit showing its character, purpose, activities, sources and disposition of corpus and income must be submitted as well as verified copies of the trust and plan and amendments thereof; latest financial statements showing assets, liabilities, receipts and disbursements must be furnished; also the detailed information listed under (7) below.

(4) **Social Security Supplementation**—As evidenced by the above rulings, employees making \$3,000 or less may be excluded from a plan. However, the benefits must be proportionately supplemental to the Social Security program.

(5) **Annuities with Life Insurance Policies**—Life insurance premiums constitute taxable compensation to the employee in the year that the employer pays them, while retirement amounts are not taxable before payment is made to the beneficiary. Accordingly, the life insurance protection cost must be determined; this is illustrated by an example in the Regulations.

(6) **Payments**—Deductions are allowable only for the year for which the contribution is paid despite the fact that the employer files his tax returns on the accrual basis. The deduction, however, will be allowed to such taxpayers provided actual payment is made within 60 days after the close of the taxable year of accrual.

(7) **Information**—There must be submitted a statement describing the plan, its provisions, date of inception, type of administration—trusting or insured—and a summary showing eligibility requirements, contributions of employer and employee, formula for determining benefits, vesting requirements, method of funding, and basis of distribution, etc. There must also be furnished a detailed tabulation with respect

to the 25 highest paid employees, showing their age, official connection, length of service, compensation paid or accrued, etc. Also a schedule containing the number of employees not covered by the plan, reasons for such exclusion, etc.

(9) **Actuarial Computations**—The employer's contributions must be computed on a sound actuarial basis, otherwise, the deduction may not be allowable. For the second and each fifth year thereafter a certification by a qualified actuary must accompany the return to show the correctness of the payments to the plan.

(10) **Overpayments**—Any overpayments (or underpayments) are correctable each taxable year. Thus, if there is an overpayment in one year, the deduction in the ensuing year must be reduced by the decrease in the actuarially computed liability. For example, if the normal cost is \$100,000 and \$150,000 is paid in 1942, a deduction of only \$100,000 is allowable for 1942; if the normal cost for 1943 remains \$100,000 and the employer pays in \$75,000, a deduction of \$100,000 is allowable for 1943, and the remaining \$25,000 excess (from the 1942 overpayment) will be allowed in a following year in which the amount paid is less than the normal cost for such year.

It is apparent from the above that the problem of pension trusts requires a careful and exhaustive study and consideration of all factors affecting the employer's present as well as the future picture. It should be considered not only from the tax angle but also from the financial angle, before any commitments are made by the employer. This advice cannot be stressed too emphatically!

## Gov. Employment At New High In May

The Civil Service Commission reported on July 20 that Federal civilian employment numbered 3,029,000 persons. There were gains in War, Navy and Agriculture Departments; but a total reduction of 5,000 employees in other executive agencies.

In Washington advices of July 20 to the New York "Times," the following was reported:

"At the end of May 9% of Federal civilian employees were working in the Washington metropolitan area. Of the 2,749,000 employees outside, 80% were in the War, Navy and Postoffice Departments.

"Nearly 1,000,000 women were in Federal service, a rise of 69,500 over the preceding month. Most replacements of men by women were in the War and Navy Departments.

"Between May, 1940, and May, 1943, there was a total increase of 2,048,682 in Federal civilian employment."

## Says Regimentation Must End With War

Precautions should be taken now to insure post-war return of those fundamental rights and democratic principles the American people have voluntarily relinquished to help win the war, Roane Waring, National Commander of the American Legion, told members of the Executives' Club of Chicago at a meeting on July 20. The Chicago "Tribune" from which this is learned, quoted Mr. Waring as saying:

"We have surrendered many of our rights in time of war, we have submitted to restrictions and even to regimentation. All these are accepted as necessary for victory. But we must bear in mind that these sacrifices are temporary and see that they are returned to us when the emergency is over."

## Begin Apprenticeship To World Peace, Vice-President Wallace Exhorts Americans

All Americans were called upon on July 25 by Vice-President Henry A. Wallace to begin now "their apprenticeship to world peace" by shouldering responsibilities for "enlightenment, abundant production and world cooperation."

Speaking at a meeting sponsored by Detroit labor and civic groups, Mr. Wallace warned that "there are powerful groups who hope to take advantage of the President's concentration on the war effort to destroy everything he has accomplished on the domestic front over the last ten years."

Referring to "isolationists," "reactionaries" and "American Fascists," he said:

"Sooner or later the machinations of these small but powerful groups which put money and power first and people last will inevitably be exposed to the public eye."

Mr. Wallace spoke in defense of President Roosevelt, when in referring to his recent visit to Latin America, he said that "in South America I found that the lowliest peon looked on President Roosevelt as the symbol of his dearest aspirations in the peace to come." He added that this is so also in China and occupied Europe, and asserted that in the final showdown, the President "has always put human rights first."

The following regarding the Vice President's remarks was reported in Associated Press Detroit advices:

He asserted that "when we as victors lay down our arms in this struggle against the enslavement of the mind and soul of the human family we take up arms immediately in the great war against starvation, unemployment and the rigging of the markets of the world."

Mr. Wallace declared that the nation was not confronted with a choice between an Americanized Fascism and the restoration of pre-war scarcity and unemployment, saying that "too many millions of our people have come out of the dark cellars and squalor of unemployment ever to go back."

"Our choice," he maintained, "is between democracy for everybody or for the few—between the spreading of social safeguards and economic opportunity to all the people—or the concentration of our abundant resources in the hands of selfishness and greed."

Here in Detroit, scene of a recent race riot, the Vice-President said that many "patriotic and forward-looking citizens are asking 'why not start now practicing these four freedoms in our own back yard?'" "They are right," he exclaimed. "A fuller democracy for all is the lasting preventive of war. A lesser or part-time democracy breeds the dissension and class conflicts that seek their solution in guns and slaughter."

"We cannot fight to crush Nazi brutality abroad," said Mr. Wallace, "and condone race riots at home. . . . We cannot plead for equality of opportunity for peoples everywhere and overlook the denial of the right to vote for millions of our own people. . . . We cannot offer the blueprints and skills to rebuild the bombed-out cities of other lands and stymie the rebuilding of our own cities. Slums have no place in America. . . . We cannot assist in binding the wounds of a war-stricken world and fail to safeguard the health of our own people. . . . We cannot hope to raise the literacy of other nations and fail to roll back the ignorance that clouds many communities in many sectors of our own nation."

He referred to those who have attacked his philosophy—"those twisters of fact who shriek that your Vice President is a wild-eyed dreamer trying to set up T. V. A.'s on the Danube and deliver a bottle of milk to every Hottentot every morning."

Mr. Wallace suggested that those critics read the report of the

post-war problems committee of the National Association of Manufacturers—"business men all"—which, he said, "has wisely declared that increased production in other countries will not reduce living standards in the United States."

He listed these as America's assets "when the guns stop":

1. Man power by the million.
2. The largest industrial plant capacity in the world.
3. The greatest resources, both natural and artificial, to make peace-time products—and thousands of new inventions waiting to be converted to peace-time use.
4. The largest scientific farm plant in the world.
5. The biggest backlog of requirements for housing, transportation, communications and living comforts.
6. The greatest reserves of accumulated savings by individuals that any nation has ever known.

"With such wealth," he asked, "who says this nation is now bankrupt?" "If industrial management," he added, "can bring the same wisdom in producing for peace that it has shown on many production fronts in the supply program for war, the horizons we face are bright."

He expressed faith in "our democratic, capitalistic system," but added that "it must be a capitalism of abundance and full employment. If we return to a capitalism of scarcity such as that which produced both 1929 and 1932, we must anticipate that the returning soldiers and displaced war workers will speak in no uncertain terms."

## June Truck Freight Volume 20.1% Over '42

The volume of freight transported by motor carriers in June increased 4.4% over May and 20.1% over June, 1942, according to reports compiled and released on July 26 by the American Trucking Associations.

Comparable reports were received by ATA from 207 motor carriers in 40 States. The reporting carriers transported an aggregate of 1,380,711 tons in June, as against 1,322,885 tons in May and 1,149,235 tons in June, 1942.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period 1938-1940 as representing 100, was 194.60. The index for May was 180.86.

Almost 81% of all tonnage transported in the month was hauled by carriers of general freight. The volume in this category increased 3.7% over May and 19.7% over June of last year. Transporters of petroleum products, accounting for approximately 9 1/2% of the total tonnage reported, increased 11% over May and 42.22% over June, 1942.

Haulers of iron and steel products reported slightly more than 3 1/2% of the total tonnage. The volume of these commodities decreased 10% under May, but held 19% over June of last year.

Approximately 6% of the total tonnage was miscellaneous commodities, including tobacco, milk, textile products, coke, bricks, building material, cement and household goods. Tonnage in this class increased 15.7% over May and 0.9% over June, 1942.

## Urges Clarification Of Federal Policy On Foreign Imports In Post-War Set-Up

Reorganization of the Office of Economic Warfare under Leo T. Crowley is viewed by William B. Craig, President of the New York Coffee and Sugar Exchange, as offering a real opportunity for clarifying Federal wartime policies on foreign imports and purchases and giving assurance to those in international trade that the government is not moving to eliminate the present system from the post-war economic set-up.

"Such clarification of present policies and reassurance for the future," said Mr. Craig, "should extend to foreign purchases and imports of cocoa, sugar, coffee, tin, copper, wool and hides and other commodities which the country must import." His statement was made following a letter to Mr. Crowley, chairman of OEW, in which Mr. Craig, who made known his views on July 22 as to the assurances needed by those in international trade, said:

"This assurance might well take the form of the new OEW relying upon the accumulated experience of private trade groups and the facilities they have built up during decades of trading in the commodities now being imported by the Government for advice and service to a greater extent than did the agencies dissolved or transferred by the President's order. Certainly, greater utilization of the experience and facilities of processors, dealers and wholesalers should materially expedite the war program of bringing in the large quantities of foods and other raw materials as rapidly as possible.

"Uncertainties over the policy aims of the now defunct Board of Economic Warfare have—rightly or wrongly—created a deep suspicion among businessmen who have traditionally handled the importation and distribution of commodities produced in foreign countries, that the administration may not intend to restore private commodity trading after the war is over as quickly as possible," Mr. Craig stated in his letter sent to Mr. Crowley, following the latter's appointment to the Chairmanship of OEW. Mr. Craig added:

"This is of particular importance now in view of the large excess stocks of some commodities which have been accumulated in producing countries as a result of wartime shipping difficulties. Policies for the orderly disposal of these commodity surpluses must be formulated now. Processors, dealers, wholesalers and bankers interested in these commodities would not be apprehensive over the future if they could be assured that the Government's policy with regard to these surpluses will be formulated after adequate consideration of the value of free market trading. Disposal of these surpluses should be handled through commercial trade channels and facilities wherever possible, or at least in very close cooperation with businessmen experienced in the trade.

"Using coffee as an example, this is an issue which is of vital importance for the largest importer as well as for the smallest coffee roaster in the interior. Elimination of free trading after the war would result in revolutionary changes in our marketing system which would largely destroy the incentive in business and in the final analysis would be detrimental to the public as a whole, which in the past has enjoyed the full benefits of free-trade competition.

"Moreover, there are clear indications that the coffee and sugar producing nations in our Latin American sister republics are just as emphatic as trade interests in this country that private trading in commodities should be preserved in the post-war era.

"The remarkable improvement in the shipping outlook in recent months enables us to undertake at least a partial renewal for free

trading in such import commodities as sugar and coffee, without waiting for the end of the war.

"The war must not be used as an excuse to force upon the American public a system of doing business which they dislike and oppose. The sample of regimentation they have experienced during the war—though admittedly necessary—has aroused Americans in all walks of life, including housewives and corner grocery men in the most isolated towns in the nation.

"We hear constantly that morale is an important thing. From all over the country come reports that easing of coffee rations has had an immediate effect on the general public. From this experience we can be sure that any indication that our Government does not contemplate the maintenance of unnecessary restrictions and controls any longer than is essential to the war effort will be heartening."

## Lewis Acknowledges Authority Of NWLB

John L. Lewis, President of the United Mine Workers of America, who has consistently ignored the National War Labor Board, on July 23 offered to go before the Board and support the contract between the Illinois Coal Association and District No. 12 of the UMW, according to Associated Press dispatches from Washington, which further add in substance as follows:

This Illinois contract provides for portal-to-portal pay of \$1.25 per day, an eight-hour day, and a 48-hour week, with time and a half for all hours in excess of 35 each week. This will affect about 35,000 Illinois coal miners. The agreement was signed by Mr. Lewis on July 21 and by the union's policy committee as a model for all other coal producing areas on July 22. It cannot go into effect, however, unless approved by the NWLB.

In a letter to William H. Davis, Chairman of the NWLB, Mr. Lewis said in part: "Through the processes of collective bargaining, the International Union, UMW of A, and District No. 12, UMW of A, have come to a wage agreement with the Illinois Coal Operators Association covering the period from April 1, 1943 to April 1, 1945.

"We believe the agreement is in the public interest and stand ready to appear before you in its support in such hearings as you may elect. We sincerely recommend its approval by the board."

Mr. Lewis had refused to go before the Labor Board during its recent hearings in the coal wage controversy. Union spokesmen pointed out, however, that since then Congress has enacted legislation giving the Board statutory authority and the power to subpoena witnesses.

Mr. Lewis's action came after spokesmen for operators in other producing areas had indicated their lack of enthusiasm for the model agreement between the UMW of A and the Illinois Coal Operators Association, and demanded that the Labor Board enforce its ruling that the UMW sign a contract without portal-to-portal pay.

## Denies WPB Unit Practices Censorship

Donald M. Nelson, Chairman of the War Production Board, issued a statement on July 7 in which he said "Congressman Maas is misinformed when he says there is censorship in the Printing and Publishing Division of the War Production Board." Mr. Nelson further said:

"Nothing resembling censorship is practiced, directly or indirectly, by the War Production Board. The existing system of paper conservation orders has been devised purposely to avoid any possibility of censorship.

"We are faced with a diminishing supply of paper—what is printed on that paper is not within our province.

"Publishers of books, magazines, and newspapers all have a quota equal to approximately 90% of the paper they have been using in the past. Under the published orders of the War Production Board they can print anything they choose on that paper.

"If publishers need paper in addition to their quota, they file appeals with the Printing and Publishing Division. In cases where undue hardship is proven, relief is granted. This is done without any consideration of editorial content.

"I am submitting at an early date a detailed report on the administration of this Division to Chairman Boren of the Subcommittee of the House Committee on Interstate and Foreign Commerce, which has been authorized to investigate the paper conservation program of the War Production Board."

Representative Maas in the House floor on July 6 stated that "censorship by controlling the paper for printing the written word is potentially one of the most dangerous practices ever permitted in this country." He said (we quote for the "Congressional Record") that it "was never intended that the control of production should be used also as an agency for censorship and above and beyond and outside the authority granted to the Office of Censorship."

Representative Mass urged "that the WPB be required to announce its standards for granting or denying appeals" from its paper limitation orders that it "be required to define hardships and then to publish its rules and its proceedings or at least make them available for public examination, and that they report to the Congress all appeals for exceptions from the limitation order and all decisions made thereunder." He added that "this procedure will assure the people of the United States that under the guise of rationing a lessened supply of paper will not be abused now nor in the future nor used to subversively gain control of the press of the country."

## New RFC Board

Secretary of Commerce Jesse Jones announced on July 22 that in order to carry out the recent Act of Congress bringing Defense Plant Corporation, Defense Supplies Corporation, Metals Reserve Co. and Rubber Reserve Co., subsidiaries of the Reconstruction Finance Corporation, under the renegotiation of contracts law, there has been established by those subsidiaries a Joint Price Adjustment Board, the members of which are C. B. Henderson, S. H. Husbands, H. J. Klossner, H. A. Mulligan and C. T. Fisher, Jr., all Directors of the RFC. Mr. Fisher has been named Chairman of the new Board. R. C. Patterson, formerly of the Bureau of the Budget, has been appointed Chief Administrative Officer to the Joint Price Adjustment Board.

## Newton Denies Plan To Nationalize Coal Mines; Says Strength Of Nation Lies In Free Enterprise

Asserting that the strength and common good of this nation lies in the preservation of the American concept of free men and free competitive enterprise, Carl E. Newton, Deputy Coal Mines Administrator, declared on July 20 that he and Secretary of the Interior Ickes are resolutely determined to resist any trend toward nationalization of the coal mines.

In a speech before the American Mining Congress at Cincinnati, Mr. Newton said, however, that "if unsettled conditions which precipitated this crisis should long endure, or if the Government should turn the mines back and have to take them over again repeatedly, then I don't see how you can reasonably expect to avoid a progressive tightening of Government supervision and control of mine operations. Government control would inevitably grow where conditions exist which bring public pressure for Government action." In part he added: "I see no evidence yet and I hope I shall never see any evidence that the industry as a whole cannot fulfill its national responsibility for the production of coal without substantial use of public funds.

"Secretary Ickes and I do not propose to be panicked into opening the flood gates of public moneys by the threat of mine shut-downs or by claims of government liability for operating expenses or maturing debt. We intend to continue to resist with determination the diverse pressures that would make the Coal Mine Administration play Santa Claus to the coal industry. Such pressures always look reasonable on their face. But all of us must be alert to look behind appearances and firmly resist such pressures because of where they will lead us.

"Yet ridiculous rumors are abroad to the effect that Secretary Ickes and I are conspiring with

various persons, named and unnamed, to nationalize the coal mines. Our actions are the best denial of these rumors.

"No American could believe more profoundly than I in the American system of free competitive enterprise. I have served in Government office before and I have also been in business. I know well the formalism, the channels, the protocol, which must necessarily attend the effective discharge of governmental functions. But governmental functions are essentially regulatory, and hence are basically different in nature from business functions. The deliberative and regulatory machinery of Government produces delays and does not produce effective commercial results when applied to business objectives,—under any auspices. In business, Government procedures do not promote initiative, incentives, or progress.

"The strength and common good of this Nation—or whole future—lies in the preservation of the American concept of free men and free competitive enterprise. This concept is the thing which won our independence, the thing that has made us great as a nation, that has made of our American democracy the torch of aspiration for the bruted peoples of the world. It is the thing that has enabled us to win all of our wars in the past and which is enabling us to win this one."

## Taft Proposes Controlled Wage, Price Increases To Keep Both From Getting Out Of Relationship

A suggestion that the present economic stabilization program be scrapped in favor of controlled wage and price increases came from Senator Taft, Republican, of Ohio, on July 24 and was seconded in part by Senators Hatch, Democrat, of New Mexico, and Russell, Democrat, of Georgia, who, according to Associated Press accounts from Washington, agreed with Senator Taft's contention that Price Administrator Prentiss Brown

faces an impossible task in holding the line against inflation under present conditions. As given in the New York "Sun" of July 24, the Associated Press advised further stated:

"Coming in the wake of a War Labor Board warning to labor against seeking inflationary wage increases, and a Presidential disclosure that the administration plans to reorganize the entire stabilization program, Mr. Taft's proposal assumed added import as a possible straw in the wind.

"He told an interviewer that he believed labor leaders were asking something impossible in demanding that prices be cut back to the levels of Sept. 15, 1942, and suggested instead that an agreement be reached under which wages and living costs would be allowed to rise not more than 6% a year, or ½% a month.

"I have never thought that we could maintain rigid controls without any adjustment," the Ohio Senator said. "It seems to me that the sensible thing to do is to recognize that in wartime there is bound to be some inflation and to seek to keep prices and wages from getting out of relationship with each other, rather than to attempt to roll them back to a certain level."

"President Roosevelt disclosed the administration efforts at his press-radio conference, said that no agreement has yet been reached, and that when it is, Congress will have to pass upon it because it will cost money.

"The Labor Board said flatly that it intended to stick to the 'Little Steel' formula even though

other divisions of the anti-inflation army may weaken.

"Concerning Mr. Taft's proposed program, Mr. Russell and Mr. Hatch voiced partial approval, the former saying: 'I don't see how we are going to avoid an upward adjustment of prices and wages.'

"Mr. Hatch commented that there might be merit in the idea of permitting controlled increases, but said the difficulty lies in attempting to administer such controls. He said he felt the only solution lay in the payment of subsidies, and while Mr. Russell said he hated to see that method employed, he conceded that it might be the only practical answer to the problem.

"From Chairman Smith (D.-S. C.) of the Senate Agriculture Committee came the assertion that if labor leaders attempted to break through the 'Little Steel' formula with wage increases, farmers were certain to demand higher prices for their product.

"I think that's a bad move for the labor people to be making at this time," he said."

## New Naval Air Post

President Roosevelt on July 16 created a new office in the Navy Department of Deputy Chief of Naval Operations for Air. Rear Admiral John S. McCain, Chief of the Naval Bureau of Aeronautics, was named to the post with the rank of Vice Admiral. His duties will be to facilitate the handling of expanding Naval aviation, particularly with respect to policy, plans, personnel and logistics.

