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The Financial Situation

While the delegates at Bretton Woods argue about the size of "quotas," the currencies or other media with which these quotas may be paid, the degree of concentration of control of a "fund" not yet in existence, the exchange rates which are to be chosen as official, and more of the same sort, the more thoughtful among the American people, and we presume elsewhere, are becoming more and more troubled about much more fundamental matters. To be sure, it is not a matter of indifference what the size of a "quota" may be—the less so if that quota can be paid up in currencies of doubtful value (to say the least) and the degree of control of the fund is to be fixed in ratio to the quotas finally agreed upon. Certainly it is a matter of great difficulty as well as of much importance to select exchange rates wisely at the start of any such venture—if such a venture must be undertaken.

Fundamentals Neglected

Perhaps it is not the function of this particular group to study the fundamental concepts upon which all such plans as this rest, and to reach conclusions as to whether it would not be wise after all to give the whole project up and go

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Roosevelt Announces Intention To Accept 4th Term Nomination

Decision Held Based On Advices That Majority Of Delegates To Forthcoming Democratic Convention Are Pledged To His Renomination As Party's Choice—President Avers Personal Desire Is To Return To Civil Life, But Says He Is Willing To Continue In Office If People So Desire—Remains Silent On Question Of Status Of Vice-President Wallace As Running Mate

The willingness of President Roosevelt to accept the nomination for a fourth term was definitely indicated in a letter addressed by him to Robert E. Hannegan, Chairman of the Democratic National Committee, made public at Washington on July 11. Up to this time the President had declined to commit himself on the question, which had repeatedly been brought up by reporters at his press conferences.



President Roosevelt

The Democratic National Convention will open in less than a week (July 19) at Chicago, and Mr. Roosevelt it is stated will be renominated at the Thursday evening (July 20) session.

The President gave no inkling as to whether he expected that Vice - President Henry A. Wallace would be renominated with him. On this point special advices to the New York "Times" from Washington July 7 said:

"While the President is personally very strong for Mr. Wallace, it is believed that he has been persuaded by his political advisers not to make a fight for Mr. Wallace's renomination." President Roosevelt's advices to Mr. Hannegan were in response to a communication from the latter under date of July 10, in which Mr. Hannegan said that based on State officials' "certifications to the National Committee, I desire to report to you that a clear ma-

majority of the delegates to the National Convention are legally bound to cast their ballots for your nomination as President of the United States." In his reply, the President stated that "if the convention should carry this out, and nominate me for the Presidency, I shall accept. If the people elect me, I will serve."

"I would accept and serve," the President said, "but I would not run, in the usual partisan, political sense. But if the people command me to continue in this office and in this war, I have as little right to withdraw as the soldier has to leave his post in the line." The following is the text of the President's letter to Chairman Hannegan:

Dear Mr. Hannegan:

You have written me that in accordance with the records a majority of the delegates have been directed to vote for my renomination for the office of President, and I feel that I owe to you, in candor, a simple statement of my position.

If the convention should carry this out, and nominate me for the Presidency, I shall accept. If the people elect me, I will serve.

Every one of our sons serving in this war has officers from whom he takes his orders. Such

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North Pacific And Eastern Asia Main Area Of Post-War Development Wallace Declares

China Should Be Industrialized, Says Vice President

The conviction that "a main area of new development after this war—new enterprise, new investment, new trade, new accomplishments—will be in the new world of the North Pacific and Eastern Asia," was expressed by Vice-President Henry A. Wallace on July 9, with his return to the United States from his visit to Soviet Asia and China. The above views of Mr. Wallace were contained in an



Henry A. Wallace

address delivered by him at Seattle, Wash.; the Vice-President, who flew from China to Great Falls, Mont., arrived at Seattle on July 8. Mr. Wallace indicated that he "found the leaders in both Soviet Asia and China anxious for the most friendly relationship with the United States and expressing the utmost confidence in the leadership of President Roosevelt. Living standards can be raised. Causes of war can be removed," he said. "Failure to concern ourselves with problems of this sort after World War I is costing us today hundreds of billions of dollars and a terrible toll of human life." Mr. Wallace added that "to avoid a recurrence of the scourge of war, it is essential insofar as the Pacific basin is concerned, that relations among the four principal powers in the Pacific—China, the Soviet Union, the British Commonwealth and

the United States—be cordial and collaborative."

"We hear much about industrial reconstruction in China," said the Vice-President, who went on to say:

"I found the Chinese anxious for industrialization. China should be industrialized, but any industrialization of China must be based upon agricultural reconstruction—agrarian reform—because China is predominantly a nation of farmers. They are good farmers, as I observed during my stay there, but they need a break—a New Deal."

He likewise stated that "the United States, together with Russia and Great Britain, has a profound interest in the rapid, peaceful change of Eastern Asia to the more fruitful use of her vast natural and human resources. Here is a great new frontier to which Seattle can furnish much in the way of leadership."

Vice-President Wallace arrived

in Washington from Seattle on July 10, at which time he conferred with President Roosevelt. Aside from indicating that China was the subject of their talk, Mr. Wallace declined to make known to reporters any information bearing on the question as to his candidacy for Vice-President. A statement issued by Mr. Wallace with his return to Washington, as given in the New York "Times" by Charles Hurd, follows:

"I am happy to be home again. This is the first time I have liked Washington summer weather. I wish to see the President before talking with the press, but I would like to say now that I deeply appreciate the services of my companions on the trip. Mr. J. C. Vincent, Chief of the Chinese Division of the State Department, and Mr. Owen Lattimore, Chief of the Far Eastern Section of the Office of War Information, were invaluable while we were in China.

"Mr. John Hazard, Chief Liaison Officer, Division for Soviet Supply, Foreign Economic Administration, was just as useful while we were in Russia. The skillful

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From Washington Ahead Of The News

By CARLISLE BARGERON

The more a fellow contemplates the economic straitjacket in which this country finds itself, the more difficult it is to see how it will ever be unlocked, regardless of whether the Republicans are successful in November or not. There are too many adverse forces in motion and we are not referring to the political forces, either.

Sometime ago your correspondent called attention to the number of plants still in war produc-

tion which had been certified by the Army and Navy as no longer necessary. It is a case of made work in time of manpower shortage. In these plants we pointed out that the CIO was the moving force in insisting that the plants be given further orders to keep them operating. Closer examination of the subject reveals that the CIO is not the only culprit. There are many instances in which the employer, knowing the influence of organized labor in Washington, connived with the labor leaders to set up a hullabaloo.

In addition to this, the local Chambers of Commerce, all around the country, are becoming insistent that the "industry" their community is now enjoying be continued forever. The determined effort to be made by the Pacific Coast to keep its present industries with something approximating their present employment scale is an example of what we have in mind, but the situation is not confined to that section at all. Every little hamlet which before the war didn't even have a sawmill but now has a wartime industry and a payroll is determined to keep it. Its leading citizens are prepared to descend upon Congress whenever the need be.

What really brought this whole subject up, however, is the ruckus now going on in the War Production Board and between the Board and the Military over reconversion plans. Aside from the broader issue involved it would seem to be an amazing thing that Donald Nelson, supposed to be head of the WPB, should issue certain orders and then while he is on his sickbed have some subordinate in the WPB overturn them. This is an example of what Governor Dewey has in mind when he refers to Washington's quarreling men.

There was no justification either for the Military's attack upon Nelson. He has not proposed any reconversion at the expense of the war effort. He has simply proposed that plans be set up so reconversion can take place in an orderly manner when the time for reconversion comes. This being the case the general public must wonder what all the shooting is about.

The Military is simply taking sides in the division within the WPB on the question of whether all reconversion should be held up until competing firms can all start off together. Nelson favors letting a particular industry get back to civilian production as

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So Far So Good, But . . .

"There can be no amalgamation of true democracy with communism, socialism, Sovietism or governmental collectivism. Yet we find today in high Democratic places those who are attempting to integrate foreign philosophies into the Democratic party. I never expected to see the day when an official of the Democratic party would welcome Communists into our ranks."—Senator Harry F. Byrd.



Harry F. Byrd

"It would appear from the public utterances of Vice President Wallace that he has become a convert to doctrines and ideologies foreign to the faiths and traditions of Virginia.

"In view of the foregoing, it is therefore resolved by the Democratic party of Virginia, in convention assembled on the eighth day of July, 1944, that the delegates to the Democratic National Convention which will convene in the city of Chicago on the nineteenth day of July, 1944, be and they are instructed to oppose the nomination of Henry A. Wallace as Democratic candidate for Vice President."—Virginia Democrats' instructions to their delegates to the Chicago convention.

Good—so far as it goes.

But the Virginia Democrats, along with some of their neighbors equally disgusted, have it within their power to put an end to all this.

It would scarcely be an exaggeration to say that the New Deal has flourished because the "solid South" has been willing to be led by the nose.

The State Of Trade

Secretary Morgenthau, in a review the past week of Treasury receipts and expenditures for the fiscal year ended June 30, revealed through his figures on the financial condition of the Nation, that both receipts and expenditures had climbed during the 1943-44 period to unprecedented peaks. Outlay by the Treasury for war activities amounted to \$87,039,000,000, while the RFC and its subsidiaries for the same purpose expended \$2,682,000,000. The foregoing sums, plus interest on the war debt, were equal to more than 95% of total expenditures for the period.

Revenue collected amounted to \$44,149,000,000. This was apart from Federal Old-Age and Survivor Insurance Funds, which almost doubled the 1943 receipts of \$22,280,000,000. Budgetary disbursements soared to \$93,744,000,000, exceeding those of the preceding period by \$15,565,000,000. The Government's financial position on June 30, the close of the fiscal period, showed a deficit of \$49,595,000,000 with the gross debt set at \$201,003,387,221. Greater tax collections, however, had the effect of scaling down the net deficit, notwithstanding increased spending, by \$6,302,000,000 under the previous fiscal year. In setting up the gross public debt the Secretary deducted unearned discount on savings bonds, in the amount of \$8,205,956,665, and gave effect to \$1,132,088,835 in outstanding debt obligations not subject to the statutory debt limitation.

The extent to which taxpayers contributed to the Nation's revenue may be gleaned from the Secretary's report, which shows that income taxes rose during the year from \$18,561,000,000 to \$26,262,000,000, of which \$8,393,000,000 was withheld by employers under the new tax payment act.

It is interesting to note that despite the war, custom collections rose to \$431,000,000, the highest since 1937. To meet the various needs of an accelerated war program, the Secretary reported, accounted for the increase of nearly \$15,000,000,000 in war expenditures.

Outstanding public debt obligations actually total \$208,077,259,051, and since Congress last month raised the debt limit to \$260,000,000,000, the Treasury has on hand

\$51,923,000,000 of unused borrowing authorization. From the foregoing report of the Secretary of the Treasury, one can readily understand what the future holds in store for each one of us in our efforts to lift the huge burden of debt to which all of us have become heirs.

Late in the past week, President Roosevelt signed the "Stabilization Extension Act." The purpose of the act is to serve as a control over prices and thus guard the Nation against inflation. In affixing his signature to the bill, the President expressed concern over certain amendments, which he stated, would make it more difficult "to hold the line." The amendments in question were the enforcement features of the Act. In expressing his fear that the changes would weaken and obstruct the effective enforcement of the law, the President said, "I hope that experience may not justify my fear. But if it should turn out that the enforcing officers encounter serious difficulties in bringing chiselers and black market operators to book, I shall ask the Congress to remove the difficulties." The above comment was occasioned by the relaxation of penalties against non-wilful violators of the law. The President stated that it was not Congress' intention to protect "those who do not wish to know what the law requires of them."