## Heimann Lists Major Problems To Be Faced By United States In Post-War Period

Naming twelve problems which must be solved if the United States is to measure up to its opportunities after World War II, Henry H. Heimann, Executive Manager-on-leave of the National Association of Credit Men, declares in his current "Monthly Business Review," that a victorious peace—one that means a better and more peaceful way of life—includes as a major factor the solution of our own peace-time problems. One of the most important problems, Mr. Heimann says, is that of plant capacity which has been so largely extended during the war period. He points out that one-fifth of the total plant capacity of the nation is now owned or controlled by the government. This one-fifth represents an outlay on the part of the government equal to the valuation of the entire railway system in the United States.

"The question here is, what is to become of these plants, who is to use, own, and/or operate them, and to what use will they be put?" Mr. Heimann asks. He points out that only about half of this government owned facility can be converted immediately for use in peace-time industry. The other half will eventually have to be absorbed or dismantled. Another problem he stresses is what will happen to the large stock pile of goods in process and the equipment such as machine tools, etc.

He further warns that while we face an unemployment problem starting with Victory Day, we also face a problem of runaway inflation if there should be a sudden break in the huge dam that is holding back the demand for American goods. He says:

"The devastation in Europe, the destruction of plants, the wardrobes and cupboards throughout most of the world, all will need to be replenished immediately. The large dollar balances in South America will be utilized. We in this nation will have the productive capacity and the goods. How can we supply the goods, avoid an inflationary spiral, and also effect our distribution on a sound basis? On our domestic front our consumer debt will be near the vanishing point, and our people will be possessed of tremendous buying power, due to the ownership of bonds. Our own inventory of luxury and necessity items will reach an all-time low. How can we avoid a wild scramble and its consequent inflationary effect on the program of replenishment?"

According to Mr. Heimann "for at least a few years after the war it is necessary for us to plan to live under a new tax economy, but when Victory Day comes, it is of great importance that every effort be made to reduce the cost of government—national, state and county—to a minimum. The bureaucracy developed during the war will have to be liquidated. This nation cannot stand, in peace-time, the costs of government it is now assuming because the carrying charges on our debt will of itself be a heavy load." He also states that "there is need for careful study of conservation programs to guard raw materials so sorely depleted by the war demands." He likewise says "there is need of sound credit management in all of its phases; for the post-war period will be dependent on sound credit more than on any other factor. This means sound credit programs internationally, nationally, in business and among individuals." He further says:

"We need to define a sound and constructive policy among nations to avoid some of the evils of the rationalistic policies of the past post-war period. The solution of this problem is as important as any of those preceding if we are to have a safe and healthy world in which to live. It is undoubtedly true that for a long time we, as a nation, must take a very active administrative part in some of the world's affairs."

## American "Fascists" Decried By Wallace

Vice President Wallace alleged on July 24 that certain American Fascists had turned against the present administration because President Roosevelt stopped Washington from being a way station on the way to Wall Street. Mr. Wallace made this assertion at a press conference in Detroit, where he had gone to deliver an address.

The Vice President declined to identify those he referred to as Fascists, but added that "their names will come out if you do not already know them."

United Press Detroit advices, in reporting the foregoing, went to say:

"These American Fascists use 'old Americanism' as a refuge," he asserted, "but their old-fashioned Americanism is not that of our founding fathers but of the period when the big corporations were in power—when the big corporations had converted Washington to a way station to Wall Street."

"The reason they hate Roosevelt now is that he stopped Washington from being a way station on the way to Wall Street."

"I am a great believer in old-fashioned Americanism. I am a believer in what corporations can do. But I am not a believer in what the American Fascists have in mind."

The Vice President denied a published assertion that he is the "last New Dealer in Washington." He said he did not consider himself a New Dealer at all, but "merely a person with ideals which put human rights first by using money merely as an instrument to improve the human lot."

He asserted that the question now is "whether the corporations are going to control government or whether human rights are to be served."

Assailing critics who say he is an impractical idealist, he said: "I suggest they examine what I have done."

"My hybrid corn idea has turned out to be practical," he added. "My ever-normal granary of 1932 was law by 1937 and has been an immense help in feeding this country and Europe during the war. As early as 1934, I and a friend in the State Department believed eastern rubber might be cut off. It was my idea, along with that of others, to trade 800,000 bales of cotton for 90,000 tons of rubber in 1939."

Mr. Wallace declined to comment on his recent dispute with Secretary of Commerce Jones, but said he was proud of the work of the Board of Economic Warfare, which he headed until recently.

## In Petroleum Posts

The appointment of James E. Pew as Assistant Director of the Division of Natural Gas and Natural Gasoline in the Petroleum Administration, for War was recently announced by Deputy Administrator Ralph K. Davies. Mr. Pew was chief of the Natural Gasoline Section of the Division. He is succeeded in that post by Charles E. Webber. The PAW also recently disclosed that Dustin W. Wilson, technical consultant of the Refining Division, has resigned to become associated with Arthur G. McKee and Co., engineers and contractors.

## Manufacturing Activity Maintained High Level In June, Federal Reserve Board Reports

The Board of Governors of the Federal Reserve System announced on July 24 that manufacturing activity was maintained at a high level in June while mineral production declined reflecting mainly reduced output of coal. In the early part of July coal production was resumed in large volume. The value of retail trade continued large.

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

### Industrial Production

"The Board's seasonally adjusted index of total industrial production declined slightly in June from the high level of other recent months. Activity continued to increase at plants producing war products in the chemical, rubber, and transportation equipment industries. These increases were more than offset by a sharp drop in coal production and a temporary reduction in output of coke, pig iron, and steel.

"Finished aircraft production, in terms of airframe weight, was 3% higher in June than in May. Delivery of supplies for the Army ground forces rose 1% over May. Tonnage of cargo vessels delivered from merchant shipyards was not up to the record May level; it was, however, higher than in any other month.

"In industries manufacturing non-durable goods output as a whole showed little change from May to June. Activity at cotton mills declined—consumption of 917,000 bales of cotton was 50,000 less than in June 1942.

"Output at coal mines in June was 30% below May due to the work stoppages, but early in July both anthracite and bituminous coal production recovered to above the levels prevailing a year ago. Crude petroleum production was maintained in June and moved upward in July partly in anticipation of the completion of the pipeline from Texas to the East Coast. Lake shipments of iron ore in June were 6% below the same month last year due to unfavorable weather conditions.

"The volume of construction contracts awarded in June was about the same as in May. The value of awards in June was at the lowest level for this month since 1936, according to the F. W. Dodge Corp.

### Distribution

"Value of consumer nondurable goods sold at retail was in near-record volume in June and the early part of July, while sales of durable goods, many of which are becoming increasingly scarce, were generally below previous peak levels.

"Car loadings of revenue freight declined in June, reflecting the drop in coal shipments. Loadings of grain showed the usual increase at this season and the movement of most other commodities was maintained in large volume.

### Commodity Prices

"Wholesale prices of most commodities showed little change in the early part of July, following a decline during June of 1% in the general index. This decline reflected chiefly reductions ordered in maximum prices of butter and meat and seasonal decreases in prices of fresh fruits and vegetables.

### Agriculture

"Aggregate crop production this year is expected to be 10% smaller than last year but 5% above the average of the preceding 5 years, according to the July 1 official report. Of the major crops, production prospects for grains are the lowest compared with last season, while there are indications of considerably larger harvests for dry beans and peas, flaxseed, and potatoes. Output of livestock products has continued in larger volume than a year ago.

### Bank Credit

"During June and the first three

weeks of July there was an increase of about \$1,400,000,000 in Reserve Bank holdings of United States Government securities. Continued currency outflow, and increase in required reserves due to the growth of deposits, were reflected in the increased demand for Reserve Bank credit. The expansion in Reserve Bank credit was in the form of Treasury bills sold by member banks to the Federal Reserve Banks under options to repurchase. Holdings of bills showed wide fluctuations during the period as member banks adjusted their reserve positions through sales and repurchases. A large part of the Treasury bills came from New York City banks where excess reserves continued to be low. Total loans and investments of New York City banks have declined recently. Other reporting member banks have shown a continued growth in deposits and U. S. Government securities.

"The quarterly report of customer rates at commercial banks for the middle of June showed a further rise in rates charged on loans by large banks throughout the country."

## From Washington

(Continued from first page)  
clean for economy's sake," that was the idea.

But Charlie didn't steal the show. Charles Evans Hughes, who had always been looked upon as a person very severe and aloof, who had lost the 1916 Presidential election because of this, grabbed the broom away from Dawes and began sweeping the stage himself. The assembled correspondents sent the intelligence out over all the country that Charles Evans Hughes had become a good fellow. He came to be known as Good Fellow Charlie and this stood us in tremendous stead when Mr. Roosevelt made his attack upon the Supreme Court in 1937. The mob was rushing right up to the Supreme Court doors, figuratively speaking, led by Mr. Roosevelt and then it saw the gracious, smiling picture of Good Fellow Charlie and decided it was no way to do him. So little things like that have a tremendous bearing on our history.

But the funniest spectacle of all in those days, looking back, was Sol Bloom, who is now the chairman of the House Foreign Relations Committee. This means, and it means only, that Sol is forever being invited to dinner with the foreign diplomats and the visiting foreign hot shots. But in those days, our business men had a great regard for Mussolini. He had "put labor in its place." He "made the railroad trains run on time." They kept a steady trek to Rome to get Mussolini's autograph. Sol's daughter had met him and come back to this country and written some favorable magazine articles about him. So Sol had entree. These business men would come to Washington by the hundreds to get a letter from Sol to meet Mussolini. Sol who had started his career as a hootchy-kootchy entrepreneur at the first Chicago World's Fair, was in his glory.

A thing that impressed our Cook's tourist visitors to Mussolini was how to become a Big Shot. Having a date with him, you walked first down a long corridor, you walked interminably. Then you went into his office and he was sitting at a desk, way down at the other end of a long room. The sun coming

through those ancient and historic window panes blinded you, kept you from seeing the little jutting jaw runt as you strode across the room. You naturally became unnerved. By the time you were seated at the desk across from him you were a withering wreck. He seemed to be the most towering and important fellow you ever saw.

Well, it is amazing, but our visitors would come back to this country and tell of their experience and in no time at all, it seemed, we were developing similar Big Shots in this country. Our State Governors, our Politicians, our Industrialists, began establishing this same set-up. You had to walk down long corridors and then across a long room, with the object of your attention enveloped in a smoke screen of cigar smoke, to sit down across the table and talk with him.

We moved rapidly into Big Shotism. Forceful men is what we have wanted ever since. And we have had a slew of them.

Well, you can imagine how our present crop of Forceful Men feel now. If there was ever a Forceful Man it was Mussolini. Now he is out a job and a very comical looking fellow, indeed. There is bound to arise the question of what sort of permanency is there in being a Forceful Man. The bigger you rise the harder you fall.

Over all Washington, Big Shots and their subordinate Big Shots, big Forceful Men and their stooge Forceful Little Men, are asking one another if there is not a lesson to be learned from Mussolini's experience. The great selling point of these men is "social security." Now, lo and behold, they realize there is no social security for them. The Big Shot business is ephemeral. This truism has been brought home with a deadly thud to the makers-over-of-the-world here in Washington.

I may be seriously mistaken but I thought I heard Harold Ickes expressing uneasiness; I think I have heard Donald Nelson saying he wishes he had gone along as he originally started and had not gone through the transformation several months ago from a mild mannered to a Strong Man. For that matter, it caused him a sprained wrist at the time.

The fall of the Italian Big Shot, to my mind, is bound to have an effect in still higher places. It would be a tremendous thing for those gentlemen to get a touch of humility.

## Puerto Rico Home Rule Group Begins Study

Members of President Roosevelt's special committee appointed to study changes in the organic law of Puerto Rico held their first meeting in Washington on July 19 and agreed to work only on the President's recommendation—that of allowing the Island's residents to elect their own Governor. Various other proposals on the Island's political status, including independence, are to be discussed by the group but it is said that the main efforts would be toward advising changes in the organic law so as to permit the Puerto Ricans to elect their own Governor. The President now appoints the Governor.

Secretary of the Interior Ickes, Chairman of the committee, told the opening session that Puerto Rico had earned the right to elect its own Governor. He added that he had "no illusion that a change in the political situation, important as that is, will solve the pressing economic problems of the island."

Appointment of this committee was referred to in these columns of March 25, page 1119.

## Third War Loan Drive Set At \$15 Billion— Issues Limited To Non-Banking Investors

Secretary of the Treasury Morgenthau, announced on July 21 that the goal set for the Third War Loan Drive, starting Sept. 9, will be \$15,000,000,000. Mr. Morgenthau said that the entire \$15,000,000,000 will be sold to individual investors, corporations, insurance companies and other non-banking sources.

"This goal and the Third War Loan program," the Secretary said, "was determined by Treasury officials after receiving recommendations from chairmen of the State War Finance Committees, and officials of the Federal Reserve System and the American Bankers Association. Getting this amount of money will be a huge task, and will represent the largest financing program in the history of the world." Mr. Morgenthau added:

"The job of raising this \$15,000,000,000 will be handled by War Finance Committees of each State, and the bonds will be sold largely by hundreds of thousands of patriotic volunteer salesmen, who already have made plans to concentrate on house-to-house selling, since a major consideration is increasing the number of people who are buying War Bonds."

The securities to be offered in the Third War Loan, it was pointed out, will be essentially the same types as those sold in the Second War Loan in April, in which a record-breaking total of \$18,500,000,000 raised, with banks contributing over \$5,000,000,000. The goal for the Second War Loan Drive was \$13,000,000,000.

The securities to be sold under the direction of the War Finance Committees will consist of:

1. Series E Savings Bonds.
2. Series F and G Savings Bonds.
3. Series C Savings Notes.
4. 2½% Bonds of 1964-69.
5. 2% Bonds of 1951-53.
6. 7/8% Certificates of Indebtedness.

The Treasury advises July 21 further said:

"The 2½% Bond will be dated Sept. 15, 1943, due Dec. 15, 1969, callable Dec. 15, 1964, and will be

issued in coupon or registered form at the option of the buyers in denominations from \$500 to \$1,000,000. Commercial banks, which are defined for this purpose as banks accepting demand deposits, will not be permitted to own these Bonds until Sept. 15, 1953.

"The 2% Bond will be dated Sept. 15, 1943, due Sept. 15, 1953, callable Sept. 15, 1951, and will be issued in coupon or registered form at the option of the buyers in denominations from \$500 to \$1,000,000.

"The 7/8% Certificates of Indebtedness will be dated Sept. 15, 1943, due Sept. 1, 1944, and will be issued in denominations of \$1,000 to \$1,000,000, and in coupon form only.

"None of these securities will be available for subscription by commercial banks for their own account during the period of the drive. However, shortly after the drive terminates, a 2% Bond and a 7/8% Certificate of Indebtedness will be offered for subscription by commercial banks for their own account. In order to confine all sales in the drive to non-banking sources, the Treasury will request commercial banks not to buy in the market, and will request the market not to trade in, either of these securities offered in the drive until the books for bank subscriptions are closed.

"To avoid unnecessary transfers of funds from one locality to another, the Treasury would prefer to have all subscriptions by corporations and firms entered and paid for through the banking institutions where the funds are located."

## McCarran Favors Study Of Post-War Monetary Plans By Senate Committee

A study of proposals designed to stabilize currencies and their exchange value by a special nine-man Senate committee has been suggested by Senator McCarran (Dem., Nev.).

Under the terms of the resolution, the suggested committee would be "authorized and directed to make a comprehensive survey of proposals designed to stabilize currencies and their exchange value, including proposals for substitut-

ing any type of credits for gold in settlement of international balances, for establishment of a system of bi-metallism and any other proposal involving international agreement with a view to facilitating international exchange and promoting international trade."

For its investigations and studies the committee would have a fund of \$25,000.

In introducing the resolution on July 7, Senator McCarran said that, "looking to the post-war period, I do not believe anything

is more important in connection with the continuation of our form of government or more important to the people of the country than the question of how sound and how stable will be our currency and our Treasury at the conclusion of the war and thereafter. Sometime between now and the conclusion of the war—and indeed, after its conclusion—the nations of the world will be looking to this country to take leadership in stabilizing the currencies of the countries of the world."

## Easing Of Rule On Returned Unpaid Checks Announced By N. Y. Federal Reserve Bank

The easing of rules in New York affecting the return of unpaid checks and other instruments was made known by the Federal Reserve Bank of New York on July 20, in instructions to member and non-member banks which have entered into so-called "Manhattan, Bronx and Brooklyn collection arrangement" with the Bank. In the New York "Herald Tribune" of July 21 it was pointed out that the explanation was made that this

new method will also help the Clearing House member banks and will make for uniformity of procedure throughout the city. The paper from which we quote further stated:

"By extending the time limit for the return of certain types of items, financial institutions which are hard pressed by the manpower shortage will have an opportunity to spread the work of posting and bookkeeping over a longer time.

"Heretofore, banks in the northern part of the Bronx, for example, frequently were hard pressed to have their messengers deliver checks to the Federal Reserve Bank and return in time before closing hours. The new move will affect more than 50 financial institutions in the metropolitan area.

"The New York district has been one of the last in the country to act in the liberalization of these technical rules. Other districts permit longer periods for the return and delivery of checks, but the large volume of items passing through the New York clearing centers makes it necessary to have the promptest possible handling of monetary transactions, experts here maintain. Moreover, it was said, too great an easing of regulations would be a tip-off to potential chislers that they may have longer time to provide cover for outstanding checks.

"The new arrangement provides that unpaid items must be returned to the Federal Reserve Bank not later than 2 p.m. on the day of presentment, except that dishonored checks and other demand drafts for less than \$500 may be sent back not later than 11 p.m. on full business days or 6 p.m. on Saturday. A similar rule has been instituted for larger instruments returned for indorsement or to correct other irregularities."

The July 20 instructions to the local banks, as issued by the Reserve Bank follow:

### "Sorting, Packaging and Listing Unpaid Items, and Protecting Dishonored Items

"(1) All unpaid items returned to us pursuant to the terms of the so-called Manhattan, Bronx, and Brooklyn collection arrangements between us and the banks to which these instructions are addressed, shall be enclosed in sealed envelopes bearing the names of the respective banks from which we received the items therein contained, except that all such items which we received

from banks other than (a) New York Clearing House banks and (b) banks to which these instructions are addressed shall be returned to us in sealed envelopes bearing our name. Envelopes containing unpaid items so returned will hereinafter be referred to as return item envelopes. The total amount of the items\* therein contained shall be indicated on the face of each return item envelope.

\*For the purposes of these instructions the amount of the items contained in a return item envelope shall be deemed to include the amount of the statutory protest fees charged for the protesting of any such items in accordance with our instructions.

"(2) When a return item envelope is delivered to us at or before 3 p.m., or at or before 2 p.m. on Saturday, the total amount of the items therein contained shall be listed on the regular "Return Items Packages" from which should accompany return item envelopes so delivered.

"(3) When a return item envelope is delivered to us after 3 p.m., or after 2 p.m. on Saturday, the total amount of the items therein contained shall be listed as follows:

"(a) If such return item envelope contains items which we received from a New York Clearing House bank, or from a bank to which these instructions are addressed, the total amount of the items therein contained, or (if delivered to us with cash items which are being deposited with us drawn on the bank from which we received the items contained in such return item envelope) the sum of the total amount of the items contained in such return item envelope plus the total amount of such cash items being deposited, shall be listed opposite the name of such bank on the accompanying form.

"(b) If such return item envelope contains items other than or in addition to those referred to in (3) (a) above, the total amount of all items therein contained, or (if delivered to us with cash items which are being deposited with us, drawn on us or on the Treasurer of the United States) the sum of the total amount of all items contained in such return item envelope plus the total amount of such cash items being deposited, shall be listed opposite our name on the accompanying form.

"(4) Each dishonored check or demand draft of \$50.01 or over returned to us after 3 p.m. on the

day of presentment (or after 2 p.m. on the day of presentment when presented on Saturday), as permitted under our agreements with the banks to which these instructions are addressed, must be duly protested before it is so returned, if it bears an out-of-town endorsement or appears to have been drawn outside this state; except that an item shall not be protested if it bears on its face the ABA no-protest symbol of a bank endorser or if it appears from the item that all parties have waived protest.

"(5) As provided in our agreements with the banks to which these instructions are addressed, such banks may return to us not later than 11 p.m. on the day of presentment, or not later than 8 p.m. on the day of presentment when presented on Saturday, (a) dishonored checks and other demand drafts for less than \$500 and (b) checks and other demand drafts for not in excess of \$5,000 returned for endorsement or to correct other formal irregularity. Items referred to in (b) of \$100 and over which we received from a New York Clearing House bank and which are returned to us after 3 p.m., or after 2 p.m. on Saturday, should be certified so as to be eligible (under Rule 10 of the Clearing House "Rules and Rulings on Items for the Exchanges" adopted July 15, 1943) for return by us to such banks by delivery to the Clearing House not later than 2 a.m. on the next business day following the day of presentment.

"(6) It is requested that information regarding the return of any item of \$500 or over be telephoned before 3 p.m., or before 2 p.m. on Saturday, direct to the banks from which we received such item, if such bank is located in New York City.