The 5th War Loan was oversubscribed, the total sales reaching \$16,650,000,000 exceeding the \$16,000,000,000 goal by \$650,000,000. The sales of Series "E" bonds, however, did not reach the high mark set for this type of savings bond, for which the individual subscriptions were only 71% of their allotted quota.

The drive for the sales of "E" bonds will be continued until Aug. 1 before the campaign is officially closed.

Gains have also been made in

the new issues market as is shown in the compilation of corporate flotations for the first six months of this year which will be published in the Monday, July 17, issue of The Chronicle. The total was \$986,000,000 consisting of \$698,000,000 refunding issues and \$288,000,000 new money issues. This compares with the same period in 1943 with \$263,287,476 refunding issues and \$150,476,205 new money issues. For the whole of 1943, such corporate issues amounted to \$1,081,000,000 divided into \$703,000,000 refundings and \$378,000,000 new money securities.

The Bureau of Labor Statistics reports that the Nation lost 1,400,000 mandays of work in the month of May due to strikes which was almost three times as many as in April. There were 600 strikes in May and 435 in April.

The War Production Board announced on Tuesday that all four of the reconversion orders for which Donald M. Nelson, Chairman, had fought for despite the opposition of the Army and Navy leaders would go into effect at an early date. These orders will permit limited reconversion to civilian production this summer. A compromise culminated Tuesday when James F. Byrnes, Director of War Mobilization, ordered the WPB to go ahead with Donald M. Nelson's reconversion plans, putting an end to the dispute.

Summing up the results in business and industry for last week, the stock market advanced into new high ground attaining on Wednesday, July 5, the highest price averages since May 13, 1940. Transactions for last week totaled 7,844,060 shares on the New York Stock Exchange. Bonds generally were higher, with selected issues strongest and combined bond averages the highest on record; transactions for last week amounted to \$40,584,200 on the Big Board.

On Monday of this week the stock market reached its highest point in four years but on the following day prices receded somewhat following President Roosevelt's announcement that he would run for a fourth term if nominated at the forthcoming Democratic convention at Chicago which of course is a foregone conclusion.

Substantial gains for last week were recorded in national electric kilowatt output and freight car loadings, steel production, bituminous and anthracite output and retail stores sales in the country at large. Slight declines were noted for paper-board production and locally the Consolidated Edison Co. reported a decrease for last week. In the department store field in the New York area the Federal Reserve Board reports a 16% increase for the week ending July 1 over a year ago against a 21% increase for the week over the preceding year and a 9% gain for the four weeks ending July 1 and an 8% gain for the Jan. 1 to July 1 period.

With respect to electric production, results reveal that output of electricity increased to approximately 4,327,359,000 kwh in the week ended July 3 from 4,325,417,000 kwh. in the preceding week, as reported by the Edison Electric Institute. The latest figures represent a gain of 5.3% over one year ago, when output reached 4,110,793,000 kwh.

Consolidated Edison Company of New York reports system output of 158,700,000 kilowatt hours in the week ended July 2, 1944, and compares with 189,300,000 kilowatt hours for the corresponding week of 1943, or a decrease of 16.2%.

Local distribution of electricity amounted to 158,000,000 kilowatt hours, compared with 180,400,000 kilowatt hours for the corresponding week of last year, a decrease of 12.4%.

Important factors that entered into steel production last week were a falling off in output caused by the manpower shortage, re-

Text Of GI "Bill Of Rights"

Full text of the so-called "GI Bill of Rights," providing varied benefits to veterans of the present war, was given in our issue of Monday, July 10, starting on page 158. Reference to signing of the bill by President Roosevelt on June 22 and an outline of some of its principal features was made in these columns on July 6, page 105.

duced order volume as a result of the Fourth of July holiday, a tendency for industrialists to lay greater stress on post-war planning and no apparent sign of a let-up in the number of outlaw strikes with which the industry is presently confronted, says the "Iron Age," in its current issue. The decline in the rate of output is of such deep concern to official Washington that the WPB saw fit to call a special meeting of steel executives, who are members of the Industry Advisory Committee to solve this drop in production, states the magazine.

One reason advanced for the contraction in volume of steel orders is that some consumers feel it unwise at this time to let inventories become unwieldy. Another consideration, the nature of which is quite plausible, is that should hostilities end suddenly in Europe, wholesale cancellations of contracts would in all probability follow. While leaders of the industry are not unduly optimistic over the early termination of the war, good business judgment dictates that they be prepared for such a contingency. With respect to the decline in steel output due to manpower shortages, the WPB estimated a loss of as much as 200,000 tons a month recently. The shut down of 31 open hearths caused by a lack of labor to run them and the greater time element in repairing furnaces, due to green labor, have contributed their share to the falling rate of output. The reduction in order volume, states Iron Age, "does not mean, however, that a flood of new orders may not be in the making for the latter part of this week. Deliveries have become so extended on some items that many consumers have shown a reluctance to place orders when promises on delivery are so far ahead."

The magazine further states "that backlogs have not suffered much of a decline because concurrently for the past few weeks the raw steel output rate has dropped to such an extent that the decline in orders has lost its significance." Insofar as post-war planning is concerned, the paper reports a recent spurt in post-war ideas, "evidenced by the news from Detroit that speculation is rife that the new motor car may not after all be a facsimile of the 1942 models as had been assumed." This speculation is based on the fact that car manufacturers like others are permitted to build experimental models.

The American Iron and Steel Institute announced last Monday that steel production in the U. S. established a new high for the industry during the first half of 1944 despite the manpower shortages of labor and strikes. The 45,061,874 ton production of ingots and steel for castings for the first six months of 1944 is actually 1,200,000 tons higher than the 43,866,451 tons for the first half year of 1943. The 1944 production is also ahead of the previous half-year peak of 44,949,915 tons for the last six months (July to December) of 1943.

The United States Steel Corporation reported last Monday that shipments of 10,632,854 net tons of finished products by operating subsidiaries in the January 1 to July 1 period of 1944 established a new high for the corporation for the first half yearly periods.

As for the rate of steel production, the American Iron and Steel Institute places scheduled output for the week beginning July 10 at 95.7% of rated capacity, equivalent to 1,714,300 net tons of steel ingots and castings. This compares with operations at the rate of 94.3%, and output of 1,689,200 net

tons a week ago. For the week beginning July 12, last year, steel output totaled 1,679,700 net tons and the rate was 96.4% of capacity.

With respect to freight carried by the railroads, carloadings of revenue freight for the week ended July 1 totaled 897,800 cars, the Association of American Railroads announced. This was an increase of 16,533 cars, or 1.9% above the preceding week this year, and an increase of 45,718 cars, or 5.4%, above the corresponding week of 1943. Compared with a similar period in 1942, an increase of 144,060 cars, or 19.1%, is shown.

Preliminary estimates of production of Pennsylvania anthracite for the month of June, 1944, according to a survey of the Bureau of Mines, reveals that total output for the month reached 5,618,000 net tons compared with 3,244,000 net tons, one year ago. Total production included colliery fuel, washery and dredge coal, and coal shipped by truck from authorized operations. For the calendar year to June 30, total production approximated 33,151,000 net tons as against 29,324,000 net tons in June, 1943.

Bituminous coal output for the week ended July 1 reflected an increase of 50,000 net tons from the preceding week, at 12,050,000 net tons, compared with 10,165,000 tons for the corresponding week last year, according to the U. S. Bureau of Mines. The low production last year resulted from a strike. Output to date—Jan. 1 through July 1, 1944—aggregated about 321,080,000 tons, as against 289,287,000 tons for a like period in 1943. The report of the Solid Fuels Administration placed production for the week ended June 24 at 12,000,000 net tons, against 12,300,000 tons in the preceding week.

As for production in the anthracite fields the U. S. Bureau of Mines reports estimated output of Pennsylvania anthracite at 1,291,000 tons for the week ended July 1, 1944, an increase of 52,000 tons, from the preceding week. Output in the corresponding week of 1943 was only 626,000 tons and was occasioned by the coal strike. For the calendar year to date, however, an increase of 12.2% is shown over the similar period of 1943.

Paper output for the week ended July 1 was equal to 92.4% of capacity, the same as in the preceding week, and 77.4% for the week ended July 3, 1943, the American Paper & Pulp Association's index of mill activity disclosed. As for paperboard, production for the same period was reported at 95% of capacity, against 96% in the preceding week.

The nationwide observance of a three-day holiday, by many of the large stores the past week failed to stem the rising trend of retail sales volume, the extent of the rise running from 3 to 7% above the same period one year ago. The unabated buying of summer and vacation goods worked in favor of higher sales, Dun & Bradstreet, Inc., reported. One unfavorable aspect of retail trade this week was evidence of a slackening in purchases in some areas where war work is falling off, resulting in a shrinkage of employment. A sustained interest in outing merchandise was reported by "Dun," with clearance sales of seasonal and overstocked lines attended by good results. Sales of department stores, the above authority states, came mainly from large volume in wines and liquors, children's apparel, fabrics, groceries, men's furnishings, and underwear. In the lighter apparel line, ready-to-

Guaranty Trust Co. Finds Increasing Interest In Proposal To Limit Federal Taxes To 25%

In discussing a proposed ceiling on Federal taxes in peace times, the Guaranty Trust Company of New York, in the June 27 issue of its monthly publication "The Guaranty Survey," states "that the Government's objective of raising by current taxation the largest practicable portion of the funds required for waging war is recognized as a reflection of sound fiscal policy."

"With the return of peace, however," it points out "a distribution of the tax load will become again the vitally important question that it was before the war."

According to "The Survey," "the passage recently of the tax simplification bill, while unquestionably a helpful step, leaves the broader and more critical aspects of the Federal tax policy essentially unaltered. A large number of business executives regard taxes as representing the most serious obstacle to the efficient functioning of our industrial system after the war. As a consequence, there seems to be an increasing interest in a specific proposal to limit the powers of the Federal Government to tax incomes, estates and gifts in times of peace to a maximum rate of 25%. To establish such a limit, a Constitutional amendment would be required." "The Survey" further says:

"There is, of course, no magic quality in the precise figure of 25%. The maximum might be placed higher or lower. But the underlying principle—that a limit on the power of the Federal Government to tax incomes, estates and gifts would contribute to the fairness, productivity and stability of our revenue system and would strengthen the foundations of our industrial structure—is worthy of the most careful examination."

"The power of the Federal Government to tax incomes rests upon the Sixteenth Amendment to the Constitution, which provides that 'the Congress shall have power to lay and collect taxes on incomes, from whatever sources derived, without apportionment among the several States, and without regard to any census or enumeration.' The proposal is to alter this amendment so as to provide that the maximum rate of such taxes shall not exceed 25%, except when the country is at war."

"Sponsors of the proposal stress the fact that their program would involve no interference with war financing, either now or in any future emergency, since the limitation would be effective only in times of peace."

"Since 1936 16 States have passed resolutions memorializing Congress with requests for the calling of a convention of representatives of the several States to consider the proposed amendment. This is half the number of States required to invoke mandatory action by Congress. In several other States, resolutions proposing participation in the move-

wear items led the demand. A good business in beach wear, notions and hosiery was done by main floor departments, the same source reveals, while marked increases were noted in household furnishings with retail food demand spotty, though dollar volume exceeded the level of a year ago.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index were 12% ahead of a year ago for the week ending July 1, while the previous week (ending June 24) showed a 14% gain over the corresponding week in 1943. A 7% increase in department store sales for the half-year ending July 1, 1944 over the first half of 1943 was noted.