FEDERAL RESERVE BANK  
OF NEW YORK."

## Post-War World Trade Plan Offered In London

A plan for post-war international trade, the backers of which say is designed to insure the full consumption of the world's principal export goods and raise the living standards of all countries, was offered to the public on July 19 at a luncheon in London attended by Britain's labor and industrial leaders.

Sir Edgar R. Jones, Welsh-born lawyer and business man has fathered the plan, which he calls a World Trade Alliance.

In Associated Press London advices from which we quote it was further stated:

"The World Trade Alliance as explained by Viscount Davidson, speaking for industry; John Brown, general secretary of the Iron and Steel Trades Confederation, speaking for trade unionists, and by Sir Edgar, has these three primary aims:

1. Full consumption of the output of the world's principal export industries.

2. Price stability for the major products of international commerce.

3. An increased demand for the products of all nations.

4. A high level of employment and better living standards for all nations.

The World Trade Alliance Association proposes that the governments of the United Nations bring together the leaders in the major products of world trade to draw up a series of international agreements.

Mr. Jones said that each country would be required to balance as near as possible its export-import trade. To encourage this he proposed the establishment of a central clearing bureau to supervise the operations of international product committees.

## Jones To Place 1944 Food Program Before Congress For Its Approval

War Food Administrator Marvin Jones will seek to bring about greater co-operation between the Administration and Congress on the war food program by laying plans for his 1944 production program before the lawmakers before putting it into effect, it was reported on July 18 by the Associated Press which further stated:

"The new food chief remembers the experience of Secretary of Agriculture Wickard last winter in announcing a plan of broad incentive payments to farmers this year for growing so-called war crops without first ascertaining whether Congress approved the program.

"The lawmakers balked at the incentive program and refused to vote the necessary funds. The farm bloc contended the payments would be in effect consumer subsidies rather than producer benefits. The fight between the Administration and Congress over subsidies grew largely out of the controversy over the incentive program.

"Mr. Jones, who himself is a former member of Congress, is anxious, associates said, to formulate a production program for next year which would have the general approval of Congress. He and aides are now drafting detailed plans for the program which they intend to lay before the Agriculture Committee of the House and Senate this fall with the hope that a general agreement might be reached and a new Congressional battle avoided.

"The program will, of course, have to follow general lines of price policies as laid down by President Roosevelt. Those policies, in short, bar further in-

creases in consumer prices of virtually all foods.

"It may be necessary, however, for the WFA to assure farmers greater returns from some commodities in order to get them to plant needed acreage of those crops. The additional returns could be made available either in the form of benefit payments—possibly a revival of the incentive payment plan—or in the form of Government purchase at prices in excess of ceilings and resale for distribution at ceiling levels.

"The present Congress expressed determined opposition to both these schemes, but it did allow the Government to engage in purchase and resale operations, involving losses, on a number of crops for the remainder of the 1943 crop year.

"Associates believe, however, that inasmuch as Congress was unable to make its opposition to subsidies stick, Mr. Jones will be able to persuade Congress to go along with a program of producer subsidies providing, of course, he first lays them before the lawmakers and allows them to go over the program with him.

"The situation may be such, it was said, that the farm bloc would have to choose either between subsidies and inadequate returns to farmers for some crops."

## Mussolini 'Resigns' As Italian Premier; King Names Badoglio Head Of Military Govt.

The resignation of Benito Mussolini as Premier of Italy was accepted on July 25 by King Victor Emmanuel who ordered Marshal Pietro Badoglio, former Chief of Staff, to head a military government with "full powers."

These announcements were made by the Rome radio which broadcast a proclamation by the King assuming control of all Italian armed forces and calling on them to "stand against those who have wounded the sacred soil of Italy."

In assuming the military government of the country, Marshal Badoglio called on all Italians to rally around the King. "The war continues," he added. "Italy, grievously stricken in her invaded provinces and in her ruined towns maintains her faith in her given word, jealous of her ancient traditions."

Premier Badoglio formed a new cabinet on July 26 and also imposed martial law to preserve public order.

The texts of the Rome radio's official announcements of July 25 follow, according to United Press London advices:

### The Official Announcement

His Majesty the King has accepted the resignation from the posts of Chief of Government, Premier and Secretary of State, handed to him by His Excellency Chevalier Benito Mussolini and has appointed as Chief of Government, Premier and Secretary of State Chevalier Marshal of Italy Pietro Badoglio.

### The King's Proclamation

Italians, from today I have assumed command of all armed forces.

In the solemn hour which has occurred in the destinies of our country each must take up again his post of duty and of fighting. No deviation must be tolerated, no recriminations must be allowed.

We must stand against those who have wounded the sacred soil of Italy.

Italy, by the valor of its armed forces and the determination of all its citizens, will find again a way of recovery.

Italians! I feel myself more than ever indissolubly united with you in the unshakable belief in the immortality of the fatherland.

Signed: VITTORIO EMANUELE, Countersigned: BADOGLIO, July 25, 1943.

### Marshal Badoglio's Statement

On orders of His Majesty the King, I am taking over the military government of the country with full powers. The war continues. Italy, hard hit in her invaded provinces and in her destroyed cities, loyally keeps her given word as jealous custodian of her military traditions.

All must group themselves around His Majesty the King-Emperor, the living image of the fatherland and an example for all. The watchword given out is clear. The assignment we received is clear and precise and will be scrupulously carried out.

Whoever thinks we can evade its normal development or should attempt to disturb the public order will be ruthlessly punished.

Long live Italy! Long live the King!

Signed: MARSHAL OF ITALY PIETRO BADOGLIO, Rome, July 25, 1943.

The following was contained in Associated Press London advices of July 25:

The broken Mussolini went into the shadows after 21 years of dictatorship in which he had tried to recreate the ancient glories of Rome on a basis of Fascism and military alliances with Germany and Japan.

Military circles took it for granted that the "resignation" was forced.

This dramatic turn in Italy's fortunes was a shattering blow to Germany and Japan, Mussolini's

Axis partners. No immediate comment was forthcoming from Berlin or Tokio.

Badoglio, the 71-year-old new Premier; had been dismissed as Chief of Staff by Mussolini Dec. 6, 1940.

The "resignation" of . . . Mussolini ended a career that began with the Fascist march on Rome in 1922. The international and domestic standing of Mussolini, however, has steadily deteriorated since he led his country into war in the summer of 1940.

Mussolini was conferring with Adolf Hitler last Monday when the huge American air attack was delivered on rail and airport installations at Rome.

He apparently appealed to Hitler for aid in resisting the Allied onslaughts which clearly are aimed at knocking Italy out of the war as quickly as possible.

If that was his plea he undoubtedly failed in his mission. The King's proclamation, which in effect dismissed the originator of Fascism, followed.

Badoglio, long out of favor with the Fascists, had been reported a likely successor to Mussolini once the country decided to sue for peace.

The resignation of Mussolini, whose empire vanished under converging Allied troops, also apparently ended the Fascist party as it had been constituted.

The King's proclamation specifically said that the resignation of Mussolini as premier "and secretary of the Fascist party" had been accepted.

## President Urges People Obey Safety Rules To Prevent Accidents

Calling upon the nation to diligently observe "the ground rules for safety," President Roosevelt pointed out on July 19 that more Americans have been killed or injured through accidents than have been lost in war operations since Pearl Harbor.

The President's message was read on a radio broadcast by Col. Pelham D. Glassford, Chairman of the War Department Safety Council, in an accident prevention program sponsored by the Washington Junior Board of Commerce.

Mr. Roosevelt's letter said:

"Each and every one of us can unite our efforts in stamping out accidents by diligently observing the ground rules for safety. Management and employes in our war plants can collaborate in safety programs; traffic officials can work out better means and measures for reducing accident hazards. To this end I call upon industry, management, public officials and every individual citizen to give more attention to safety so that, so far as humanly possible, we may keep alive and fit for active participation in the great struggle for the safety and security of our nation."

Paul V. McNutt, Chairman of the War Manpower Commission, who also participated, asserted that more than 400,000,000 man-days were lost in accidents last year. "In other words," Mr. McNutt said, "we frittered away the armament and supplies sufficient for a force comparable with the one which has just struck Sicily with such tremendous force."

## Unconditional Surrender Terms Still Apply To Italy, Secretary Hull Declares

Making the first official American comment on the ousting of Premier Mussolini of Italy, Secretary of State Hull indicated on July 26 that the entire situation involving Italy was a military matter and that unconditional surrender terms were still this nation's policy.

President Roosevelt made no comment on the displacement of the Italian dictator.

Regarding Secretary Hull's comments, made at his press conference the Associated Press reported the following in its Washington advices:

"Secretary Hull indicated no change in the unconditional surrender policy laid down by President Roosevelt and Prime Minister Churchill and said that if all minds are kept on fighting like the devil, the Allies will win the war much sooner.

"He emphasized that all attention is on military developments. Secretary Hull said in response to another question that he believed Japan would take due notice of what has occurred in Italy.

"At the outset of the press conference, Secretary Hull was asked if he anticipated any change in the unconditional surrender terms fixed by the United States and Great Britain for capitulation by the Axis. He said that he had no information to that effect from the President and War Department and did not anticipate anything.

"Asked to comment generally on the Mussolini shift, he said that he has not been convinced that Fascism carries with it the seeds of its own destruction. He added that the very timely and appropriate ending of Mussolini's regime was the first major step in the complete destruction and eradication of every vestige of Fascism, both nationally and internationally.

"Asked if the United States would negotiate with King Victor Emmanuel, or if he regarded the King in the same class as the Fascists, he said that he had not conferred with the President. He said that there was no truth in reports that the United States had made contact with the new Italian Premier, Marshal Pietro Badoglio, a few months back.

"Asked if the no-surrender terms applied to Hungary, Bulgaria and Rumania, Secretary Hull first referred his questioner to President Roosevelt and the War Department, then remarked that he imagined the same terms applying to the Axis would apply to all other countries which had declared war against the Allies. He would not undertake, however, to discuss what he termed marginal cases, such as Finland."

President Roosevelt on July 27 endorsed Secretary Hull's view as to the Allies position towards Italy since the ousting of Benito Mussolini. He also in effect backed Prime Minister Winston Churchill's speech in the House of Commons on July 27 that the demand for unconditional surrender is the unchanged basis for peace.

## Lewis Recognizes Authority Of WLB

John L. Lewis, President of the United Mine Workers of America, who has consistently refused to recognize the War Labor Board, on July 23 offered to go before the Board and support the contract between the Illinois Coal Association and District No. 12 of the UMW.

In a letter to William H. Davis, WLB Chairman, Mr. Lewis said the UMW believes the agreement with the Illinois operators "is in the public interest" and added that he is "ready to appear before you in its support in such hearings as you may elect."

In Associated Press Washington

advices, the following was reported:

"Mr. Lewis had refused to go before the Board during its recent hearings in the coal wage controversy. Union spokesmen pointed out, however, that since then Congress has enacted legislation giving the Board statutory authority and the power to subpoena witnesses.

"Mr. Lewis' action came after spokesmen for operators in other producing areas had indicated their lack of enthusiasm for the 'model' agreement between the UMW and the Illinois Coal Operators Association, and demanded that the WLB enforce its ruling that the mine union sign a contract without portal-to-portal pay.

"The Illinois agreement provides for portal-to-portal pay of \$1.25 daily, an eight hour day, and a 48-hour week, with time and one-half for all hours in excess of 35 each week. It was approved by the UMW policy committee as a model for all other coal producing areas, but cannot go into effect unless approved by the WLB."

## Earnings, Hours & Pay At New Peaks In May

Earnings, man hours and payrolls in 25 manufacturing industries in May reached new peaks, according to the regular monthly survey of the National Industrial Conference Board. Employment again declined slightly in May, but was still higher than in any month prior to February of this year according to the Board which states that the average number of hours worked in one week was the greatest since April, 1930.

Under date of July 27, the Board further reported:

"Hourly earnings of all wage earners in the 25 manufacturing industries increased for the 34th consecutive month. For the first time, they averaged more than a dollar an hour, and at \$1.01 were 1.2% more than in April, 11.5% higher than in May, 1942, and 33.1% more than in January, 1941. They were 71.2% higher than in 1929.

"The combined effect of higher hourly earnings and longer working hours pushed weekly earnings to a new high of \$45.90 for May, or 2.0% more than in April, 17.7% higher than in May, 1942, and 50% more than in January, 1941. They were 60.8% higher than in 1929. As living costs rose only 0.3% from April to May, "real" weekly earnings, or dollar weekly income in terms of the commodities and services it will purchase, increased 1.7% during the month. Real weekly earnings have risen 10.1% since May, 1942, 24.1% since January, 1941, and 54.8% since 1929.

"The average wage earner in the 25 manufacturing industries worked 45.2 hours in May, the longest work week recorded since April, 1930. It was 0.7% longer than in the previous month, and 5.9% longer than in May, 1942, but was 6.4% shorter than in 1929.

"Man hours increase 0.5% in May and were 17.9% higher than in May, 1942, and 36.7% greater than in 1929.

"Payrolls at 254.4 (1923=100) showed increases of 1.8% since April, 31.0% since May, 1942, and 134.7% since 1929."

## Republicans Urging Post-War Internat'l Cooperation For Peace

The newly formed Republican Post-War Policy Association, advocating a policy of international cooperation after the war and seeking to place the Republican party on record as favoring a post-war international organization to preserve peace, established an Eastern Division on July 19 at a meeting at the Hotel Commodore in New York City.

At this meeting, attended by delegates from New York, Pennsylvania, New Jersey, Maryland, West Virginia, Delaware and the six New England States, a resolution was adopted in the organization's platform authorizing the appointment of a committee to confer with Harrison E. Spangler, Republican National Chairman, upon a possible international cooperation plank for the Republican Party in the next Presidential campaign. The resolution also asked Mr. Spangler to call his Republican Post-War Advisory Council of 49 to make an early pronouncement as to what course the council would advise. The New York "Sun" of July 20 in its account of the July 19 meeting at the Commodore, said:

"After endorsing the statement of the Republican National Committee, made on April 20, 1942, that the responsibility of the nation in the war is 'not circumscribed within the territorial limits of the United States,' and that the United States has 'an obligation to assist in the bringing about understanding, comity and cooperation among the nations of the world,' the meeting adopted the following resolutions:

"1. A complete military victory of the Allies and the unconditional surrender of the aggressor nations is the first essential to world peace.

"2. The United Nations must remain united if we are to secure international collaboration to prevent the recurrence of future wars.

"3. For the preservation of peace on the home front we must convert our war industries to peacetime production and establish a sound economic position with equal opportunity for all after the war is won.

"4. We must plan now for the establishment of an organization of nations to assume full responsibility in maintaining world peace.

"5. That we urge Republican members of Congress immediately after the reconvening of Congress to sponsor and support congressional action pledging cooperation by the United States in world affairs.

"That this body authorizes and directs its chairman, Deneen A. Watson, to appoint a committee to wait upon Mr. Spangler, Chairman of the National Republican Committee, and communicate to him the foregoing resolutions and to urge Chairman Spangler to cause the council of forty-nine delegates to make an early pronouncement of its intended action pursuant to these resolutions."

## Figure This One Out For Yourself

Write down your age.  
Multiply by 2.  
Add 5.  
Multiply by 50.  
Add the loose change in your pocket (any amount under a dollar.)  
Subtract 365.  
Add 115 to total.  
Result will be the first two figures are your age; the last two the amount of change in your pocket.

## Labor Leaders Call Upon FDR For Price Rollback Or Support Of Stabilization Program Will Stop

Organized labor served notice on President Roosevelt on July 22 that it will not continue its support of the wage and price stabilization program unless steps are taken to roll back retail food prices to the Sept. 15, 1942, level.

William Green, President of the American Federation of Labor and Philip Murray, head of the Congress of Industrial Organizations, joined in the statement after a meeting between President Roosevelt and the combined Labor War Board.

Following the meeting, Mr. Green stated that the removal of Price Administrator Prentiss M. Brown will be asked unless he does a better job of rolling back prices in accordance with the Administration's proposed program which Congress permits.

The threat to seek Mr. Brown's removal was not made to the President, it was stated, but the labor leaders did emphasize to Mr. Roosevelt that unless prices are reduced they will demand that the War Labor Board revive "Little Steel" formula, under which wage increases of 15% are permitted to compensate for rises in the cost of living since Jan. 1, 1941.

The Board's statement to the President follows:

"In your message to Congress on July 2, stating your reasons for disapproving the Commodity Credit Corporation bill, you set forth with convincing emphasis the necessity of reducing the cost of living by rolling back food prices through the use of subsidies. The rollback of food prices was necessary, you said, to carry out the mandate of Congress in the act of Oct. 2, 1942, to stabilize wages and prices 'so far as practicable \* \* \* on the basis of the levels which existed on Sept. 15, 1942.'

"On July 8 Congress recessed after acceding to your proposal by leaving no legislative restrictions for the carrying out of the proposed rollback of food prices.

"On July 15 Price Administrator Prentiss Brown publicly stated that he has no present plan to subsidize a rollback of food prices beyond that which you had authorized in May of this year. This limited program falls far short of the objectives so clearly stated in your message of July 2, and the greater part of this limited program was already in effect and operating on that date.

"We are unable to find any steps being taken at the present time to carry out your objectives. If your administrators have decided not to carry out in full the program which you proposed and which Congress permits, it will, of course, be impossible for organized labor to continue in its support of the wage and price stabilization program as now formulated.

"You have stated with dramatic clarity in your veto message to Congress the desperate consequences to the American people of failure to hold the line on both prices and wages. We share these expectations. We know that whatever may be the supposed benefits of inflation to those who are seeking to destroy the stabilization program the people of the United States will be the victim.

"If failure to carry out the stabilization of prices in line with wage stabilization brings the consequences which you stated must inevitably follow, organized labor cannot be held to account for that result which it did not seek and which it has exerted all of its efforts to avoid.

"At this hour, only through prompt execution of the rollback of food prices which you proposed can you restore confidence in the plain people of America that inflation can be and will be defeated. Contrary to the charge of your opponents that only trivial savings will result from the program you propose, these savings according to our calculations can be substantial."

## HOLC Starts Drive In I. Y. For Home Sales

The Home Owners' Loan Corporation has intensified its sales program in the New York region, embracing seven States, and seeks to sell to the public a substantial portion of the 23,000 private homes in its possession. The immediate goal of the drive, according to an announcement by Charles F. Cotter, General Manager of HOLC, shall be the disposal of 10,000 properties to private owners within a period of three months.

In the New York "Sun" of July 17, it was further stated:

"There shall be no distressed or forced sales to depress the market," Mr. Cotter emphasized in announcing the campaign. "The HOLC approach toward liquidation of its properties is through an orderly program of selling. "It is the corporation's policy to sell at prices consistent with favorable market conditions. Its objective is to stimulate interest in the limited supply of properties on hand and to offer an opportunity to qualified purchasers to enjoy home ownership."

"Mr. Cotter said that most of the properties which the HOLC had to sell are one-family houses. The average sale price tag affixed to the houses which HOLC is offering in the campaign is \$5,000; the sales terms of repayment are for as long as 15 years, with interest at 4 1/2%.

"With a substantially improved real estate market throughout the Northeastern States," Mr. Cotter further commented, "there is at present a strong demand for home ownership on the part of people who have accumulated savings which they wish to invest with safety in order to provide security in old age. The purchase of a home is for such people an ideal investment."

## ABA Group To Study Deposit Insurance

Formation by the American Bankers Association of a Committee on Federal Deposit Insurance whose function will be the continuing study of the deposit insurance system is announced by W. L. Hemingway, ABA President, who is President of the Mercantile-Commerce Bank and Trust Co., St. Louis.

The committee, which consists of nine bankers representing various sections of the country, will be an adjunct of the Association's Committee on Federal Legislation. Members of the committee are:

Claude E. Bennett, (Chairman) President Tioga County Savings and Trust Co., Wellsboro, Pa.; E. J. Boyd, President, Second National Bank, Warren, Ohio; A. F. Cruse, President, Routt County National Bank, Steamboat Springs, Colo.; Preston B. Doty, President, First National Bank, Beaumont, Tex.; E. V. Krick, Vice-President, American Trust Co., San Francisco, Calif.; George L. Rice, President, Hardwick Bank and Trust Co., Dalton, Ga.; H. N. Thomson, Vice-President, Farmers & Merchants State Bank, Fresho, S. D.; Donald C. White, Executive Vice-President, First National Bank, Lewiston, Maine; Evans Woollen, Jr., President Fletcher Trust Co., Indianapolis, Ind.

## Servicemen's Civil Relief Act Increased Loan Delinquencies, ABA Survey Shows

A new statistical analysis of delinquencies on installment repayments of consumer credit loans, prepared by the Consumer Credit Department of the American Bankers Association, reveals that the Soldiers' and Sailors' Civil Relief Act has increased the total of delinquencies among matured loans and loans more than 90 days overdue. However, it is stated less than 1% of the total number of personal loans outstanding at the end of May, 1943, were delinquent because of the privileges granted by the act, the survey shows.