According to Federal Reserve Bank's index, sales in New York City for the weekly period to July 1 increased by 16% over the same period of last year. For the four weeks ending July 1 sales rose by 9%, and for the year to July 1 they improved by 8%.

ment are under consideration. Meanwhile, supporters of the movement trust that Congress will submit the proposal to representatives of the States on its own initiative without waiting for the possible enlistment of the required 32 States. It is to be hoped that the effort to bring the proposal to the stage of formal consideration will be successful.

"In the setting up of a sound and workable tax system, expediency as well as fairness must be considered. Concerning the abstract justice of a given tax structure, approximately complete agreement of opinion is clearly unattainable. But there is growing recognition of the concrete fact that too steeply graduated tax rates have harmful effects on the national economy. Even under conditions of extreme emergency, there are indefinite limits of practicable aggregate taxation. In normal times such points are reached at lower rate levels. As these limits are approached or exceeded, unsought consequences not only impair the revenue system, from the standpoint of the Treasury, but threaten far more disastrous effects on business, employment and national income."

"In 1926 the maximum rate of the tax on individual income was reduced from 46 to 25%, and in 1929 it was further lowered to 24%. Taxes paid by individuals for each of the years 1927, 1928 and 1929, under the reduced rates, were greater than the total for 1924, when higher rates prevailed. A broadly increased general schedule of rates became effective in 1933 and another in 1937, the latter at levels which were not greatly changed until they were replaced by the much higher wartime rates still in effect."

"Any attempt to weigh the justice or fairness of a system of tax rates without considering its broad practical effects is worse than useless. Undue tax concentration on the middle and higher brackets of income as a regular feature of the revenue system is objectionable not merely because it involves what many regard as an unfair distribution of necessary fiscal burdens but mainly because it operates to destroy the incentive to produce and the sources of needed capital for investment."

"Not the least desirable feature of the suggested tax limit is the greater assurance of stability that it would bring. Sound business management involves a large amount of forward planning, and a ready flow of capital into investment channels requires confidence in both the business and the tax outlook. The wide variations in income tax rates, even in times of peace, and the ever-present possibility of further broad fluctuations, have certainly interfered with business plans and have probably restricted the movement of capital into productive enterprise."

"The voluntary and unprompted action of 16 State legislatures in placing themselves on record as favoring formal consideration of the change throws strong doubt on the fear of resulting limitations on the States' powers of taxation. And if the broad conclusion suggested by the experience of the Treasury and the opinion of tax experts is true—that moderate tax rates are productive of more revenue in ordinary times than higher rates—the proposed limitation would entail no increase whatever, but should rather permit a reduction, in taxes

Government Receipts And Expenditures At Peak In Fiscal Year

The following statement was made on July 3 by Secretary Morgenthau:

"Government receipts and expenditures for the fiscal year 1944 reached unprecedented peaks, as revealed in the Daily Treasury Statement for June 30, 1944, released on July 3."

"Receipts for the fiscal year 1944 (exclusive of amounts set aside for account of Federal Old-Age and Survivors Insurance Trust Fund) amounted to \$44,149,000,000, an increase of \$21,867,000,000, or nearly double the amount of net receipts for the fiscal year 1943, the previous record year."

"Total budgetary expenditures (exclusive of public debt retirements) amounted to \$93,744,000,000 for the fiscal year 1944, an increase of \$15,565,000,000 over the previous year."

"Expenditures for war activities amounted to \$37,039,000,000. In addition, the Reconstruction Finance Corporation and its subsidiaries spent \$2,632,000,000 for war activities during the year. These items together with interest on the war debt accounted for more than 95% of total expenditures."

"The net deficit for the year was \$49,595,000,000, as compared with \$55,897,000,000 for the preceding year. Although total expenditures were \$15,565,000,000 more than in the fiscal year 1943, the deficit was \$6,302,000,000 smaller due to the fact that tax collections were substantially greater."

Steel Output A Record For First Six Months

New records for steel production were set during the first six months of 1944 when, despite increasing shortages of manpower, the American steel industry produced 45,061,874 tons of ingots and steel for castings, the American Iron and Steel Institute announced on July 11. This was almost 1,200,000 tons above the 43,886,451 tons produced in the corresponding period of 1943 and exceeded by a narrow margin the previous record output of 44,949,915 tons produced in the second half of last year. Most of the increase in production came in the early months of this year.

In June, output was 7,217,232 tons, which was equivalent to 1,682,338 tons per week and represented the lowest weekly average in six months. In May, steel production totaled 7,680,472 tons, or an average of 1,733,741 tons per week. In June, 1943, a total of 7,039,353 tons was made, or 1,640,875 tons per week.

During June, the steel industry operated at an average of 93.9% of capacity, which compares with 96.8% in May and 94.8% in June a year ago. Operations during the first half of this year averaged 96.7% of capacity, as against 98.0% in the corresponding 1943 period.

on income receivers in the lower brackets.

"Even if some broadening of the tax base should be required, there is much to be said for such a change on grounds of equity, and more on grounds of economic expediency. A moderate increase in the share of the tax load borne by the receivers of low incomes would be a small price to pay for the health and vitality of the industrial system from which all our citizens derive their support. No tax burden could be so great as the burden of industrial stagnation and unemployment."

Industry Must Adjust Financial Problems Now To Prevent Idleness After War Contracts End

Industry must adjust its financial problems now to prevent business failure and widespread unemployment when war contracts are cancelled, Norman W. Wilson, Chairman of the Corporation Peacetime Planning Committee of the National Association of Manufacturers, warned on June 23, at which time he stated that "a high level of employment after war production falls off will depend in a large measure upon the success with which post-war financing problems are met."

Mr. Wilson, who is President of Hammermill Paper Co., sounded this warning in a "Guide to Post-War Financial Planning for Manufacturers," last in a series of five planning guides issued this year by NAM.