The Association's announcement of July 21 further said:

"With the exception of the cumulative effect on the Soldiers' and Sailors' Act upon unpaid matured loans, the rate of repayment on such loans as are permissible under Regulation W has remained fairly constant in relation to the rate of repayment prevailing before Pearl Harbor.

"Monthly fluctuations in the delinquency percentages have been within well defined limits, the analysis shows, with the possible exception of February of this year, when delinquencies increased, probably as a result of borrowers withholding instalment payments in order to meet their income taxes. Delinquency percentages dropped sharply after February and resumed a more nearly normal ratio to total loans in March and April."

The ABA states that the analysis shows that of the consumer credit loans outstanding on May 30, 1943, the following percentages were delinquent:

No. of Days Delinquent	% of Loans Delinquent	% Delinquent, Relative to Sept. 30, '41=100
Matured loans	1.121%	131
1-4 days	1.386%	98
5-14 days	1.496%	103
15-29 days	1.097%	102
30-59 days	.745%	116
60-89 days	.369%	112
90 days and over	.627%	137
Matured loans	1.121%	131
Soldiers' & Sailors' Act Delinquencies	.986%	371

From the ABA advices we also quote:

"From these statistics, it is ascertainable that while delinquencies resulting from the Soldiers' and Sailors' Act accounted for only .986% of total delinquencies at the end of May, their cumulative effect upon delinquencies of 90 days and over, and upon delinquencies among matured loans, has been noteworthy. In both categories, the percentage of delinquencies in relation to those of Sept. 30, 1941, carried the relative significance of 137 to 100 and 131 to 100, respectively.

"Moreover, the percentage of Soldiers' and Sailors' Act delinquencies, in relation to these delinquencies as of Sept. 30, 1941, has more than trebled, and reached the relative figure of 371 at the end of May this year. Continued growth of this figure is dependent in part upon whether or not the Selective Service System continues to induct men into the armed forces at the rate prevailing in recent months. Should the rate of induction be lowered in succeeding months, the relative growth of Civil Relief Act delinquencies should normally be expected to be lessened.

"The rate of induction, however, is not the sole determinant of the delinquency rate, it was pointed out. The Civil Relief Act establishes moratoria on personal debt only if the borrower is unable to repay. There is evidence that some borrowers who are in fact able to repay avail themselves of the Act's privileges, without regard for the intent of the Act, which sets forth that repayment of debt incurred before induction into the armed forces is delayed only in cases of undue hardship, and does not relieve the borrower of eventual repayment."

## Decision Reserved In AP Anti-Trust Case

A special three-man Federal court in New York City has reserved decision on the Government's motion seeking summary judgment against the Associated Press for alleged acts of monopoly and restraint of trade in the gathering of news.

The arguments were heard on July 8. If the government is successful and the court grants the motion, the verdict will be rendered without trial and on documents alone. Otherwise an oral trial or hearing will be held.

Contending that the A. P. and its 1,247 member newspapers control the majority of major news fields, the government, in its motion, asked the court to direct the news service to open its news and photo services to all newspapers able to pay their share of the costs.

The A. P. attorneys asserted that the Government has failed to submit evidence that A. P. has monopolized the gathering and dissemination of news and contended that the government's suit is an attempt to infringe the freedom of the press; it is further contended that "maintenance of the present standard of the A. P. news reports depends upon the continued existence of the A. P. as a co-operative enterprise."

The A. P. affidavits in reply to the Government were referred to in these columns July 5, page 52.

## Daily Production Rate Of Oil Increased In August

Petroleum Administrator for War Harold L. Ickes on July 19 announced that a production rate of 4,424,600 barrels daily of all petroleum liquids has been certified to the oil-producing states for August, 1943. This figure represents a net increase of 96,100 barrels daily over the total rate certified for July production.

The rates of production certified to the Eastern and Midwest States (Districts 1 and 2) were generally reduced to conform with the continued declining productive capacity in those areas. Minor upward revisions were made for the Rocky Mountain States and California (Districts 4 and 5) consistent with increased productive capacity resulting from additional development in those areas.

In District 3 (Southwest), the important changes in the certifications consist of an increase of 90,000 barrels daily for Texas and an increase of 25,000 barrels daily for Louisiana.

Explaining the increased rates certified for Texas and Louisiana, Deputy Petroleum Administrator Ralph K. Davies said:

"Completion of the Norris City-East Coast leg of the War Emergency Pipe line, coupled with continued general improvement in the transportation situation, will make available additional transportation capacity to move increased volumes of crude oil and products from the Southwest. Moreover, additional crude is needed to supply the increasing requirements of refineries in that district."

## Post-War Disposal Of Government Plants Called Major Problem

Secretary of Commerce Jesse Jones said on July 21 the Government had spent \$25,000,000,000 in the last three years to build industrial plants and other facilities and asserted disposition and utilization of the properties will be one of the nation's greatest problems after the war.

For his own part, Mr. Jones said, he had no fear "but that Government will deal fairly with industry, because I believe that the people of our country want to maintain the principle of private initiative and private enterprise. . . ."

Regarding the Secretary's remarks, prepared for the Washington "Evening Star" radio forum an Associated Press account, as given in the New York "Journal of Commerce" stated:

Asserting that war expansion cannot and should not be written off as a total loss, the Secretary said:

"How much of it we can use to advantage, and how much can be used for rehabilitation of other countries and on what basis are matters about which we should be thinking now."

Mr. Jones foresaw differing opinions on the use of the plants. Some, he said, will want the Government to stay in business and operate on Federal funds while others will advocate scrapping a large portion of the plants to eliminate "undue competition." Still others, he said, will be looking for bargains, hoping to buy at Government sacrifice prices.

"The nation must be on guard against 'undue pressure' from any of those groups," he said, adding: "Where any industry is able to absorb Government facilities in its line, on a basis fair to Government, that policy should be adopted, the Government selling or leasing the facilities on fair and reasonable terms. In those industries where Government facilities approximate or far exceed those in private hands, the solutions will be more difficult. "For example," he said "the Government—because of its heavy investments in the aviation industry—could destroy private investments but certainly we should not and will not.

"The Government, will own all of the synthetic rubber industry and Congress must determine how much of it will be kept in operation.

"Certainly," he added, "we should never again be entirely dependent upon foreign sources of rubber."

Listing some of the Government's other big undertakings, Mr. Jones said that it had built and holds title to three big steel plants and 120 smaller plants and additions. Thus, he said, the Government will own about 10% of the total steel capacity of the country.

With an investment of approximately \$43,000,000 in magnesium plants, he said, the Government will own about 92% of total production. It has built and owns nine plants for aluminum production and forty-five plants for fabricating aluminum, he said, with a total investment of \$760,000,000.

"So obviously, the Government will be in a position to smother private industry in the manufacture of magnesium, and also to dominate the aluminum industry, because Government alone will have more than enough capacity to supply the entire peacetime needs for aluminum," he said. "These situations will require wisdom, and fairness by Government, otherwise private investments in these industries would be destroyed."

## May Employment At All-Time Peak Of 62,400,000, Conference Board Reports

Employment in May mounted to an all-time peak of 62,450,000 according to the National Industrial Conference Board. Nearly 1,200,000 additional persons found employment on the farms, while further additions to the armed forces offset losses in industrial employment and brought the net gain during the month to slightly less than 1,400,000, the Board's figures indicate. The Board reported, under date of July 28 that fully 7,000,000 more were at work or in uniform than in May, 1942. Of this increase during the past year, at least four-fifths resulted from the expansion in the armed forces. The May level of employment exceeded by more than 6,500,000 the total number of persons normally comprising the nation's labor force in peace time.

The Board's announcement further stated: "While total employment has increased steadily since the start of the year, the number of persons at work in the nation's basic private industries (mining, manufacturing, construction, transportation, and public utilities) has turned downward in recent months. In May, industrial employment in the basic industries dropped by nearly 100,000 or about twice the loss of the preceding month. Employment in manufacturing suffered its first downturn since the outbreak of the war. The number on construction projects was reduced to 1,800,000, or fully a third lower than a year ago. Only in transportation was the level of employment in the basic-industry group above the preceding month's total.

"Official estimates, the Board says, suggest total civilian non-farm employment will total only about 41,900,000 by the end of the year, or nearly 1,000,000 less than in May. In all, about 5,500,000 workers (net) will have been lost since Pearl Harbor by non-essential industries to munitions and other essential industries, or to the armed forces, nearly 60% of the shift taking place during the current year.

"Despite the monthly gain of nearly 1,200,000, total farm employment of 11,100,000 was almost 300,000 less than a year ago. The decrease was most pronounced in hired workers, this group numbering only 2,471,000, or about 6.5% below the corresponding 1942 total. As of mid-year, children under 14 comprised 13% of all farm workers as against only 4% in April, 1942. Female employment has also expanded sharply, rising from 14% to 27% of total farm employment during the same 14 month period.

"To meet heavy production requirements, farm operators have also expanded their average work-day so that, as of mid-year, it had reached 12.8 hours."

## ABA Manual On War Loans To Industry

A comprehensive manual on war loans to industry has been prepared by the Bank Management Commission of the American Bankers Association and is being sent to the Association's entire membership, it was announced on July 23 by Walter B. French, Deputy Manager of the Association. The manual, which contains 152 pages of textual material, interpretations, digests of laws, contract and agreement forms, regulations, and related information is a sequel to earlier publications of the commission which were issued in 1941 and 1942.

According to the manual's preface, the book embraces not only the material in the Commission's former bulletins, with subsequent changes and interpretations, but also extensive information in the fields of renegotiation and termination of government contracts. The latter fields are of constantly

growing significance as the war progresses.

The material in the book was assembled by a special committee of the Association, with the assistance of the ABA's National War Loans Committee. Members of the special committee are: David C. Barry, Vice-President, Lincoln-Alliance Bank & Trust Co., Rochester, N. Y.; Hugh H. McGee, Vice-President, Bankers Trust Co., New York City, and A. C. Simmonds, Jr., Vice-President, Bank of New York, New York City. Subsequent to the work of these committees, the book's contents were edited and published by the Association's Bank Management Commission.

The manual consists of six chapters and an appendix, which in turn contains four chapters. The subjects covered by the six principal chapters are titled as follows: "Financing War Contracts," "Assignment of Claims Under Government Contracts," "Regulation V Guaranteed Loans," "Renegotiation of Government Contracts," "Termination of Contracts for Convenience of the Government," and "Regulation V Loan Agreements." It is announced that among the more significant material discussed in the manual are the loan agreement forms which have been prepared for suggested use by banks which undertake Regulation V loans. Commenting on these forms, the manual says:

"While it is impractical to attempt to standardize the Regulation V loan agreement in its entirety, there are many provisions that appear to be common to many agreements and it is believed that it would be advantageous to both the armed services and the financing institutions if these provisions were stated in the same language and sequence whenever they are used. In the hope that some degree of standardization might be achieved, the committee, after consulting representative bankers and the War and Navy Departments and the Maritime Commission, had counsel draft two forms of loan agreement—one for single bank revolving credits and the other for multi-bank revolving credits. Both agreements have been submitted to the War and Navy Departments and the Maritime Commission and they have advised that these agreements are acceptable as to form."

## President Asks Study Of Race-Riot Problem

President Roosevelt has asked the heads of several Government agencies, including the Attorney General, "to give special attention to the problem" of race riots in various parts of the country.

This was disclosed on July 20 by Representative Marcantonio (Amer.-Labor, N. Y.) who had written to the President asking him, according to United Press accounts, to investigate recent racial outbreaks at Detroit, Beaumont, Tex., and other places. Mr. Roosevelt's reply, as made public by Mr. Marcantonio's office:

"I share your feeling that the recent outbreaks of violence in widely scattered parts of the country endanger our national unity and comfort our enemies. I am sure that every true American regrets this.

"I have asked the heads of several government agencies, including the Attorney-General, to give special attention to the problem."

## Nazis Reported Abandoning 'European Fortress' Theory For Defense Deep Within Continent

"Nazi dispatches reaching Switzerland on July 22 asserted that Germany is retreating from her 'European fortress' theory to the idea of basic final defense deep within the Continent," according to an Associated Press dispatch from Berne, as given in the New York "Herald-Tribune" which further said:

"Increasingly, since the Allies cracked Sicily, the Nazi press has been referring to the 'reduit national' to be held to the last, with the current coastal fortifications considered only as outer bastions. (A 'reduit' is a small inner fortification, usually at the core of a larger fortress.)

"The strategy, as discussed in Nazi publications, takes into consideration the possible loss of Italy, Southern Greece and France's Atlantic coastline, leaving Germany in a position to make a stand within her own borders and in the industrially desirable parts of central Europe.

"Allied military observers here warn against any optimistic deduction that the Nazis intend a quick, easily forced withdrawal. They say the bitterest fighting must be anticipated, and that the Nazis will let all Europe become a shambles before ending the battle.

"Discussing the 'reduit national' idea, the Swiss weekly publication 'Weltwoche' said: 'The bulk of the German troops, especially stationary weapons, are ready to take up an inner line.'

"Nazi press dispatches indicate that the ultimate 'reduit' will concern only Hungary, Rumania, Denmark and Germany, leaving the rest as a sort of no-man's-land.

"Published Allied reconnaissance reports corroborate that work on the Atlantic Wall has been virtually discontinued. Sharply cut Nazi cement production figures are another indication of this.

"'Weltwoche' said most of the Todt labor battalions have been moved from the Channel to work on new fortifications in the Maginot-Westwall area. Work is similarly being carried on in the east, and in the Black Sea and Danube areas by Bulgaria and Rumania. The publication described concentrations of important industries within the 'reduit,' and the hasty construction of food and munition depots for 'the long wind which will be needed in the war of attrition.'"

## Small Builders Unable To Get War Contracts Philip Wolf Reports

Small construction contractors, who were promised aid by Washington officials in gaining war contracts, are about ready to admit defeat after a year of concentrated effort to obtain war work, Philip Wolf, Chairman of the American Contractors War Advisory Committee, declared on July 21.

Regarding the interview with her, Wolf in New York City, the New York "Herald Tribune" of July 22 reported:

Mr. Wolf said that while the construction program was slowing down his committee is forced to sit idly by as "job after job in the reduced program is awarded to large firms which already have numerous war contracts." The little contractor, he said, "has become completely demoralized; many have gone out of business and others are barely hanging on."

The small contractor, he continued, has received nothing and apparently can expect nothing from the Smaller War Plants Corp. The construction division of the S. W. F. C., he charged, has now been functioning for four months and "has not yet helped one distressed contractor to obtain a construction contract."

Mr. Wolf, whose committee rep-

resents 30 building trades employers' associations throughout the country, further said that Senator James E. Murray, Democrat, of Montana, Chairman of the Senate committee to aid small business had given the committee oral encouragement but no actual assistance.

Asserting that many small construction companies were going out of business because the personnel of S. W. P. C. is not doing its job properly, Mr. Wolf said that small contractors are now demanding that officials of this government agency either produce before it is too late or resign.

## Treasury Closes Books On Clf. Offering

The subscription books for the receipt of cash subscriptions to the current offering of 7% Treasury Certificates of Indebtedness of Series D-1944 were closed on July 22 and for the receipt of exchange subscriptions were closed on July 23.

The Treasury Department offered these 7% certificates on July 22 on an exchange basis, par for par, to holders of Treasury Certificates of Indebtedness of Series B-1943, maturing Aug. 1 in amount of \$1,609,327,000. An additional amount of \$900,000,000 of the new certificates were offered for cash to commercial banks accepting demand deposits, for their own account. Restriction of the cash offering to commercial banks is in line with previously announced policy to exclude from war loan drives the offerings to commercial banks.

Secretary Morgenthau disclosed on July 27 that cash subscriptions aggregated \$5,484,000,000, being allotted 18% on a straight percentage basis, with adjustments, where necessary, to the \$1,000 denomination, and that exchange subscriptions totaled \$1,559,000,000.

The new certificates are dated Aug. 2, 1943, will be payable on Aug. 1, 1944, and will bear interest at the rate of seven-eighths of 1% per annum, payable on a semi-annual basis on Feb. 1 and Aug. 1, 1944. They will be issued in bearer form only, with two interest coupons attached, in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000.

Pursuant to the provisions of the Public Debt Act of 1941, interest upon the certificates now offered shall not have any exemption, as such, under Federal tax acts now or hereafter enacted.

Subject to the usual reservations, subscriptions in payment of which Treasury Certificates of Indebtedness of Series B-1943 are tendered will be allotted in full. All cash subscriptions will be allotted on an equal percentage basis, to be publicly announced.

## Approve Delay In Induction of Students

Students, 18 and 19 years old, in high schools or similar institutions, who are called for induction into the armed forces while they are in the last half of one of their academic years henceforth may have their induction postponed, upon their own request, until the end of their academic year, the Selective Service Bureau of the War Manpower Commission said on July 19. The Bureau's advice further said:

"Selective Service, in advising its State Directors of the action

to be taken on high school students, pointed out that it conforms to Public Law 126, which was signed by the President on July 9.

"The advice to Selective Service State Directors stated that 'any persons 18 or 19 years old who, while pursuing a course of instruction at high school or similar institution, is ordered to report for induction during the last half of one of his academic years at such school or institution shall, upon his request, have induction postponed until the end of such academic year or until he ceases to pursue such course of instruction, whichever is earlier.'"

"Heretofore, under previous law, the induction of high school students, not otherwise deferred, was postponed only if they were in the last half of the academic year at a high school or similar institution when they received their order to report for induction and request postponement. As the academic year of most schools begins in September and ends in June, only those students who received their order to report for induction in the last half of the school's academic year were considered entitled to have their induction postponed.

"The amended law adjusts this situation by stating that the student shall have his induction postponed upon his request if he receives his notice to report for induction in the last half of 'his' academic year."

Registrants in summer vacation are not entitled to postponement of induction, but registrants 18 or 19 years old attending summer session at high schools or similar institutions are entitled to postponement of induction if they have commenced the last half of one of their academic years, Selective Service said.

## Price Of Newsprint Increased \$4 A Ton

The Office of Price Administration and the Canadian Wartime Prices and Trade Board announced jointly on July 21 that the ceiling price of standard newsprint paper will be increased \$4 per ton on Sept. 1.

For standard newsprint, the boost will bring the manufacturers' ceiling "port price" to \$58 a ton, with maximum prices for the various newsprint zones adjusted accordingly. Side-run newsprint also will advance to \$58, and "super-standard" newsprint will go up to \$61.50 a ton, also a "port price" basis. The announcement attributed the rise to "increased costs of wood procurement."

"A number of newsprint mills in both the United States and Canada are operating at a loss," said Price Administrator Prentiss M. Brown, who added:

"It cannot be hoped to adjust the price to a point where each individual mill becomes profitable, but this office is charged with the duty of adjusting prices, upward or downward, as will be generally fair and equitable. It is felt, therefore, that this order raises the price to the minimum extent required by the Emergency Price Control Act."

In granting an increase of \$4 per ton, Mr. Brown said that an increase of more than this amount could not be justified.

Canadian producers asked for an increase of \$6 per ton, while United States producers asked for an increase of \$5 to \$6 per ton.

This is the second increase in newsprint prices since 1938. An increase of \$4 a ton was granted March 1, 1943. At that time Canadian producers asked for an increase of \$8 a ton. The OPA at that time, however, said it would further review the price situation at a later date. The earlier \$4 increase was referred to in our issue of March 11, page 916.

## Living Costs In Large Cities Declined 0.2% In Month End. June 15 for 1st Reduction In 2 1/2 Yrs.

With other living costs relatively stable, a drop in fresh vegetables and butter prices cut the cost of living for city workers by 0.2% in the month ending June 15—the first month to show a reduction since a year before Pearl Harbor, Secretary of Labor Frances Perkins reported on July 24.

"This small decrease compares with increases of 0.8% for the month ending May 15, 1.1% in the month ending April 15, and 1.5% for the month ending March 15," Secretary Perkins said. She added:

"Led by potatoes, which dropped 9%, against a usual slight rise at this time of the year, fresh vegetables showed more-than-seasonal declines of 8 to 13% from their previous abnormal levels as new crops came onto the market and as victory gardens began to produce. Butter dropped about 5 cents a pound to a national average of 50 1/2 cents under the subsidy program. Butter and potatoes together make up about 9% of the cost of food and about 4% of the total cost of living in the monthly index compiled by the Bureau of Labor Statistics.

"Victory gardens will affect the level of the cost of living index only as they lower commercial prices; no account can be taken in the index of the drop in food costs during the summer for many millions of families who grow their own vegetables. The index cannot reflect the added effort and inconvenience of wartime living, but it is designed to measure changes in retail prices of goods and services currently purchased by families of city wage earners and clerical workers.

"Food prices as a whole, making up over 40% of the index, declined 0.8% because of lower prices for fresh vegetables and butter. Prices of canned fruits and vegetables declined 0.5% as the Office of Price Administration established local dollar-and-cents ceilings in many large cities in

May. Eggs, apples and oranges showed the chief increases because of seasonal reductions in supply. Prices of meats were generally unchanged, slight increases for beef, lamb and fish being balanced by slight decreases for pork and chickens.