"Hundreds of companies have an unfounded sense of security from reports about the condition of other businesses, and apparently are not even aware of coming problems which threaten their very existence," Mr. Wilson emphasized. "Quoting statistics to the manufacturer who is an exception is like telling a sick man about the general health of the community and will not cure his own difficulty," he continued. "Jobs, incomes and even the perpetuation of our competitive business system depend to a substantial degree on whether individual companies can solve the financial problems involved in conversion to peacetime production."

The guide was prepared by the Peacetime Planning Committee's Subcommittee on Finance, the Chairman of which is W. A. Skelton, Vice-President of the Meisel Press Manufacturing Co., Boston. Its other members are F. W. Gilbert, Vice-President, A. C. Gilbert Co., New Haven; R. A. Livingston, President, Tubing Seal-Cap, Inc., Los Angeles; W. R. Munk, Thonet Brothers, Inc., New York; Bernard Peyton, Vice-President, New York Air Brake Co., New York; A. L. Lewis, President of Lewis-Shepard Sales Corp., Watertown, Mass.; Frederick M. Daley, President, Sponge Rubber Products Co., Derby, Conn.; E. C. Brelsford, Weston Electric Instrument Corp., Newark, N. J., and Joseph Ready, Electric Power & Light Corp. of New York.

Mr. Wilson explained that the guide was designed especially for those companies which will have heavy expenses in changing over to peacetime production.

"Many executives," says the guide, "have a vague impression that they can borrow large sums satisfactorily from some government agency, and that this will solve their problems. Others, having looked into this source of funds, oppose government loans because of the many direct encroachments on private management's prerogatives provided for in such agreements." The guide adds:

"The problems are especially difficult for small companies which are not staffed with experts to deal with finance. They cannot easily resort to public financing because costs and government red tape are well-nigh insurmountable barriers for any but large companies seeking huge sums. Furthermore, small companies which lack a national reputation could not be sure of public acceptance of their securities if they were offered."

Industry would find the government to be its largest creditor, if the war were to end today, according to the guide, which pointed out that the government also owes industry large sums.

"The process of unwinding from the government will be much more difficult than the winding-up process," warned the guide. "Demobilization may strike suddenly and sufficient funds must be made available to meet the cost for both government and industry. The wheels of government move slowly, but industry cannot wait," it was explained. "Industry must seek the quickest available sources for cash." It is further noted:

"Many companies have needed

their funds to carry on their war business. Many have set up reserves on a lump sum basis, not founded on factual data. As the elements of post-war costs become more clarified, a company is better able to develop a budget with the definite purpose of financing such costs when the war ends."

"In many instances, a severe shortage will be found—and the need becomes obvious to mortgage plants, or issue securities, or to establish an increased basis for credit between government, banks, creditors, and the affected company until new peacetime income begins to flow back into the company."

Preceding issues of this series of planning guides issued by the NAM explored problems of Internal Organization, Sales Planning, Product Development and Cost Study. In the preparation of this series, it is stated, pertinent questions were discussed with many leading executives in all parts of the country and from various segments of business.

NY Trust Inaugurates Semi-Annual Report

Reporting on a semi-annual basis for the first time in its history, The New York Trust Company shows a net operating income for the first six months of 1944 of \$2,045,810, or \$3.41 per share. This compares with a net of \$1,715,524 for the first half of 1943 or the equivalent of \$2.86 per share. The usual dividend of \$1.75 per share was paid in the first half of 1944. Loans and discounts as of June 30, 1944, stood at \$188,349,955, an increase of \$46,000,000 as compared with June 30, 1943. The bank increased its holdings of United States Government obligations for the same period by \$71,000,000 and now holds a total of \$455,606,903.

In discussing the policy of issuing a semi-annual report, John E. Bierwirth, President, said:

"Beginning with the year 1941, we have published an annual report with operating results and a discussion of the main features of the year's business. We intend to continue this practice, and are inaugurating at this time a semi-annual report on a comparative basis showing the operating details for the first six months of the current year with the usual statement of condition."

Withdraw Citizenship Of Disloyal Japanese

On July 3 President Roosevelt signed legislation to withdraw the citizenship of Japanese born in this country whose loyalty to the enemy marks them as Japanese nationals. Associated Press advices from Washington reporting this, added:

"Attorney General Biddle said the law was needed to deal with the problem of 300 to 1,000 Japanese at the Tule Lake Relocation center who, he said, 'assert their loyalty to the Emperor of Japan and their desire to renounce their United States citizenship and to be recognized as Japanese nationals.'

"By making it possible for this group to abandon American citizenship, Mr. Biddle said, 'they could thereupon be dealt with as alien enemies under the applicable statutes.'"

The Financial Situation

(Continued from first page)

home with some face-saving formula—it may not be the function of these delegates to do any such thing, but it would certainly be heartening to many informed citizens of this country if some one with adequate authority or influence were devoting himself to this task. As things are actually going, the technical details of this or that plan or of this or that proposed modification apparently absorb the attention of the delegates, and of the press, to the exclusion of any and everything else.

Thus it comes about that the man in the street is wholly unaware that the schemes being hatched out at Bretton Woods rest upon notions which for centuries long have been regarded by practically every one entitled to an opinion as wholly out of accord with fact and sound management of practical affairs. It may well be questioned whether one man in a thousand has even a suspicion that the factors which will make possible or impossible reasonably stable exchange rates in the future years are for the most part not even under consideration at Bretton Woods. No more frequently found is the man who understands that despite all the repeated resolutions that "the mistakes of the past" will not be repeated, these proceedings and all those which have gone before are for the most part going forward without even a serious attempt to get at the roots of the currency debacles which occurred between the two world wars.

Stability Wanted?