"Most costs making up the other 60% of the index remained fairly stable. Declines ranging from less than 1% to almost 12% were reported for rayon hose, while there were increases in the cost of cotton underwear and pajamas because of the disappearance of lower-priced lines. Prices of summer clothing were higher than last June. Men's shirts made in accordance with War Production Board limitation orders came onto the market slightly below the May price.

"Miscellaneous goods and services, such as medical care, movies, and beauty and barber shop services, continued to increase. Cost of automobile collision insurance was reduced because of the increasing age of cars on the road.

"Household furnishings, fuel prices and utility rates were generally stable, and rents were reported practically unchanged from the March levels."

The whole cost of living index now stands at 124.8% of the 1935-39 average, 23.8% above January 1941, base date of Little Steel, and 7.6% above May 1942, when the OPA initiated retail price control. Food prices, however, are 45% above January 1941 and over 16% above May 1942.

## Labor Department Reports On Factory Workers' Hours And Earnings In May

The average length of the work-week in all manufacturing industries in May was 45.2 hours, indicating a scheduled work-week averaging more than 47 hours, Secretary of Labor Perkins reported on July 19. "War goods, produced largely in the durable goods group of industries, continued to require an increasing share of total manufacturing time," she said. Secretary Perkins further stated:

"In May, 1943, 62% of total manufacturing man-hours were applied to the durable goods industries as compared with 58% a year ago and a peace-time proportion of 44% (May, 1939). This shift from non-durable to durable has been remarkably steady, amounting to about 4% each year.

"Of the 9 durable goods groups, all but the machinery and transportation equipment groups, which already had the longest work-weeks, reported a longer work-week in May than in April. The hours per week in the machinery group averaged 49.8 and in the transportation equipment group 47.5. Among the durable goods groups the largest monthly increase in work-week, 2.1%, was reported by the lumber and timber basic products group and was of a seasonal nature.

"Of the non-durable goods groups only the apparel group showed a significant drop in hours per week. The work-week in this industry declined seasonally to 38.1 hours per week, about 1 1/2% below the level in April. The average work-week in the food group was 44.7 as compared with 43.3 in April 1943 and 40.9 in May, 1942.

"The increase in hours over the month in the food group was almost entirely due to a 10% increase in average weekly hours in the slaughtering and meat packing industry. Comments from firms in this industry indicate that the increasing shortage of manpower and the increased demands for meat, margarine and the new

dried egg product (the major share of which is produced in this industry) made the longer work-week necessary.

"The effect of the coal strikes is reflected in the 12.2% drop in average hours per week in the anthracite mining industry and in the 3.4% drop in the bituminous coal-mining industry between April and May. The work-week in the former averaged 36.1 and in the latter 35.6 hours per week.

"Hourly earnings in May including overtime premiums and shift differentials averaged 95.3 cents an hour in all manufacturing. All of the manufacturing industry groups with the sole exception of the apparel group had higher average hourly earnings in May than in April, 1943.

"Both coal-mining industries had lower hourly earnings in May 1943 than in April. The decline in hours coupled with the drop in hourly earnings brought weekly earnings in anthracite mining down to \$37.39, 14% below April, and reduced earnings in bituminous coal mining 4.5% to \$39.51. All of the other major nonmanufacturing groups reported higher hourly earnings in May than in April.

"Weekly earnings in all manufacturing industries averaged \$43.08 in May 1943 as compared with \$42.48 in April 1943 and \$35.82 in May 1942. The weekly earnings in both the durable and non-durable groups were 1 1/2% above April 1943."

## Industry Asked To Cooperate In Nat'l Conservation Campaign

Cooperation of industry in a nation-wide conservation campaign to release critical resources—fuel, manpower, equipment and materials—for war purposes was called for on July 22 by three leading Government executives.

Secretary of the Interior Harold L. Ickes, Defense Transportation Director Joseph B. Eastman and War Production Board Chairman Donald M. Nelson in a joint statement asked the coal, petroleum, electric, natural and manufactured gas, water supply, communications and transportation industries to formulate plans for an intensive voluntary campaign to get underway late this summer. The advice of the Office of War Information state that the campaign will be directed toward both household, commercial and industrial users and will be guided by an inter-agency Government committee. J. A. Krug, Director, Office of War Utilities, Ralph K. Davies, Deputy Petroleum Administrator for War, H. A. Gray, Deputy Solid Fuels Administrator for War, Mr. Eastman, and assistants of these officers will compose the committees. It is added that meetings now are being held with leaders of the various industries by appropriate Government officials to work out the programs each will undertake.

In the joint statement, Messrs. Ickes, Eastman and Nelson said: "Conservation of fuel, manpower, equipment and materials is a 'must' for the United States if we are to achieve the maximum war production every American wants.

"Every pound of coal, every gallon of oil, every cubic foot of gas that can be saved means that our national energy pool is strengthened just that much. Every man hour saved in the production of these basic fuels, in the production of electricity, in transportation and in communication is a man-hour that can be used for something else. Every pound of tungsten that is saved in the production of electric lamps is a pound that can be used in the production of radar equipment.

"These savings and the countless others that will result from a broad conservation campaign may appear small in the average household or the average industrial or commercial plant. Multiplied by millions of homes and thousands of factories and stores, however, they are tremendous. The saving of a single ton of coal next winter by one householder will not win the war. But if 18,000,000 householders do it their combined effort will go a long way toward winning the war. That same thing applies with equal or even greater force to each of the other industries represented.

"We have, therefore, called upon the coal, petroleum, electric, natural and manufactured gas, water, communications and transportation industries to join with us in a broad conservation campaign to accomplish these results. The campaign will be voluntary. Cooperation of these industries in asking the public to use their services only as absolutely necessary represents a real sacrifice by them. We ask the American public to appreciate that sacrifice and to give them and the war effort enthusiastic and unstinting cooperation as this campaign develops."

## Canadians Warned Of Possible American Reaction To Newspaper Orders

J. G. Diefenbaker, Progressive-Conservative member from Saskatchewan, warned the Canadian House of Commons on July 22 against what he termed a possibility of building an "adverse" press for Canada in the United States because of the way in which the pulp and paper industry is being handled.

In Associated Press Ottawa advice, as given in the New York "Herald Tribune" further reported:

"He said antagonism already is apparent among American publishers because of the price increase and the lowered production volume in Canada, which is a main source of supply for American papers. There is a danger that the Americans will believe Canada is taking advantage of them in the matter of price, he said, referring to the \$4-a-ton increase in newsprint, effective Sept. 1.

Resources Minister T. A. Crerar said he did not share Mr. Diefenbaker's apprehension. A few newspapers had attacked Canada, but the majority understood "the realities" of the situation, he said.

Mr. Diefenbaker said the effect of Canada's pulp and paper policy on opinion in the United States was likely to reduce greatly or nullify altogether the value of efforts of the Wartime Information Board in the United States. Not only had the price been increased twice this year by \$4 a ton, but no steps were being taken to maintain production through proper allotment of man power, he said.

Mr. Diefenbaker said there had been American comment that in the United States pulpwood cutting was an industry for which Army service deferment was allowed, but this was not the case in Canada, to which the United States looked for the bulk of its raw material for paper. He said that failure to ensure sufficient man power for pulpwood cutting had reduced the cut by 1,000,000 cords last season, and there was no apparent hope that this could be improved next season.

"We must not lose this very valuable trade through our failure to arrange the man-power problem," he said. "We must not allow the American newspaper association to get the idea we are trying to take advantage of them in the matter of price or we will get an adverse press."

## New England Governors Urge Action On 'Gas' Meat, Grain, and Coal

Governors of the New England States adopted a series of resolutions at a conference in New London, Conn., on July 16 calling on the Federal Government to take steps to correct the situations with respect to grain, meat, gasoline, heating oil and coal.

Characterizing the grain situation as "desperate" and requiring immediate action, the Governors asked Federal aid "by a change in the corn-hog ratio, by requisition, by a change in price ceilings, or by other proper means."

The meat resolution called for immediate action by responsible Federal authorities to assure the people their ration requirements.

Urging that the present method of gasoline rationing be reviewed and revised, the Governors urged an end to the ban on pleasure driving.

The Governors also said the heating oil situation "remains extremely critical" and urged that hard coal from other parts of the country be diverted "to avoid coal rationing to which we are definitely opposed."

## Commerce Department Sees Need For Post-War Price Controls To Fight Inflation

The Department of Commerce foresaw on July 22 the necessity of continuing price controls after the war to insure against an inflation energized by billions of dollars of savings.

Savings and bank deposits of individuals and business may reach \$100,000,000,000 by the end of the year, the Department said in a statement, and if the war continues "two years or longer this huge reservoir is certain to grow by further tens of billions."

In indicating this United Press Washington advises July 22 in the New York "Herald Tribune" added:

"The pressure of those savings will become critical in the period of conversion from war to peacetime manufacture, business analysts fear, when industry will not be able to meet the demands of the pent-up purchasing power.

"While war-time savings reduce the severity of price-control problems during the war," the statement said, "they create a reservoir of purchasing power, which, when added to current income, would be capable of skyrocketing prices to unbelievable heights if controls should fail."

The post-war danger can be avoided in two ways, the Department said:

1. Reduce Federal borrowing to a minimum by financing the war as largely as possible on a pay-as-you-go basis;
2. Insure continuance of effective price controls for as long as necessary after the war.

"Price control is difficult at all times," the statement said, "but will present even tougher problems after victory when individuals and business naturally seek to make long-deferred purchases." It emphasized, however, that lack of controls after World War I resulted in an upsurge in prices.

## Many Will Have To File Sept. 15 Tax Returns

Internal Revenue officials estimated on July 19 that about 13,000,000 taxpayers will have to file returns Sept. 15 and in many cases make a quarterly income tax payment despite the new 20% withholding tax on wages and salaries.

United Press Washington advises of July 19, indicating this, likewise said:

"But for most of these 13,000,000 the Sept. 15 payments won't be nearly as large as previous quarterly installments. The payments will amount to roughly the difference between one-fourth of the tax liability on 1943 income and the amount collected through the withholding tax in July, August and September.

"The whole job of getting the pay as you go tax plan into operation is the greatest administrative task the government has undertaken.

"As part of that job the Bureau now is preparing forms on which the 13,000,000 will have to file on Sept. 15 declarations on 1943's estimated income. These forms will be mailed—by Sept. 1, officials hope—to all of the 38,000,000 persons on the income tax rolls. It will be up to the individual to determine whether he must file an estimate and make a payment Sept. 15.

"The Sept. 15 estimates of 1943 income are required by law from single persons receiving more than \$2,700 and married persons receiving more than \$3,500 a year from wages and salaries subject to the withholding tax and from all persons who have income of \$100 a year or more from sources not subject to withholding."

### 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 17 increased sharply, amounting to 11,860,000 net tons, according to estimates, which is an increase of 690,000 tons, or 6.2%, over the preceding week. Output in the corresponding week last year amounted to 11,139,000 tons. For the present year to July 17, soft coal output was 0.4% 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 17 was 1,338,000 tons, an increase of 100,000 tons (8.1%) over the preceding week. When compared with the output in the corresponding week of 1942 there was an increase of 109,000 tons, or 8.9%. The calendar year 1943 to date shows a decrease of 1.5% when compared with the same period of 1942.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended July 17 showed an increase of 100 tons when compared with the output for the week ended July 10. The quantity of coke from beehive ovens increased 9,300 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL WITH COMPARABLE DATA ON PRODUCTION OF PETROLEUM (In Net Tons—000 Omitted.)

	Week Ended			January 1 to Date		
	July 17, 1943	July 10, 1943	July 18, 1942	July 17, 1943	July 18, 1942	July 17, 1937
Bituminous coal and lignite	11,860	11,170	11,139	313,348	312,056	241,450
Total, incl. mine fuel	1,977	1,960	1,857	1,865	1,874	1,451
Daily average	1,977	1,960	1,857	1,865	1,874	1,451

\*Crude petroleum—Coal equivalent of weekly output—6,572, 6,552, 5,948, 178,283, 171,845, 154,675. Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,000 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. (Minerals Yearbook, Review of 1940, page 775.) †Revised. ‡Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE (In Net Tons)

	Week Ended			Cal. Year to Date		
	July 17, 1943	July 10, 1943	July 18, 1942	July 17, 1943	July 18, 1942	July 20, 1929
Penn. anthracite	1,338,000	1,238,000	1,229,000	32,135,000	32,509,000	38,338,000
Total incl. coll. fuel	1,284,000	1,188,000	1,180,000	30,850,000	31,305,000	35,578,000
By-product coke	1,178,900	1,178,800	1,192,000	34,251,400	33,532,600	37,850,000
United States total	138,000	128,700	155,900	4,159,000	4,509,900	3,785,000

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

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

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

State	Week Ended					June, 1923
	July 10, 1943	July 3, 1943	July 11, 1942	July 12, 1941	July 10, 1937	
Alabama	381	160	368	294	240	389
Alaska	7	6	5	5	3	**
Arkansas and Oklahoma	66	6	85	21	14	74
Colorado	132	130	118	97	77	165
Georgia and North Carolina	1	1	1	1	1	**
Illinois	1,310	1,473	1,076	965	584	1,268
Indiana	475	472	473	357	234	451
Iowa	39	35	43	39	14	87
Kansas and Missouri	144	153	137	85	72	134
Kentucky—Eastern	960	852	833	881	600	735
Kentucky—Western	269	265	235	173	101	202
Maryland	34	37	38	31	20	42
Michigan	7	7	3	1	5	17
Montana (bituminous and lignite)	92	89	63	43	34	41
New Mexico	38	37	32	21	30	52
North and South Dakota (lignite)	34	37	20	20	13	**14
Ohio	665	626	656	572	379	854
Pennsylvania (bituminous)	2,396	1,945	2,698	2,521	1,734	3,680
Tennessee	125	115	145	131	92	113
Texas (bituminous and lignite)	2	2	8	7	17	23
Utah	104	101	110	50	40	87
Virginia	417	411	394	380	226	239
Washington	26	24	30	23	25	37
West Virginia—Southern	2,316	2,261	2,215	2,122	1,523	1,519
West Virginia—Northern	972	887	873	762	444	866
Wyoming	147	160	119	105	61	115
Other Western States	1	1	1	††	††	**4
Total bituminous and lignite	11,170	10,350	10,779	9,707	6,575	11,208
†Pennsylvania anthracite	1,238	623	1,193	1,164	652	1,950
Total all coal	12,408	10,973	11,972	10,871	7,227	13,158

\*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada, and Oregon. †Data for Pennsylvania anthracite from published records of the Bureau of Mines. ‡Average weekly rate for entire month. \*\*Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons.

### Steel Activity Declines 0.3%—Bookings Are Now Greatly Extended—Trends Again Shifting

"Trends again are shifting on the war time industrial front in the United States, spurred by the sensational turn of events in the Mediterranean," states the "Iron Age" in its issue of today, July 29, further adding: "United Nations fighting forces are far ahead of their schedules, making it necessary to telescope and rearrange certain military supply plans and to think in new terms.

"Producers of some of the vehicles not so urgently needed recently are under new pressure for deliveries. At last one large bomber plane plant has been switched hastily to make something more important to the Army. In one area small plants have suffered cancellations in order that workers may be diverted to a plane plant. Emphasis is being placed also upon fast, lightly armored cars for scouting expeditions and enfilading enemy columns.

"Every attempt is being made to lift production of aircraft beyond present schedules as rapidly as

possible, following the success of the air umbrella in the Sicilian campaign. Efforts are under way to accelerate the designing of new model planes, previously proceeding at a more leisurely pace.

"At the same time, all indications point to a continuation of the monster ship-building program. Despite the success of the Navy in reducing sinkings, the landing of more and more troops and supplies in the various theaters of combat makes more vessels necessary. August directives being received by steel mills show increases in plates and structural

items intended for the Maritime Commission, which seems to refute any impression that plate production might be curtailed. Railroad carbuilding requirements also may take more plates than originally expected. The Navy is buying steel pontoons freely and the construction of 1,300 oil barges is contemplated. Steel for tank lighters, gasoline cans and scores of other urgent uses is sought.

"High pressure demand upon producers of steel and other metals can be expected to continue. Bookings now are greatly extended, although in healthier shape through the removal of 'dead' specifications than at any time since the war began.

"The trend to forward buying of steel is such that possibly a check may be attempted by government officials. One mill estimates that close to 25% of its capacity for first quarter of 1944 has been spoken for.

"WPB Steel Division officials figure that approximately 650,000 tons of steel will have been picked up by the 'Share the Steel Drive' at its end about a week hence. WPB reported cancellations of more than 525,000 tons, 80% for the third quarter and 20% for the fourth. About 125,000 tons of the total is alloy steel.

"Coal mine operators are up against a severe manpower shortage following the series of coal strikes because some miners were forced to seek more continuous employment in other industries, or were drafted while the strikes were in progress. Latest reports show soft coal output still is under normal.

"Declining to comment upon last week's charges that WMC has created an 'intolerable' situation in the steel industry with its 48-hour week policies, Chairman Paul McNutt of WMC said on Monday that WMC is not compelled to accept recommendations of the Labor-Management Committee whose management members lodged the complaint. Meanwhile, further study of the review statement compiled by the management men revealed a warning issued May 1 by Fred Brenckman of the National Grange and W. R. Ogg of the American Farm Bureau, declaring that the 48-hour week in steel would create difficulties and should not be approved."

The American Iron and Steel Institute on July 26 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 98.0% of capacity for the week beginning July 26, compared with 98.3% one week ago, 90.3% one month ago and 96.3% one year ago. This represents a decrease of 0.3 point or 0.3% from the preceding week. The operating rate for the week beginning July 26 is equivalent to 1,697,000 tons of steel ingots and castings, compared to 1,702,200 tons one week ago, 1,563,700 tons one month ago, and 1,647,700 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on July 26 stated in part as follows: "Steel bookings have increased appreciably this month, in the experience of leading producers, attributed in part to advanced buying, particularly by plate consumers.

"This is a result of change in buying practice under the Controlled Materials Plan which allows contracting for several months ahead, instead of the month by month plan previously followed. A result is that by the end of July most mills will be booked solidly to the end of the year, with some backlogs extending into next year. An increase is noted in demand for plates for high-test gasoline refinery construction.

"Cancellations are being received in less volume than in June

and most are attributable to the share-the-steel campaign. Some apply against orders already booked and some affect allotments authorized but not yet booked. In some cases consumers have asked deferment of delivery to next year, thus releasing current capacity for more essential needs.

"Pig iron production in June was 4,836,283 net tons, compared with 5,177,728 tons in May and 5,314,201 in March, the all-time peak. In spite of the sag in June, first-half output was greater than in the corresponding period last year, 30,343,443 tons, compared with 29,445,945 tons. Fuel interruption and necessity for blast furnace relining contributed to the lower figure in June. Percent-

age of capacity operated in that month was 92.8, while for the year to July 1 it was 96.5.

"Although consumption of Lake Superior iron ore in June fell below that of May and also below that of June last year, cumulative consumption to July 1 was greater than during the comparable period in 1942, 42,854,418 gross tons, compared with 40,731,755 tons. June consumption was 6,730,123 tons, compared with 7,168,788 tons in May and 6,827,265 tons in June, 1942. Stocks at furnaces July 1 were 22,428,761 tons, compared with 26,728,185 tons a year ago. Ore on Lake Erie docks totaled 2,825,046 tons, against 3,267,159 tons a year before."

### Electric Output For Week Ended July 24, 1943, Shows 15.7% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended July 24, 1943, was approximately 4,196,357,000 kwh., compared with 3,625,645,000 kwh. in the corresponding week last year, an increase of 15.7%. The output for the week ended July 17, 1943, was 17.4% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions	Week Ended			
	July 24, 1943	July 17, 1943	July 10, 1943	July 3, 1943
New England	9.3	11.3	*0.8	13.0
Middle Atlantic	17.5	19.0	12.0	20.8
Central Industrial	13.6	13.0	9.1	19.5
West Central	12.3	13.5	8.2	16.3
Southern States	17.6	22.0	18.7	28.3
Rocky Mountain	10.2	11.1	11.1	16.6
Pacific Coast	20.6	23.4	19.5	26.6
Total United States	15.7	17.4	14.3	20.1

\* Decrease from 1942.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended	1943					1942						
	1943	1942	1941	1940	1939	1943	1942	1941	1940	1939		
Apr 3	3,889,858	3,348,608	+16.2	2,959,646	1,465,076	1,633,291	3,882,467	3,320,858	+16.9	2,905,581	1,460,738	1,696,543
Apr 10	3,916,794	3,307,700	+18.4	2,897,307	1,469,810	1,709,331	3,925,175	3,273,190	+19.9	2,950,448	1,454,505	1,699,822
Apr 17	3,866,721	3,304,602	+17.0	2,944,906	1,429,032	1,688,434	3,903,723	3,365,208	+16.0	3,003,921	1,436,928	1,698,424
Apr 24	3,969,161	3,356,921	+18.2	3,011,345	1,456,731	1,704,946	3,992,250	3,379,985	+18.1	3,040,029	1,425,151	1,705,460
May 1	3,990,040	3,322,651	+20.1	2,954,647	1,381,452	1,615,085	3,925,893	3,372,374	+16.4	3,076,323	1,435,471	1,689,925
May 8	4,040,376	3,463,528	+16.7	3,101,291	1,441,532	1,699,237	4,098,401	3,433,711	+19.4	3,091,672	1,440,541	1,702,501
May 15	4,120,038	3,437,024	+19.2	3,156,825	1,456,961	1,723,428	4,110,793	3,424,188	+19.1	3,093,727	1,441,704	1,711,625
May 22	3,919,398	3,428,916	+12.5	2,993,727	1,341,730	1,592,075	4,184,143	3,565,367	+17.4	3,199,055	1,433,993	1,727,225
May 29	4,196,357	3,625,645	+15.7	3,220,526	1,440,396	1,732,031	4,196,357	3,625,645	+15.7	3,220,526	1,440,396	1,732,031
June 5	4,196,357	3,625,645	+15.7	3,220,526	1,440,396	1,732,031	3,649,146	3,649,146	+15.7	3,263,082	1,426,986	1,724,728

### New OPA Vacation 'Gas' Order Assailed

The new order of the Office of Price Administration permitting certain motorists a single round-trip vacation trip was criticized on July 9 by Robert Moses, New York City Park Commissioner, as "typically unfair, thoughtless, confusing and unworkable."