So much has been said for so long about stability among the exchanges of the world that the average man is probably under the impression that the main purpose of this meeting and of the various plans that have been presented is, above all, to assure reasonably stable rates of exchange in the foreign exchange markets of the world. Yet in any but a purely Pickwickian sense this is not true at all. President Roosevelt "ditched" the London conference in 1933 because he was not willing to quit tinkering with our currency for the sake of international stability. Lord Keynes is time and again on record as believing that stability was achieved under the prewar gold standard at a prohibitively high cost. It is probably widely believed that the "pressure" that the managers of the proposed fund would normally bring upon any nation would be in the interest of greater care, conservatism and soundness in the management of its domestic affairs. The fact is that a different kind of objective appears to be much more consistent with the doctrines which Lord Keynes in Great Britain and Mr. Hansen in this country have been consistently and repeatedly preaching for a long time past. According to their ideas what is wanted is an "expansionist" economy. By this

term they apparently mean a perpetuation of what used to be called upward swing of the business cycle—a sort of boom without end or "pay day."

"Expansionist"

The supporters of this doctrine have often set forth in rough outline what they would do to bring such a state of affairs into being and maintain it. They would simply create funds and pour them out in amounts comparable perhaps to those we have grown accustomed to during this global war—and keep right on doing so as long as it is necessary in order to keep the pot boiling. Apply this sort of thinking to the international situation, and we have quite logically the notion that such a fund (and bank) as is here being proposed would be used directly and indirectly in case of disequilibria not to bring the overexpanded or profligate nation into line, but to "stimulate" the others to expand, to become profligate, to develop boom conditions within their own borders and thus bring their currencies into line—that is, by equally inflating them all. Ideas of this sort seem to us to be implied in a good deal that Lord Keynes has been saying since his arrival at Bretton Woods.

At many other points the modern ideas of the so-called economists of the "forward" countries of the world definitely underlie much of what is being said and what is being planned at Bretton Woods, and in much that went on in preparation for it. Here as on so many other occasions the old idea that "loans" are a cure for underlying ills runs rampant. It appears to be supposed that borrowers aplenty with reasonable showing of ability to use money profitably and usefully will appear on all sides. Here again it is found convenient to forget that loans have an unfortunate habit of falling due, and that year by year interest must be paid upon them—must be paid if the borrower is to stay out of bankruptcy whether or not the enterprise is earning it. The commonplace fact that in the past—and almost certainly again in the future—it has been "risk capital" which has pushed back the frontiers of industry and trade and is responsible for the progress of the world is

Items About Banks, Trust Companies

The First National Bank of the City of New York, in its report of condition at the close of business June 30, 1944, shows total resources of \$1,139,258,110 and total deposits of \$1,005,698,921, compared with \$1,091,020,303 and \$939,720,778 on Mar. 31, 1944; cash and due from Federal Reserve banks and other banks, including exchanges is listed at \$154,072,955 against \$135,448,279 three months ago; holdings of U. S. obligations, are shown as \$747,135,630 compared with \$763,905,901; and loans and discounts are now \$132,840,170 against \$83,455,054; capital and surplus remained unchanged at \$10,000,000 and \$100,000,000, respectively. Undivided profits on June 30 are given as \$16,463,085, after making provision for the July 1 dividend of \$2,000,000, compared with \$15,026,808 on Mar. 31 after providing for the Apr. 1 dividend of \$2,000,000.

The promotion of George J. Messemmer from Assistant Secretary to Assistant Vice-President of Irving Trust Company of New York was announced on July 6 by Harry E. Ward, Chairman of the Irving's Board. Mr. Messemmer has been with the Irving since 1918 in its foreign division. He was made an Assistant Secretary of the company in 1937. He has been active in a number of organizations interested in foreign trade, and recently retired from the chairmanship of the Committee on Foreign Banking after serving two years in that capacity.

The statement of the Chase National Bank of New York for June 30, 1944, made public July 6 shows deposits on that date of \$4,677,873,000, the largest deposit figure yet reported by the bank,

forgotten. Most of the kind of operations these international monetary "experts" appear to want to have undertaken are suitable in any event only for those who have funds of their own and are willing to take the obvious risks involved against the hope of extraordinarily large profits. To make matters worse, the demand for bona fide loans and the need for pure charity appear to be hopelessly confused.

"Spreading" Risks

The currently common error of supposing that risks inherent in many situations can be eliminated or rendered harmless by somehow "spreading" them is evident. To listen to some of these "economists" one would suppose that a man on his way to the electric chair would be a "good risk" for the insurance business if only enough companies shared in the policy and the poor devil was able to pay a slightly higher premium. Loss is less crippling to business if widely shared, but nothing can replace careful choosing of risks in business—the kind of choosing that a shrewd business man is able to effect, and will effect when it is his own money that is to be risked.

Complete abandonment of such fallacies as these, and the formulation of both national and international policies which encourage "the normal growth of industry and trade, not some new kind of a fund" or bank, is what is needed.

compared with \$4,457,582,000 on March 31, 1944. Total resources amounted to \$4,990,183,000, compared with \$4,766,000,000 on March 31; cash in the bank's vaults and on deposit with the Federal Reserve Bank and other banks, \$886,348,000, compared with \$936,854,000 three months ago; investments in United States Government securities, \$2,778,218,000, against \$2,691,990,000; loans and discounts \$1,048,627,000, contrasted with \$878,952,000. On June 30, 1944, the capital of the bank is shown as \$111,000,000, and the surplus \$124,000,000, both figures unchanged from those reported as of March 31, 1944. The undivided profits on June 30, 1944, after deducting \$5,180,000 from that account for a semi-annual dividend payable Aug. 1, amounted to \$43,209,000, compared with \$43,107,000 last March 31.

Net current operating earnings of the bank for the first half of 1944, after expenses and taxes, were \$9,134,000, equal to 1.23 a share, compares with \$7,276,000, equal to 98 cents a share in the first six months of 1943. In addition, net profits from the sale of securities were \$1,377,000, equal to 19 cents a share for the first half of 1944, as compared with \$2,696,000, equal to 37 cents a share for the same period in 1943. Resulting total net earnings were \$1.42 for the first six months of 1944 as compared with \$1.35 for the first half of 1943.