"Even the OPA," Mr. Moses said in an interview according to the New York "Journal-American," "does not have enough fake civil service stooges to enforce this beauty.

"The order is meaningless. It is worse than any change at all."

The paper indicated gave Mr. Moses's comments as follows:

"The whole thing is ridiculous," Commissioner Moses said.

"Right here in New York we have millions of dollars of the finest recreational facilities in the world simply going to waste because they are easily accessible only by car—places like Orchard Beach, Jones Beach and Jacob Riis Park.

"It would be perfectly simple to allot available gasoline fairly to all A-card drivers and let them go wherever they wanted to go. But that, I suppose, is too direct and sensible for the confusion experts."

Commenting upon reports that the ODT is displeased over the OPA order and had not been informed of it prior to its issuance, Commissioner Moses said:

"That's one of the main troubles.

"Gasoline shortage? Just think of the vast hordes of these Gov-

ernment employes running around.

"Multiply them by all the bureaus and what have you got? As far as the OPA is concerned, you have a public here deprived of recreational facilities as essential as food. You have the horrible spectacle of people spying on each other, internal dissension and general lack of confidence."

Referring again to the new OPA regulation on vacation travel, Commissioner Moses said:

"If the public could have the feeling that the rules are logical, intelligent and uniformly applied, everybody would co-operate. They certainly will not co-operate when these people in Washington don't begin to understand what they are doing."

The OPA order was referred to in our issue of July 8, page 137.

### Army Bill Signed By FDR

The record \$71,500,000,000 War Department appropriation bill for the 1944 fiscal year was signed by President Roosevelt on July 1. The measure passed the House on June 21 and the Senate on June 30. This largest single grant in history carries direct appropriations of \$59,500,000,000 and \$12,500,000,000 in funds left over from the current fiscal year.

The bill provides \$23,700,000,000 for the procurement of almost 100,000 planes. Other approximate totals are: Ordnance, \$15,100,000,000; Engineer, \$4,100,000,000; Chemical Warfare, \$1,100,000,000; Medical Department, \$600,000,000; Signal Corps, \$5,600,000,000; Expediting production, \$1,300,000,000 and the Finance Service, \$12,300,000,000.

Passage of the bill by the House was noted in our issue of June 24, page 2375.

### Daily Average Crude Oil Production For Week Ended July 17, 1943 Increased 12,850 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended July 17, 1943 was 4,103,100 barrels, an increase of 12,850 barrels over the preceding week and 289,700 barrels more than produced in the week ended July 18, 1942. The current figure, however, is 225,400 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of July, 1943. Daily output for the four weeks ended July 17, 1943 averaged 4,038,900 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 3,962,000 barrels of crude oil daily and produced 11,189,000 barrels of gasoline; 1,453,000 barrels of kerosene; 3,989,000 barrels of distillate fuel oil, and 8,331,000 barrels of residual fuel oil during the week ended July 17, 1943; and had in storage at the end of that week 76,565,000 barrels of gasoline; 9,044,000 barrels of kerosene; 35,036,000 barrels of distillate fuel and 67,017,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

	*P. A. W. Recommendations July	*State Allowables Begin July 1	Actual Production Week Ended July 17 1943	Change from Previous Week	4 Weeks Ended July 17, 1943	Week Ended July 18, 1942
Oklahoma	361,400	363,400	1,330,650	- 4,400	335,150	374,650
Kansas	300,000	300,000	1,293,700	+ 13,550	290,250	286,050
Nebraska	2,200		12,150	+ 50	2,150	3,450
Panhandle Texas			90,400		90,250	84,500
North Texas			137,700		135,400	142,450
West Texas			245,600		239,050	211,900
East Central Texas			123,000		126,250	87,700
East Texas			371,000		356,850	297,700
Southwest Texas			230,000		221,450	154,950
Coastal Texas			412,900		400,100	253,050
<b>Total Texas</b>	<b>1,727,000</b>	<b>1,723,136</b>	<b>1,615,600</b>		<b>1,569,350</b>	<b>1,232,250</b>
North Louisiana			85,250	+ 150	85,050	94,200
Coastal Louisiana			264,000		254,900	223,300
<b>Total Louisiana</b>	<b>331,300</b>	<b>360,300</b>	<b>349,250</b>	+ 150	<b>339,950</b>	<b>317,500</b>
Arkansas	77,200	75,043	77,200	+ 250	76,200	72,250
Mississippi	50,000		50,850	- 350	52,550	81,700
Illinois	233,000		210,000	- 9,950	214,550	278,850
Indiana	14,500		12,350	- 1,350	13,550	19,150
Eastern (Not incl. Ill. Ind. Ky.)	88,100		77,850	+ 3,800	77,150	87,050
Kentucky	25,000		21,350	- 1,550	21,200	11,600
Michigan	60,100		55,900	+ 300	55,850	61,800
Wyoming	97,200		93,700	+ 3,450	90,600	91,950
Montana	21,800		20,900		20,900	21,750
Colorado	7,000		7,400	+ 600	7,000	7,150
New Mexico	105,700	105,700	103,950	+ 6,800	98,800	65,150
<b>Total East of Calif.</b>	<b>3,501,500</b>		<b>3,322,800</b>	+ 11,450	<b>3,265,200</b>	<b>3,012,300</b>
California	827,000	\$827,000	780,300	+ 1,400	773,700	701,100
<b>Total United States</b>	<b>4,328,500</b>		<b>4,103,100</b>	+ 12,850	<b>4,038,900</b>	<b>3,713,400</b>

\*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 April, 1943, as follows: Oklahoma, 27,400; Kansas, 5,400; Texas, 107,400; Louisiana, 20,000; Arkansas, 2,700; Illinois, 11,200; Eastern (not including Illinois, Indiana or Kentucky), 8,900; Kentucky, 3,200; Michigan, 10,000; Wyoming, 2,300; Montana, 300; New Mexico, 5,200; California, 44,900.

†Oklahoma, Kansas, Nebraska figures are for week ended 7 a. m. July 15, 1943. ‡This is the net basic allowable as of July 1 calculated on a 31-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 15 days, the entire state was ordered shut down for 9 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 9 days shut-down time during the calendar month. §Recommendation of Conservation Committee of California Oil Producers.

### CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JULY 17, 1943

District	Daily Refining Capacity	Crude Runs to Still	Production of Gasoline	Stocks of Gasoline	Stocks of Residual Fuel Oil	Stocks of Distillate Fuel Oil		
Combin'd. East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,889	77.3	5,155	31,326	14,556	13,600
Appalachian	177	84.8	146	82.5	427	2,134	1,047	551
Ind., Ill., Ky.	824	80.2	723	87.7	2,393	15,248	5,304	3,329
Okla., Kans., Mo.	416	80.1	354	85.1	1,141	6,192	2,012	1,659
Rocky Mountain	147	55.9	96	65.3	266	1,764	360	654
California	817	89.9	754	92.3	1,807	19,901	11,757	47,224
<b>Tot. U. S. B. of M. basis July 17, 1943</b>	<b>4,825</b>	<b>86.4</b>	<b>3,962</b>	<b>82.1</b>	<b>11,189</b>	<b>176,565</b>	<b>35,036</b>	<b>67,017</b>
<b>Tot. U. S. B. of M. basis July 10, 1943</b>	<b>4,825</b>	<b>86.4</b>	<b>3,952</b>	<b>81.9</b>	<b>11,231</b>	<b>177,733</b>	<b>35,119</b>	<b>67,142</b>
<b>U. S. Bur. of Mines basis July 18, 1942</b>			<b>3,564</b>		<b>10,793</b>	<b>82,908</b>	<b>35,063</b>	<b>77,015</b>

\*At the request of the Petroleum Administration for War. †Finished, 65,854,000 barrels; unfinished, 10,686,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,453,000 barrels of kerosene, 3,339,000 barrels of gas oil and distillate fuel oil and 8,331,000 barrels of residual fuel oil produced during the week ended July 17, 1943, which compares with 1,313,000 barrels, 3,697,000 barrels and 8,192,000 barrels, respectively, in the preceding week, and 1,159,000 barrels, 3,647,000 barrels and 6,796,000 barrels in the week ended July 18, 1943.

¶Revised upward in California district. Unfinished gasoline stocks are also revised upward by same amount.

Notes—Stocks of kerosene amounted to 9,044,000 barrels at July 17, 1943, against 8,194,000 barrels a week earlier and 10,264 barrels a year before.

The following revisions in United States totals are reported for the week ended July 3, 1943 due to changes in figures previously received covering the California district: Finished and unfinished gasoline stocks to 78,141,000 barrels; unfinished gasoline stocks to 10,323,000 barrels; residual fuel oil stocks to 66,342,000 barrels; residual fuel oil production to 7,687,000 barrels.

### Federal Reserve June Business Indexes

The Board of Governors of the Federal Reserve System issued on July 24 its monthly indexes of industrial production; factory employment and payrolls, etc. At the same time the Board made available its customary summary of business conditions. The indexes for June, together with comparisons for a month and a year ago, are as follows:

Industrial production—	Adjusted for Seasonal Variation—			Without Seasonal Adjustment—		
	June 1943	May 1943	June 1942	June 1943	May 1943	June 1942
Total	216	217	184	217	217	185
Manufactures—						
Total	216	217	184	217	217	185
Durable	202	203	176	202	204	177
Nondurable	147	147	136	147	147	136
Minerals	117	130	127	121	133	132
Construction contracts, value—						
Total		52	193		62	228
Residential		31	76		37	83
All other		68	288		83	345
Factory employment—						
Total	169.2	168.2	150.9	168.2	167.2	149.9
Durable goods	227.4	226.0	188.9	227.4	225.9	188.9
Nondurable goods	123.4	122.7	121.0	121.5	120.8	119.2
Factory payrolls—						
Total					313.4	234.5
Durable goods					437.0	312.1
Nondurable goods					192.5	158.7
Freight-car loadings	123	125	104	124	125	100
Department store sales, value	123	125	104	124	125	100
Department store stocks, value		83	136		91	129

\*Data not yet available. †Preliminary or estimated. ‡Data in process of revision.

Note—Production, carloadings, and department store sales indexes based on daily averages. To convert durable manufactures, non-durable manufactures and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, non-durable by .469, and minerals by .152.

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

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

Manufactures—	Adjusted for Seasonal Variation—			Without Seasonal Adjustment—		
	June 1943	May 1943	June 1942	June 1943	May 1943	June 1942
Iron and steel	201	208	198	201	208	198
Pig iron	190	196	194	190	196	194
Steel	227	233	216	227	233	216
Open hearth and Bessemer	177	184	178	177	184	178
Electric	583	584	489	583	584	489
Machinery	1366	1365	1287	1366	1365	1287
Transportation equipment	1614	1606	1396	1614	1606	1396
Non-ferrous metals & products	1194	1194	186	1194	1194	186
Lumber and products	123	126	131	123	126	131
Lumber	113	117	127	113	117	127
Furniture	143	143	129	143	143	129
Stone, clay, & glass products		143	171		143	171
Cement		131	171		131	171
Polished plate glass	46	47	37	46	47	37
Textiles and products	1153	1157	152	1153	1157	152
Cotton consumption	160	169	169	160	169	169
Rayon deliveries	183	185	169	183	185	169
Wool textiles		158	151		158	151
Leather products		115	121		114	116
Tanning		117	122		116	118
Cattle hide leathers		134	143		132	136
Calf and kip leathers		92	83		88	90
Goat and kid leathers		90	94		88	94
Shoes		115	120		115	114
Manufactured food products	1147	148	138	1148	142	139
Wheat flour	118	117	102	111	106	95
Meat packing	1158	162	153	1154	162	149
Other manufactured foods	1150	151	140	1142	138	133
Tobacco products		120	122		123	132
Cigars		105	112		104	120
Cigarettes		139	136		144	150
Manufactured tobacco & snuff		85	94		86	96
Paper and products		136	134		137	133
Paperboard	152	150	120	152	150	120
Newsprint production		89	103		90	104
Printing and publishing	1110	111	104	1109	114	103
Newsprint consumption	100	102	97	101	106	98
Petroleum and coal products		121	115		121	115
Petroleum refining		114	108		114	108
Gasoline	1106	104	101	1105	104	101
Fuel oil		137	123		137	123
Lubricating oil		116	123		121	123
Kerosene		122	103		124	97
Coke	1159	166	154	1159	166	164
Byproduct	1154	157	153	1154	157	153
Beehive	1340	482	539	1340	482	539
Chemicals	1228	221	172	1222	220	166
Minerals—						
Fuels	1114	129	121	1114	129	121
Bituminous coal	1103	143	144	1103	143	144
Anthracite	73	124	117	73	124	117
Crude petroleum	1123	125	113	1123	125	113
Metals	1137	134	159	1164	154	195
Iron ore	249	242	236	359	321	382

†Preliminary or estimated. \*Data not yet available.

Freight-car loadings (1935-39 average = 100)

	June 1943	May 1943	June 1942	June 1943	May 1943	June 1942
Coal	100	100	100	100	100	100
Coke	100	100	100	100	100	100
Grain	100	100	100	100	100	100
Livestock	110	112	103	110	112	103
Forest products	140	138	160	145	143	166
Ore	100	100	100	100	100	100
Miscellaneous	144	143	144	146	145	145
Merchandise, l.c.l.	63	62	60	63	62	60

†Data in process of revision. §Revised.

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

### President Sees Winning Over Of Martinique As Justification Of Foreign Policy

President Roosevelt upheld on July 16 the Administration's policy toward France's colonial possessions, citing the winning of Martinique to the United Nations' side and said that all the French Empire now appears to be working for the common cause—to liberate France and defeat the Axis.

The President described as vicious propaganda certain criticisms attacking the Government's policy since France fell, saying it was very unfair, incorrect, and derogatory to a well-ordered plan going back several years.

Regarding his remarks, Associated Press Washington advised: "The President told his press-radio conference he did not intervene with force to take over Mar-

tinique and Guadeloupe, French Caribbean possessions, as some critics of his policy had urged, but waited to avoid bloodshed and consequences which would have cut into the overall war picture.

### June Department Store Sales In New York Federal Reserve District 18% Above Year Ago

The Federal Reserve Bank of New York announced on July 20 that June sales of department stores in the Second (New York) Federal Reserve District increased 18% above a year ago. The combined sales for January through June are 7% higher than in the same period last year. Stocks of merchandise on hand in department stores at the end of June were 33% below June 30, 1942.

The apparel stores in the New York Reserve District reported a gain of 33% in net sales in June. Their stocks on hand at the close of the month were 15% below last year.

The following is the bank's tabulation:

#### DEPARTMENT STORE TRADE BY MAJOR LOCALITIES: JUNE, 1943

Second Federal Reserve District

Department Stores—	Percentage changes from a year earlier		
	June	Jan. thru June	Stock on hand, June 30, 1943
New York City	+19	+8	-36
*Northern New Jersey	+12	+1	-39
*Newark	+14	+1	-41
Westchester and Fairfield Counties	+6	+2	-24
Elbridgeport	+4	-3	-28
Lower Hudson River Valley	+12	+2	-12
Poughkeepsie	+15	+4	-2
Upper Hudson River Valley	+11	+2	-7
Albany	+8	-9	-
Schenectady	+16	+7	-5
Central New York State	+19	+11	-26
Mohawk River Valley	+26	+14	-23
Utica	+25	+13	-
Syracuse	+15	+10	-27
Northern New York State	+10	+3	-
Southern New York State	+20	+10	-11
Binghamton	+29	+13	-
Elmira	+3	+2	-
Western New York State	+21	+12	-22
Buffalo	+20	+13	-15
Niagara Falls	+34	+35	-6
Rochester	+21	+9	-34
*All department stores	+18	+7	-33
Apparel stores	+33	+21	-15

\*Subject to possible revision.

#### INDEXES OF DEPARTMENT STORE SALES AND STOCKS

Second Federal Reserve District

[1923-25 average = 100]

	1942		1943	
	June	April	May	June
Sales (average daily), unadjusted	92	*116	*108	110
Sales (average daily), seasonally adjusted	97	*114	*115	115
Stocks, unadjusted	*161	*101	*104	104
Stocks, seasonally adjusted	*166	99	102	109

\*Revised.

### Wholesale Commodity Index Declined 0.1% During Week Ended July 17, Says Labor Dept.

The U. S. Department of Labor announced on July 22 that seasonally lower prices for fresh fruits and vegetables and declines for eggs in most markets brought the Bureau of Labor Statistics' index of commodity prices in primary markets down 0.1% in mid-July. The all-commodity index for the week ended July 17 stood at 102.9% of the 1926 average, less than 5% higher than at this time last year.

The Department's announcement's further stated:

**"Farm products and foods.** Led by sharp seasonal declines in market prices for potatoes, prices for farm products in primary markets fell 0.8% during the week. Decreases were also reported for eggs, and for oats, steers, hogs, dried beans and onions. The lower prices for eggs resulted from Office of Price Administration action placing all eggs under price ceilings effective July 12. Prices for live poultry were up 4% and cows rose 3%. Barley, rye, wheat, and tobacco advanced fractionally.

"Average prices for foods continued downward. In addition to weakening prices for fruits, vegetables, and eggs, flour dropped 1.3%. Higher prices were reported for oatmeal, while dairy products and meats were steady.

**"Industrial commodities.** There were very few price changes in industrial commodities. The textile markets remained firm. Bituminous coal and common building brick edged slightly higher in a few areas. Rosin declined about 2% and realized prices for maple flooring were off almost 1%."

The following notation is made:

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

The following table shows index numbers for the principal groups of commodities for the past 3 weeks, for June 19, 1943 and July 18, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

Commodity groups—	Percentage changes to July 17, 1943 from—								
	7-17	7-10	7-3	6-19	7-18	7-10	6-19	7-18	7-18
All commodities	*102.9	*103.0	*103.0	*103.5	98.3	-0.1	-0.6	+4.7	
Farm products	*125.0	*126.0	*125.9	*127.0	104.9	-0.8	-1.6	+19.2	
Foodstuffs	106.5	107.3	107.6	109.0	98.3	-0.7	-2.3	+8.3	
Hides and leather products	118.4	118.4	118.4	118.4	118.8	0	0	-0.3	
Textile products	96.9	96.9	96.9	96.9	96.8	0	0	+0.1	
Fuel and lighting materials	81.6	81.5	81.5	81.4	79.6	+0.1	+0.2	+2.5	
Metals and metal products	*103.8	*103.8	*103.9	*103.9	103.9	0	-0.1	-0.1	
Building materials	110.6	110.5	110.4	110.4	110.2	+0.1	+0.2	+0.4	
Chemicals and allied products	100.1	100.1	100.2	100.2	97.2	0	-0.1	+3.0	
Furniture and furnishings	104.4	104.3	104.3	104.3	104.4	+0.1	+0.1	0	
Miscellaneous commodities	91.6	91.6	91.6	91.8	89.6	0	-0.2	+2.2	
Raw materials	*113.4	*114.0	*114.0	*114.5	99.5	-0.5	-1.0	+41.0	
Semimanufactured articles	92.7	92.7	92.7	92.9	92.8	0	-0.2	-0.1	
Manufactured products	*99.6	*99.6	*99.7	*100.0	98.7	0	-0.4	+0.9	
All commodities other than farm products	*98.1	*98.1	*98.1	*98.4	96.9	0	-0.3	+1.2	
All commodities other than farm products and foods	*97.0	*96.9	*96.9	*96.9	95.9	+0.1	+0.1	+1.1	

\*Preliminary.

### Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES† (Based on Average Yields)										
1943— Daily Averages	U. S. Govt. Bonds	U. S. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus	
July 27	120.36	111.25	119.20	117.00	111.44	99.20	103.47	114.08	117.20	
26	120.49	111.25	119.20	116.80	111.44	99.36	103.47	114.08	117.00	
24	120.52	111.25	119.20	116.80	111.44	99.36	103.47	114.08	117.20	
23	120.51	111.25	119.20	116.80	111.44	99.20	103.30	114.08	117.00	
22	120.27	111.25	119.41	116.80	111.44	99.20	103.30	114.08	117.20	
21	120.14	111.25	119.20	116.80	111.44	99.20	103.30	114.08	117.20	
20	120.24	111.25	119.20	116.80	111.44	99.20	103.30	114.08	117.20	
19	120.36	111.25	119.20	116.80	111.44	99.20	103.13	114.27	117.20	
17	120.43	111.25	119.20	116.80	111.44	99.20	103.13	114.08	117.20	
16	120.46	111.25	119.20	116.80	111.44	99.20	103.13	114.08	117.20	
15	120.56	111.25	119.20	116.80	111.44	99.20	103.13	114.08	117.20	
14	120.63	111.25	119.20	116.80	111.44	99.04	103.13	114.08	117.00	
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	102.80	114.08	117.00	
8	120.75	110.88	119.00	116.61	111.25	98.57	102.80	113.89	116.80	
7	120.79	110.88	119.00	116.41	111.25	98.57	102.80	113.89	116.80	
6	120.87	110.88	119.00	116.22	111.25	98.57	102.63	113.70	116.80	
5	EXCHANGE CLOSED									
3	120.78	110.70	118.80	116.22	111.25	98.25	102.46	113.70	116.61	
2	120.75	110.70	118.80	116.22	111.25	98.25	102.46	113.70	116.61	
1	120.71	110.70	118.80	116.22	111.25	98.41	102.46	113.89	116.61	
Jun 25	120.41	110.70	118.80	116.22	111.07	97.93	102.46	113.70	116.61	
18	120.15	110.52	118.60	116.02	111.07	97.04	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	113.31	115.82	
21	119.44	110.15	118.20	115.82	110.70	97.47	101.97	113.12	115.82	
14	119.27	109.97	118.00	115.63	110.70	97.47	101.80	113.12	115.82	
7	119.03	109.79	118.00	115.43	110.52	97.16	101.47	112.93	115.82	
Apr. 30	118.36	109.79	118.00	115.43	110.34	97.00	101.31	113.12	115.63	
22	118.22	109.60	118.00	115.43	110.34	96.69	100.98	113.12	115.82	
15	118.06	109.60	117.80	115.43	110.52	96.38	100.81	112.93	115.63	
9	117.48	109.60	117.80	115.43	110.52	96.69	100.98	113.12	115.63	
Mar. 26	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63	
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	111.25	119.41	117.00	111.44	99.36	103.47	114.27	117.20	
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46	
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66	
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75	
1 Year ago										
July 27, 1942	118.22	106.74	116.61	113.31	107.98	91.77	95.92	111.44	114.27	
2 Years ago										
July 26, 1941	119.54	107.80	118.00	115.24	108.34	92.06	97.47	111.81	115.04	

MOODY'S BOND YIELD AVERAGES† (Based on Individual Closing Prices)									
1943— Daily Averages	U. S. Govt. Bonds	U. S. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus
July 27	1.83	3.10	2.69	2.80	3.09	3.80	3.54	2.95	2.79
26	1.82	3.10	2.69	2.81	3.09	3.79	3.54	2.95	2.80
24	1.81	3.10	2.69	2.81	3.09	3.79	3.44	2.95	2.79
23	1.81	3.10	2.69	2.81	3.09	3.80	3.55	2.95	2.80
22	1.83	3.10	2.68	2.81	3.09	3.80	3.55	2.95	2.79
21	1.84	3.10	2.69	2.81	3.09	3.80	3.55	2.95	2.79
20	1.84	3.10	2.69	2.81	3.09	3.80	3.55	2.95	2.79
19	1.83	3.10	2.69	2.81	3.09	3.80	3.56	2.94	2.79
17	1.82	3.10	2.69	2.81	3.09	3.80	3.56	2.94	2.79
16	1.82	3.10	2.69	2.81	3.09	3.80	3.56	2.95	2.79
15	1.81	3.10	2.69	2.81	3.09	3.80	3.56	2.95	2.79
14	1.81	3.10	2.69	2.81	3.09	3.81	3.56	2.95	2.80
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									

### Trading On New York Exchanges

The Securities and Exchange Commission made public on July 24 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended July 10, 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 July 10 (in round-lot transactions) totaled 1,609,681 shares, which amount was 18.12% of the total transactions on the Exchange of 4,442,840 shares. This compares with member trading during the week ended July 3 of 1,936,384 shares, or 16.97% of total trading of 5,704,890 shares. On the New York Curb Exchange, member trading during the week ended July 10 amounted to 423,515 shares, or 14.28% of the total volume of that Exchange of 1,483,175 shares; during the July 3 week trading for the account of Curb members of 492,265 shares was 15.59% of total trading of 1,578,575.

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

WEEK ENDED JULY 10, 1943		
	Total for Week 7-10-43	†Per Cent
<b>A. Total Round-Lot Sales:</b>		
Short sales.....	100,880	
†Other sales.....	4,341,960	
<b>Total sales.....</b>	<b>4,442,840</b>	
<b>B. Round Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:</b>		
<b>1. Transactions of specialists in stocks in which they are registered—</b>		
Total purchases.....	369,100	
Short sales.....	52,010	
†Other sales.....	312,590	
<b>Total sales.....</b>	<b>364,600</b>	<b>8.26</b>
<b>2. Other transactions initiated on the floor—</b>		
Total purchases.....	301,340	
Short sales.....	18,500	
†Other sales.....	244,400	
<b>Total sales.....</b>	<b>262,900</b>	<b>6.35</b>
<b>3. Other transactions initiated off the floor—</b>		
Total purchases.....	158,280	
Short sales.....	12,500	
†Other sales.....	140,961	
<b>Total sales.....</b>	<b>153,461</b>	<b>3.51</b>
<b>4. Total—</b>		
Total purchases.....	828,720	
Short sales.....	83,010	
†Other sales.....	697,951	
<b>Total sales.....</b>	<b>780,961</b>	<b>18.12</b>

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

WEEK ENDED JULY 10, 1943		
	Total for Week 7-10-43	†Per Cent
<b>A. Total Round-Lot Sales:</b>		
Short sales.....	11,330	
†Other sales.....	1,471,845	
<b>Total sales.....</b>	<b>1,483,175</b>	
<b>B. Round-Lot Transactions for the Account of Members:</b>		
<b>1. Transactions of specialists in stocks in which they are registered—</b>		
Total purchases.....	115,345	
Short sales.....	7,270	
†Other sales.....	119,375	
<b>Total sales.....</b>	<b>126,645</b>	<b>8.16</b>
<b>2. Other transactions initiated on the floor—</b>		
Total purchases.....	50,320	
Short sales.....	1,800	
†Other sales.....	49,250	
<b>Total sales.....</b>	<b>51,050</b>	<b>3.42</b>
<b>3. Other transactions initiated off the floor—</b>		
Total purchases.....	32,095	
Short sales.....	48,055	
†Other sales.....	48,055	
<b>Total sales.....</b>	<b>48,055</b>	<b>2.70</b>
<b>4. Total—</b>		
Total purchases.....	157,760	
Short sales.....	9,070	
†Other sales.....	216,680	
<b>Total sales.....</b>	<b>225,750</b>	<b>14.28</b>
<b>C. Odd-Lot Transactions for the Account of Specialists—</b>		
Customers' short sales.....	---	
†Customers' other sales.....	51,883	
<b>Total purchases.....</b>	<b>51,883</b>	
<b>Total sales.....</b>	<b>43,063</b>	

\*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."

### Civil Engineering Construction \$48,969,000 For Week

Civil engineering construction in continental U. S. totals \$48,969,000 for the week. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 53% below a week ago and 67% below the corresponding 1942 week, as reported by "Engineering News-Record" on July 22, and which added:

Private construction is 63% below last week and 54% below the 1942 week. Public construction is 51% below last week and 67% below the same week last year. Federal construction at \$36,917,000 compares with \$84,425,000 a week ago and \$128,487,000 a year ago. The current week's construction brings 1943 volume to \$2,021,386,000, an average of \$69,703,000 for each of the 29 weeks. On the

weekly average basis, 1943 construction is 63% below the \$5,847,020,000 for the 30-week period last year. Private construction, \$248,981,000, is 34% lower than last year, and public work, \$1,772,405,000, is down 66% when adjusted for the difference in the number of weeks.

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

	July 23 1942 (five days)	July 15, 1943 (five days)	July 22, 1943 (five days)
Total U. S. Construction.....	\$148,171,000	\$104,015,000	\$48,969,000
Private Construction.....	10,967,000	13,484,000	5,055,000
Public Construction.....	137,204,000	90,531,000	43,914,000
State and Municipal.....	8,717,000	5,106,000	6,997,000
Federal.....	128,487,000	85,425,000	36,917,000

In the classified construction groups, gains over a week ago are in commercial and industrial buildings. Waterworks and earthwork and drainage show a slight gain over last year. Sub-totals for the week in each class of construction are: waterworks, \$1,473,000; sewerage, \$765,000; bridges, \$33,000; industrial buildings, \$1,804,000; commercial buildings and large-scale private housing, \$3,166,000; public buildings, \$20,844,000; earthwork and drainage, \$508,000; streets and roads, \$6,610,000; and unclassified construction, \$13,381,000.

New capital for construction purposes for the week totals \$2,219,000 and is made up entirely of state and municipal bonds.

New construction financing for the 29 weeks of 1943, \$2,920,234,000, compares with \$9,493,390,000 for the 30-week period in 1942.

### National Fertilizer Association Commodity Price Index Unchanged

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on July 26 was unchanged last week. This index, in the week ended July 24, 1943, stood at 134.6% of the 1935-1939 average, the same as in the preceding week. It registered 135.0 a month ago and 129.3 a year ago. The Association's report added:

Substantial advances in some livestock and some grain prices were sufficient to counter-balance declines in other items, with the result that the all-commodity index remained at the same level as in the preceding week. In the farm product group four items advanced and five declined. Higher quotations for hogs and wheat more than offset declines in cotton and other grains. In the food group a lower price for potatoes caused a fractional decline in this index number. The textile index was fractionally lower this week due to the falling quotations for cotton. No other group in the all-commodity index registered any change from last week.

During the week changes in the index were quite evenly balanced with six declines and five advances; in the preceding week there were seven declines and five advances; and in the second preceding week there were seven declines and five advances.

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

% Each Group Bears to the Total Index	Group	Latest Preceding Week			
		July 24, 1943	July 17, 1943	June 26, 1943	July 25, 1942
25.3	Foods	137.8	138.0	138.8	127.6
	Fats and Oils.....	145.1	145.1	145.1	139.1
	Cottonseed Oil.....	159.0	159.0	159.0	139.5
23.0	Farm Products	152.3	152.3	152.4	137.1
	Cotton.....	198.1	199.8	200.1	181.2
	Grains.....	144.5	145.7	142.5	111.4
	Livestock.....	146.2	145.6	146.6	135.4
17.3	Fuels	122.8	122.8	122.8	125.4
10.8	Miscellaneous commodities.....	130.1	130.1	130.1	127.5
8.2	Textiles	150.9	151.2	151.2	147.8
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	117.9
.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.....	134.6	134.6	135.0	129.3

\*Indexes on 1926-1928 base were July 24, 1943, 104.9; July 17, 104.9; and July 25, 1942, 100.7. †Corrected.

### Non-Ferrous Metals — Army To Release Men For Metal Mining — Electrolytic Tinplate Used

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of July 22, stated: "Release of 4,500 skilled miners from the Army for work in copper, zinc, and molybdenum mines was authorized July 20 by the direction of the Office of War Mobilization. The men will be released only for work in mines of highest productivity located in areas of critical labor shortage, Robert B. Patterson, Acting Secretary of War, declared in a statement issued to the press. Market developments were few last week. WPB has asked canners to shift to electrolytic tin to conserve supplies. Conservation of cadmium was ordered, which points to some new war uses for the metal. "The publication further went on to say:

#### Copper

Activity in copper last week centered in clearing allocation certificates for August metal. Ton-nages to be shipped during the next month will come up to the average of recent months, indicating that there has been no slackening in the rate of consumption for the war program. Improved shipping conditions in connection with moving foreign copper into the United States have been noted.

#### Lead

Sales of common lead for the

last week were a little over one-half those in the week previous. Demand for lead has been active this month, and Jury shipments are expected to be above the average for the year to date. Call for August metal also has been good, with consumers about 45% covered. Quotations continued on the basis of 6.50c., New York, and 6.35c., St. Louis.

#### Zinc

Producers of zinc expect to learn early next week about the extent to which the metal will be allocated for August. With civilian consumption tightly controlled, the war reserve in zinc continues to increase moderately from month to month. However, officials in Washington believe that the stockpile is not excessive under prevailing conditions. High Grade zinc is being stored at several ordnance plants.

#### Cadmium

The Conservation Division of WPB announced on July 20 a further effort to conserve available supplies of cadmium for war purposes. The supply situation at present is not tight, the trade believes, but it is possible that WPB has some prospective uses in mind in issuing the latest warning to consumers. The price of cadmium in commercial shapes has been maintained at 90c. a pound since March 7, 1941.

#### Tin

WPB has amended order M-81 to the extent that manufacturers of cans have been asked to employ electrolytic tinplate after Sept. 30. A saving of approximately 6,000 tons of tin a year is expected to result from this development. The electrolytic coating, according to WPB, provides adequate protection for many packs. It deep-draws, and solders satisfactorily. Within a few months the production of 0.50 lb. electrolytic tinplate is expected to reach a point where requirements can be met. The amendment also provides that 0.75 lb. electrolytic tin-plate be used in the manufacture of cans used for condensed and evaporated milk.

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

	July	August	Sept.
July 15.....	52.000	52.000	52.000
July 16.....	52.000	52.000	52.000
July 17.....	52.000	52.000	52.000
July 19.....	52.000	52.000	52.000
July 20.....	52.000	52.000	52.000
July 21.....	52.000	52.000	52.000

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

#### Arsenic

The principal civilian allocation of arsenic for the third quarter of 1943 was in the field of agricultural insecticides, WPB reports. Allocations were made to insecticide manufacturers based on their average consumption for the years 1941 and 1942. With the third quarter allocations, amounts granted to date equal approximately 89% of the base period consumption. No arsenic was allocated for railroad weedkiller or wood preservation. The glass industry continues to be denied allocations of arsenic with the few exceptions for special types of precision glass for military uses.

#### Chrome Ore

Buyers of chrome ore may be charged transportation from ship-unloading docks to user's plants in basing point cities, OPA ruled last week. However, the transportation change from dock to plant may not exceed switching charges from dock to plant.

#### Quicksilver

The supply situation in quicksilver is generally regarded as satisfactory. Western Hemisphere production is known to be large, and most of the output is available for domestic consumption. Consumers report that offerings have increased. Quotations in New York continued at \$196 and \$198 per flask.

Turkey produced 222 flasks of quicksilver during the first half of 1942, according to London advices.

#### Silver

Demand for silver is substantial and consumers are counting on obtaining extra supplies to be released from the Treasury's "free" stocks. Use of silver for monetary purposes abroad is increasing.

The London price continued at 23½d. throughout the week. The New York Official held at 44¾c an ounce.

#### Daily Prices

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

### Revenue Freight Car Loadings During Week Ended July 17, 1943 Increased 68,700 Cars

Loading of revenue freight for the week ended July 17, 1943 totaled 877,330 cars, the Association of American Railroads announced on July 22. This was an increase above the corresponding week of 1942 of 20,184 cars, or 2.4%, but a decrease below the same week in 1941, of 22,040 cars or 2.5%.

Loading of revenue freight for the week of July 17, increased 68,700 cars, or 8.5% above the preceding week.

Miscellaneous freight loading totaled 378,156 cars, an increase of 29,353 cars above the preceding week, but a decrease of 7,660 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 97,840 cars, an increase of 8,266 cars above the preceding week and an increase of 10,473 cars above the corresponding week in 1942.

Coal loading amounted to 176,249 cars, an increase of 11,446 cars above the preceding week, and in increase of 12,619 cars above the corresponding week in 1942.

Grain and grain products loading totaled 62,504 cars, an increase of 7,695 cars above the preceding week, and an increase of 10,898 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of July 17, totaled 47,763 cars, an increase of 4,771 cars above the preceding week and an increase of 12,356 cars above the corresponding week in 1942.

Live stock loading amounted to 13,941 cars, an increase of 2,791 cars above the preceding week and an increase of 4,371 cars above the corresponding week in 1942. In the Western District alone, loading of live stock for the week of July 17, totaled 9,721 cars, an increase of 2,032 cars above the preceding week, and an increase of 3,192 cars above the corresponding week in 1942.

Forest products loading totaled 46,249 cars, an increase of 9,023 cars above the preceding week but a decrease of 7,244 cars below the corresponding week in 1942.

Ore loading amounted to 89,671 cars, an increase of 362 cars above the preceding week but a decrease of 2,578 cars below the corresponding week in 1942.

Coke loading amounted to 12,720 cars, a decrease of 236 cars below the preceding week, and a decrease of 695 cars below the corresponding week in 1942.

All districts reported increases compared with the corresponding week in 1942, except Allegheny and Southern but all districts reported decreases compared with 1941 except the Centralwestern & Southwestern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
4 weeks of March	3,073,426	3,174,781	3,066,011
4 weeks of April	3,136,253	3,350,996	2,793,630
5 weeks of May	4,149,708	4,170,548	4,160,060
4 weeks of June	3,151,145	3,385,655	3,510,057
Week of July 3	852,106	753,740	740,359
Week of July 10	808,630	855,158	876,142
Week of July 17	877,330	857,145	899,370
<b>Total</b>	<b>21,635,088</b>	<b>23,529,445</b>	<b>22,366,603</b>

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended July 17, 1943. During this period 70 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED JULY 17

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
<b>Eastern District—</b>					
Ann Arbor	193	393	627	1,642	1,148
Bangor & Aroostook	1,007	1,206	1,168	271	162
Boston & Maine	6,180	6,011	8,971	12,987	13,235
Chicago, Indianapolis & Louisville	1,393	1,512	1,669	2,124	1,982
Central Indiana	26	23	74	40	69
Central Vermont	1,030	984	1,513	2,437	2,517
Delaware & Hudson	6,723	6,529	7,397	11,988	11,030
Delaware, Lackawanna & Western	8,081	7,522	10,392	13,369	9,627
Detroit & Mackinac	173	260	374	129	96
Detroit, Toledo & Ironton	1,880	1,758	2,773	1,378	1,245
Detroit & Toledo Shore Line	319	287	359	2,570	2,922
Erie	13,419	12,895	16,704	17,395	15,308
Grand Trunk Western	3,598	3,716	6,412	8,114	8,205
Lehigh & Hudson River	170	167	159	2,673	3,106
Lehigh & New England	2,299	2,218	2,664	1,632	2,065
Lehigh Valley	9,258	8,780	10,253	16,247	12,978
Maine Central	2,506	2,305	3,128	2,366	2,434
Monongahela	5,852	6,223	6,372	310	288
Montour	2,458	2,315	2,466	146	28
New York Central Lines	55,490	47,122	54,308	55,482	55,339
N. Y., N. H. & Hartford	9,427	9,591	12,207	18,782	19,031
New York, Ontario & Western	1,438	1,075	1,277	2,548	2,627
New York, Chicago & St. Louis	6,351	6,993	7,819	15,831	16,287
N. Y., Susquehanna & Western	543	377	484	2,396	1,490
Pittsburgh & Lake Erie	7,221	7,897	8,940	8,977	9,305
Pere Marquette	4,919	4,986	6,776	8,014	5,673
Pittsburgh & Shawmut	1,008	805	780	29	29
Pittsburgh, Shawmut & North	376	395	424	263	294
Pittsburgh & West Virginia	1,252	1,217	1,144	3,751	3,057
Rutland	322	345	551	985	1,055
Wabash	5,837	5,842	7,009	13,280	12,469
Wheeling & Lake Erie	5,419	5,679	5,787	5,086	4,651
<b>Total</b>	<b>166,168</b>	<b>157,428</b>	<b>190,951</b>	<b>233,218</b>	<b>219,757</b>
<b>Allegheny District—</b>					
Akron, Canton & Youngstown	709	754	794	1,034	1,072
Baltimore & Ohio	42,068	41,694	43,914	31,145	25,136
Bessemer & Lake Erie	6,354	6,870	6,599	1,832	2,496
Buffalo Creek & Gauley	278	281	323	3	2
Cambria & Indiana	1,907	1,950	1,952	3	15
Central R. R. of New Jersey	7,111	7,164	6,226	22,463	19,185
Cornwall	658	643	652	37	48
Cumberland & Pennsylvania	248	270	309	13	12
Ligonier Valley	146	135	122	44	52
Long Island	1,182	921	731	3,622	3,272
Penn.-Reading Seashore Lines	1,680	1,547	1,702	2,780	2,425
Pennsylvania System	85,181	84,538	91,150	69,316	64,911
Reading Co.	14,753	14,183	17,845	26,799	27,673
Union (Pittsburgh)	17,201	21,024	20,442	8,498	7,779
Western Maryland	4,712	3,922	4,211	12,348	12,132
<b>Total</b>	<b>185,188</b>	<b>185,896</b>	<b>198,972</b>	<b>179,937</b>	<b>166,210</b>
<b>Pocahontas District—</b>					
Chesapeake & Ohio	30,298	28,026	28,979	14,192	13,634
Norfolk & Western	22,523	23,455	25,025	7,418	6,370
Virginian	4,949	4,568	5,463	2,232	1,961
<b>Total</b>	<b>57,770</b>	<b>56,049</b>	<b>59,467</b>	<b>23,842</b>	<b>21,965</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
<b>Southern District—</b>					
Alabama, Tennessee & Northern	358	343	346	294	377
Atl. & W. P.—W. R. R. of Ala.	630	843	509	2,783	2,820
Atlanta, Birmingham & Coast	906	1,044	1,033	1,112	1,085
Atlantic Coast Line	11,010	10,542	9,081	9,646	8,870
Central of Georgia	4,077	4,207	4,658	3,928	4,368
Charleston & Western Carolina	536	423	424	1,744	1,614
Clinchfield	1,697	1,634	1,633	2,614	2,751
Columbus & Greenville	261	428	306	142	256
Durham & Southern	1,371	143	184	531	855
Florida East Coast	41	790	391	1,661	1,221
Gainesville Midland	125	39	31	62	148
Georgia	344	330	1,218	3,204	2,572
Georgia & Florida	3,418	4,075	3,395	4,507	4,651
Gulf, Mobile & Ohio	25,822	26,554	25,879	18,882	16,877
Illinois Central System	25,564	25,665	26,326	11,525	10,602
Louisville & Nashville	312	261	240	876	700
Macon, Dublin & Savannah	285	186	202	541	479
Mississippi Central	2,655	3,301	3,383	4,445	5,139
Nashville, Chattanooga & St. L.	1,807	1,300	1,412	1,298	1,690
Norfolk Southern	357	321	453	1,139	1,188
Piedmont Northern	416	533	469	9,724	8,991
Richmond, Fred. & Potomac	9,983	10,196	9,578	7,699	8,094
Seaboard Air Line	21,728	23,348	23,721	23,381	23,120
Southern System	547	614	545	758	851
Tennessee Central	101	86	150	844	840
Winston-Salem Southbound					
<b>Total</b>	<b>115,663</b>	<b>118,409</b>	<b>116,807</b>	<b>113,128</b>	<b>109,875</b>
<b>Northwestern District—</b>					
Chicago & North Western	22,507	21,567	22,772	13,991	12,571
Chicago Great Western	2,669	2,140	2,960	2,990	3,109
Chicago, Milw., St. P. & Pac.	21,188	19,260	23,802	11,022	9,716
Chicago, St. Paul, Minn. & Omaha	4,109	3,269	3,888	3,802	2,917
Duluth, Missab & Iron Range	31,875	30,150	26,264	350	445
Duluth, South Shore & Atlantic	983	1,286	1,333	588	601
Elgin, Joliet & Eastern	8,612	9,061	10,855	11,266	10,335
Ft. Dodge, Des Moines & South	478	527	546	80	121
Great Northern	26,044	27,583	27,000	5,182	5,107
Green Bay & Western	368	485	578	996	773
Lake Superior & Ishpeming	2,496	2,751	3,478	34	67
Minneapolis & St. Louis	2,091	2,152	2,312	2,057	2,144
Minn., St. Paul & S. S. M.	7,526	7,339	8,188	2,950	3,236
Spokane International	11,478	11,544	11,588	4,729	5,039
Northern Pacific	116	183	302	493	613
Spokane, Portland & Seattle	2,681	2,679	2,665	4,009	2,742
<b>Total</b>	<b>145,221</b>	<b>141,982</b>	<b>148,501</b>	<b>64,539</b>	<b>59,560</b>
<b>Central Western District—</b>					
Atch., Top. & Santa Fe System	23,984	26,308	25,624	11,062	11,514
Alton	3,366	3,643	3,916	4,382	4,320
Bingham & Garfield	405	731	709	98	139
Chicago, Burlington & Quincy	21,027	17,601	19,722	12,098	10,272
Chicago & Illinois Midland	3,196	2,305	2,515	753	847
Chicago, Rock Island & Pacific	13,662	13,330	14,124	12,178	11,686
Chicago & Eastern Illinois	2,477	2,389	2,995	5,308	4,212
Chicago & Southern	782	705	773	1,699	1,672
Denver & Rio Grande Western	3,497	3,330	3,074	5,909	5,379
Denver & Salt Lake	768	664	636	14	23
Fort Worth & Denver City	1,208	1,091	1,459	1,843	1,393
Illinois Terminal	1,845	1,639	2,061	1,787	2,572
Missouri-Illinois	1,106	1,008	1,135	438	366
Nevada Northern	2,980	2,043	2,005	129	150
North Western Pacific	988	1,162	980	724	579
Peoria & Pekin Union	8	28	28		
Southern Pacific (Pacific)	33,985	31,765	30,118	13,294	9,417
Toledo, Peoria & Western	384	227	410	1,629	1,321
Union Pacific System	15,629	15,208	16,058	16,854	13,804
Utah	600	600	273	4	1
Western Pacific	2,164	2,078	1,738	4,386	2,750
<b>Total</b>	<b>133,171</b>	<b>127,875</b>	<b>130,413</b>	<b>94,589</b>	<b>82,428</b>
<b>Southwestern District—</b>					
Burlington-Rock Island	541	273	160	243	191
Gulf Coast Lines	5,177	4,240	2,609	2,512	2,094
International-Great Northern	2,247	2,424	1,939	3,223	2,687
Kansas, Oklahoma & Gulf	267	393	235	1,173	782
Kansas City Southern	5,893	5,650	2,586	2,899	2,855
Louisiana & Arkansas	3,860	4,361	2,107	3,271	2,248
Midfield & Madison	403	287	347	1,454	1,283
Midland Valley	769	701	561	267	197
Missouri & Arkansas	289	158	173	387	451
Missouri-Kansas-Texas Lines	5,717	5,147	4,710	5,660	4,458
Quannan Acme & Pacific	18,761	17,153	16,823	18,397	17,559
St. Louis-San Francisco	60	102	179	223	261
St. Louis Southwestern	9,045	9,059	9,061	9,869	7,749
Texas & New Orleans	2,746	2,593	2,419	7,165	7,059

## Items About Banks, Trust Companies

S. Sloan Colt, President of Bankers Trust Company of New York, announced on July 20 that Robert B. Hobbs was elected Assistant Vice-President at a meeting of the Board of Directors held that day. Mr. Hobbs recently resigned as Special Assistant to the Secretary of the Treasury in Washington. In the Treasury Department he was Assistant to the Director of the Victory Fund Committee throughout the country in connection with the war financing program. Prior to going to Washington Mr. Hobbs was a partner in the investment banking firm of W. W. Lanahan & Company of Baltimore, which has since been merged with Alexander Brown & Sons. He was a Governor of the Investment Bankers Association and a director of a number of industrial companies and foundations. Mr. Hobbs graduated from the University of Virginia in the class of 1926.

Judge John Clark Knox, Senior Judge of the United States District Court for the Southern District of New York, was elected a Trustee of the Union Dime Savings Bank of New York on July 21, according to an announcement made by William L. DeBost, President of the bank. Judge Knox attended public school in his home town, Waynesburg, Greene County, Pa., and was graduated from Waynesburg College, cum laude, in 1902. He then entered the University of Pennsylvania Law School, and upon completion of one year's work took the bar examinations in his county and was admitted to the bar. In 1905 he came to New York, where he was associated with the Title Guarantee and Trust Co. until 1913, when he was appointed an Assistant United States Attorney for the Southern District of New York. Shortly thereafter he was made Chief Assistant United States Attorney and had charge—prior to and after our entrance into the war—of all prosecutions having to do with alien activities within the Southern District of New York. In March of 1918, President Wilson appointed him a District Judge for the Southern District of New York, of which court he is now the Senior Judge.

During his judicial career he has had charge of numerous civil cases of great importance, and in his judicial capacity has participated in the reorganization of some of the largest corporations in this vicinity. In 1919 the University of Pennsylvania gave him an LL.M. degree, and in 1937 Columbia University conferred upon him a degree of LL. D.

President DeBost also announced that at the meeting of the Board of Trustees of the bank on July 21 John M. Robert and Ross D. Hill were elected Assistant Secretaries of the bank. Mr. Robert was employed by the Union Dime Savings Bank in 1916 as a clerk in the Bookkeeping and New Account Departments. He has progressed through all positions of the banking department, and in 1931 helped install the unit system. Since then he has been in charge of operations on the banking floor. Under his supervision a special payroll savings department was organized recently for servicing War Bond Accounts opened by employees of more than 300 companies in the neighborhood of the bank. Mr. Hill became associated with the bank in 1929 after several years in Wall Street with a brokerage firm. He was a clerk and later a teller in the banking department, and in 1933 was transferred to the real estate and mortgage department. With his election as an Assistant Secretary, he is second in charge in that department and assistant to the comptroller, who is in charge of the department. In 1941-42 Mr. Hill was a

member of the joint committees on municipal legislation of Groups IV and V of the Savings Banks Association of New York State. He is now serving on the payroll committee of the Realty Advisory Board on Labor Relations.

Manufacturers Trust Company of New York announces that James W. Farrell, General Laboratory for the Bell Telephone Laboratories, which provide scientific research and development for the Bell System, has been elected to the Advisory Board of the Bank's Office at Eighth Avenue, corner 14th Street, New York. Mr. Farrell fills the vacancy on the board caused by the resignation of R. F. Newcomb, formerly Treasurer of the Bell Telephone Laboratories, who retired on July 1, after 42 years of service with the company.

The New York State Banking Department announces the appointment of a supervisor and special deputy superintendents to assist in the liquidation of the business and property of all foreign banking corporations, including the New York agencies thereof, in the possession of the Superintendent of Banks. Edward Feldman has been named supervisor and attorney for liquidations and Arthur D. Rooney, Jr., Benjamin Hinerfeld, Charles R. Murray and Bernard J. Hirschfeld have been appointed Special Deputy Superintendents of Banks.

The banking organizations affected, all New York City agencies, are Bank of Chosen; Bank of Taiwan, Ltd.; Mitsubishi Bank, Ltd.; Mitsui Bank, Ltd.; Sumitomo Bank, Ltd.; Yokohama Specie Bank, Ltd.; Banca Commerciale Italiana; Banco Di Napoli, Banco Di Roma, Credito Italiano, Banco Di Napoli Trust Co. of New York, and Banco Di Napoli Safe Deposit Co. These bank agencies were taken over in December, 1941.

The County Trust Co. of White Plains, N. Y., has been given approval by the State Banking Department to change the location of a branch office from 26 Wheeler Avenue, Pleasantville, to the southeast corner of Wheeler Avenue and Bedford Road. This approval was given incident to the purchase of assets and assumption of deposit liabilities of the First National Bank of Pleasantville, which is situated at the proposed location. Filing of this application was noted in our issue of July 1, page 40.

George W. Scott, Vice-President of the National Bank of Auburn, Auburn, N. Y., died on July 17.

Adelbert R. Root has been elected Vice-President of the Glens Falls (N. Y.) National Bank & Trust Co. Mr. Root was formerly cashier and is succeeded in the latter position by Joseph F. Chambers.

The State Savings Bank, Hartford, Conn., observed on July 24 the eighty-fifth anniversary of its founding. At the close of its first day of business the savings bank had \$540 in deposits and six depositors, while today the institution's deposits total \$17,430,944 and depositors number 18,742. Charles A. Goodwin recently completed his twenty-fifth year as President of the bank. The following regarding its history was reported in the Hartford "Courant" of July 25:

Under the guidance of its six presidents, State Savings Bank has maintained the enviable record of never missing a dividend since the first payment to depositors was made, as of Nov. 1, 1858. Of these half dozen men, Mr. Goodwin, the present incumbent and a grandson of one of the orig-

inal incorporators, has had the longest tenure.

After Chester Adams, the first President, retired in 1869, the post was successively held by Thomas Belknap, from 1870 to 1878; Gustavus F. Davis, until 1895; Samuel Taylor, until 1908; and Charles E. Billings until 1918.

Prior to his election as President, Mr. Goodwin was named a trustee in 1905, and still holds this position.

Other officers of the State Savings Bank, second oldest and third largest of Hartford's savings institutions, are Charles G. Woodward, Vice-President; Ralph W. Chapin, Secretary and Treasurer; John Q. Goodrich, named Assistant Secretary and Assistant Treasurer at the annual meeting last week, George S. McKinney and Lela M. Wiley, Assistant Secretaries.

Alexander Calder, President of the Union Bag & Paper Corp., has been elected a Director of the National State Bank of Newark.

A proposed increase in the capital stock of the Potter Title and Trust Co., of Pittsburgh, Pa., will be voted on by stockholders at a special meeting on Aug. 17. The capital stock of the company now amounts to \$815,000, represented by 34,000 preferred shares of the par value \$20 each and 25,000 common shares of the par value of \$5 each, and it is proposed to increase it to \$940,000 by raising the number of \$5 common shares to 50,000. An increase in the number of preferred shares from 34,500 to 138,000 and changing the par value from \$20 each to \$5 each also is to be considered.

Horatio L. Whitridge, of MacKubin, Legg & Co., was recently elected a Director of the Mercantile Trust Co. of Baltimore.

The First National Bank of Cincinnati recently observed its eightieth anniversary, having been chartered on July 13, 1863, with capital of \$1,000,000. The bank now is capitalized at \$15,965,000. In the Cincinnati "Enquirer" of July 14, the following was reported:

The First National is the oldest active national bank in Ohio operating under original charter and the eighth oldest active national bank in the country.

Although the institution came into existence in the difficult days when the threat of Morgan's raiders put Cincinnati under martial law, the bank has maintained an unbroken record of dividends and has paid bonuses to employees in 79 of the 80 years.

During its long tenure, the First National has had only five Presidents. John W. Ellis was the first top executive, T. J. Davis, who now is President, has held the office since January, 1934. Other Presidents were L. B. Harrison, W. S. Rowe and J. J. Rowe.

During the Cleveland Administration the bank shipped \$125,000 in gold to the Federal Treasury to assist in alleviating the crisis which threatened the gold standard at that time, Mr. Davis recalled.

The addition of Lt.-Col. W. E. Phillips to the Board of Directors of the Royal Bank of Canada, head office Montreal, was announced by the bank on July 20. Col. Phillips is now serving as President of the Research Enterprises Limited, a Crown company engaged in war work manufacturing optical glass and lenses. In private industry, Col. Phillips is President of Duplate Safety Glass Co. of Canada, Ltd., and Fiberglass Canada, Ltd. He also heads Duplate Tool & Die, Ltd., and Duplate (Windsor), Ltd., and is a director of Massey-Harris Co., Ltd., Steep Rock Iron Mines, Ltd., and the Trusts and Guarantee Co., Ltd.

Following the monthly board meeting of Citizens National Trust & Savings Bank of Los Angeles, held July 20, President H. D. Ivey announced the election of Ernest E. Duque and William S. Rosecrans as directors of the bank, who will fill the vacancies left in board ranks by the recent passing of two members, George W. Walker and Carl P. Smith. Mr. Duque is President of the California Portland Cement Co., having been associated with that organization since 1915, and is a native of Los Angeles. He was a member of the Board of Park Commissioners for several years, and served as a director of the Los Angeles Chamber of Commerce and Chairman of its transportation committee from 1936 to 1940. His father, Tomas L. Duque, was one of the outstanding pioneer bankers of Los Angeles and a leader of the city's financial and commercial life.

William S. Rosecrans is also a native of Los Angeles and a member of one of its pioneer families. He is president of W. S. Rosecrans, Inc., and Rosecrans Properties, Inc., and formerly served as Chairman of the Board of directors of the Los Angeles Branch of the Federal Reserve Bank of San Francisco. He has been a leading figure in the Los Angeles Chamber of Commerce for many years, serving as Vice-President in 1937 and President in 1938, and is now on the board. He is also a director of the Chamber of Commerce of the United States.

## Mtg. Bankers Present Slate For Officers

L. E. Mahan of St. Louis, has been nominated for Vice President of the Mortgage Bankers Association of America for the 1943-44 term, to head the official slate of officers with Herold G. Woodruff of Detroit, whose nomination for President was announced in June. Mr. Mahan's nomination, along with those for seven regional Vice-Presidents and eight Governors, were announced on July 24 by the nominating committee headed by Frederick P. Champ, Logan, Utah.

Nominations for regional Vice-Presidents, who will be voted on at the annual meeting in Chicago Sept. 23, 24 and 25, include: Eastern Area, George B. Underwood, Irvington, N. J.; Northeast Central Area, Edward F. Lambrecht, Detroit; Northwest Central Area, Ward J. Gauntlett, Chicago; South Central Area, R. O. Deming, Jr., Oswego, Kan.; Southeast Area, J. C. McGee, Jackson, Miss.; Rocky Mountain Area, C. W. Mead, Omaha; and Pacific Area, W. Robert McMurray, Portland, Ore.

Those nominated for Governors for terms expiring in 1947 include: Allyn R. Cline, Houston; C. Arnel Nutter, Camden, N. J.; Hugo Porth, Milwaukee; Aksel Neilsen, Denver; Norman R. Lloyd, Cleveland; Wallace Moir, Los Angeles; and G. Calvert Bowie, Washington, D. C. C. P. Kennedy of Cincinnati, Ohio, was nominated for a term expiring next year.

Mr. Mahan has been a member of the Association since 1924 and heads his own mortgage banking firm in St. Louis. During the last war, he was in charge of all real estate and mortgages taken over under the Trading with the Enemy Act. He was the principal founder of the Legion of Mortgage Bankers, an affiliate of the Mortgage Bankers Association.

All nominations will be submitted to M. B. A. members at their annual business meeting in Chicago on Sept. 24. Nomination, through official channels, has always been tantamount to election. Nomination of Mr. Woodruff as President of the Association was reported in these columns June 24, page 2382.

## Mortgage Investments

(Continued from first page) compelled, by timid and short-sighted directors, to force foreclosures. As a result, much real estate can be purchased at 30% to 40% of the assessed values, and, of course, at less than the mortgage. I am inclined to now wonder if these bank directors may not now be as wrong in their judgment of mortgages as they were in their judgment of railroad bonds when they sold them at all-time low prices.

There is no reason why both the real estate market and the mortgage market should not have their ups and downs like stock prices, commodity prices and even employment. In fact, when employment and wages are at an all-time high—as at present—it is a sure bet that the tide will turn and run out sometime after World War II. Hence, those who now quit peacetime jobs, just to get more money at war jobs, are making a big mistake. Those who are now taking losses on mortgages may be making similar mistakes!

### What About Inflation

Recently the U. S. Treasury stated it spent \$78,000,000,000 during the fiscal year ending June 30, 1943. This is ten times what it spends in peacetime. Two-thirds of this (\$56,000,000,000) has been paid for by printing government bonds. This is little different from printing "green backs." This great inflation of the currency should surely make it easier for people to pay off mortgages during the few good years following the War if they will have sense enough to do so. In the meantime, new houses and new office buildings are not being built, except for war needs.

This coming inflation is, however, not a reason for investors to take on more mortgages. I had much rather now invest in good stocks or in producing, well maintained real estate. Banks, however, cannot now buy stocks or real estate as an investment. They are confined to mortgages, bonds and commercial paper. Under these conditions I feel that—as a rule—it is a mistake for banks to take losses on mortgages at this time. But, banks should remember that currency inflation usually makes it easier for borrowers to pay the interest and principal of mortgages now outstanding.

### The Temptation to Speculate

I never borrowed a dollar in my life and usually confine my investments to good bonds and fire insurance stocks. I, however, was severely tempted to take a little "flyer" last week. I was offered part of the equity of \$3,500,000 in one of the best office buildings in Boston for less than two cents on the dollar! The land and building cost over \$6,000,000 and is assessed for about \$4,000,000. It has a first mortgage on it for less than \$2,000,000. Yet, the property was being offered, subject to this mortgage, on the basis of only \$50,000—a shrinkage of 98% of what the original stockholders paid. It is true a person might lose all he puts into such a purchase even on this much-deflated basis. I recognized it as a rank speculation. But I cannot forget what my Father used to preach to me here at Gloucester about the business wheels continually revolving.

In most of the large cities of this country similar opportunities for profit, or loss, exist. It is impossible for me to give any advice applicable to any individual properties or cities, but this much I will say: Many mortgages which are now looked upon as of little value will be paid in full when inflation gets going at high speed. Foolish are those who needlessly sacrifice mortgages or real estate at this time unless the money is immediately re-invested in properly selected stocks which are reasonably sure to double or triple in value.