Brown Brothers Harriman & Co., private bankers, report that deposits as of June 30, 1944, totaled \$148,448,365 compared with \$139,204,936 three months ago and \$143,766,723 a year ago. Total assets on June 30 amounted to \$169,940,171 compared with \$161,380,509 on March 31, 1944, and \$165,666,602 on June 30, 1943. Capital and surplus of \$13,566,234 compared with \$13,545,553 three months ago and \$13,485,777 a year ago. Loans and advances were \$42,150,908 compared with \$39,709,313 on March 31, 1944, and \$35,445,334 on June 30, 1943. Other important asset items compare as follows with figures for three months and a year ago: Cash, \$33,869,085 against \$33,012,725 and \$32,583,399; and United States Government securities (valued at lower of cost or market), \$53,889,513 against \$52,514,532 and \$66,446,330.

The Continental Bank & Trust Company of New York reported as of June 30 total deposits of \$157,157,449, and total assets of \$168,431,308, compared, respectively, with \$136,633,212 and \$147,062,120 on March 31. Cash on hand and due from banks amounted to \$27,948,382, against \$31,309,996; holdings of U. S. Government obligations to \$77,177,110, against \$64,504,868; loans and discounts to \$51,626,931, against \$41,654,447. Capital and surplus were unchanged at \$4,000,000 each. Undivided profits were \$1,508,651, against \$1,388,625.

Statement of condition of Sterling National Bank & Trust Company of New York at June 30, 1944, shows an all-time high in resources and deposits of \$98,230,012 and \$92,046,946, as compared with \$90,097,399 and \$83,991,611, respectively, as of March 31, 1944. Of the June total deposits of \$92,046,946, U. S. Government deposits increased to \$13,320,307, as compared with \$10,094,472, shown on March 31 last; Commercial and other deposits reached an all-time high of \$78,726,639, as compared with \$73,897,139. Capital, surplus and undivided profits totaled \$4,791,299 as against \$4,773,885 on March 31.

Cash and due from banks amounted to \$21,980,165 on June 30, 1944, against \$21,583,667 on March 31; U. S. Government securities increased to \$47,720,375,

as compared with \$39,918,299; state, municipal and corporate securities amounted to \$1,594,458, compared with \$1,547,625; loans and discounts amounted to \$26,047,844, against \$26,004,733. Stock in Federal Reserve Bank remained the same, namely, \$135,000. Reserves increased to \$725,142, as compared with \$617,471 on March 31, 1944.

J. Henry Schroder Banking Corporation reports total resources of \$54,870,638 on June 30, 1944, against \$48,932,350 on March 31, 1944. Cash on hand and due from banks was \$7,302,459 against \$5,322,214. U. S. Government securities were \$33,825,806, against \$28,336,914; customers' liability on acceptances, \$4,662,713, compared with \$5,357,622 in March. Surplus and undivided profits were \$2,641,227, against \$2,637,326 in the previous quarter; amount due to customers was \$4,532,380, against \$3,321,785. Acceptances outstanding were \$5,189,515, compared with \$6,480,022.

Schroder Trust Company reported June 30 resources of \$41,900,968, compared with \$34,290,256 on March 31; cash and due from banks, \$5,469,852, against \$4,909,684; U. S. Government securities, \$32,538,158, against \$25,066,880; loans and discounts, \$3,100,123, against \$3,560,867. Surplus and undivided profits were \$2,044,903, against \$2,041,476. Deposits were \$38,133,336, against \$30,394,477.

Manufacturers Trust Company, New York, has announced that William L. Fraser and William B. Whitman in the Out-of-Town Department at the Main Office, 55 Broad St., New York, formerly Assistant Secretaries, have been elected Assistant Vice-Presidents. James M. Macpherson, formerly Assistant Secretary, in charge of Central Operating Department at the Main Office, has been elected an Assistant Vice-President. Emanuel M. Reeves, formerly Assistant Secretary, at the bank's office at 530 Seventh Ave., corner 39th St., New York, has been elected an Assistant Vice-President.

It is also announced by the Manufacturers Trust Company that Harold C. Dean, Executive Vice-President of the New York & Queens Electric Light & Power Co. of Long Island City, and Edward J. Sovatkin, President of the J. Sklar Manufacturing Co. of Long Island City, have been elected to the Advisory Board of the bank's Queens Plaza Office at 29-28 41st Ave., Long Island City.

Earl Harkness, President of the Greenwich Savings Bank of New York, has announced the appointment of Herman G. Berdolt as an Assistant Treasurer of the bank. Mr. Berdolt will succeed George A. Roeder, who retired July 1 after 37 years of service with the bank. Mr. Berdolt goes to his new post from the Lawyers Title Corporation of New York, where he was Vice-President and Treasurer. The Greenwich Savings Bank, which has two offices on Sixth Ave., at 36th St. and at 16th St., is one of the nation's largest savings banks. It has resources of \$175,000,000 and serves more than 153,000 depositors.

Herbert W. Bell, Vice-President at the Fifth Avenue Office of the Guaranty Trust Company of New York, died on July 8, at the New York Hospital, following a short illness. Mr. Bell was born in Yonkers, N. Y., Nov. 26, 1897. He began his business career with the Westchester Trust Company of Yonkers. His next connection was with a New York brokerage house, which he left in 1918 to join the Guaranty as a credit investigator at the Main Office. Two years later he went to the Fifth Avenue Office, where he became head of the Credit Department. Mr. Bell was appointed an Assistant Treasurer in 1924, (Continued on page 216)

Priority Referral System Affects Women As Well As Men WMC Announces

Completion of local plans in every State to put into effect the War Manpower Commission's order that beginning July 1 all male labor must be hired through the U. S. Employment Service or such channels as it may designate, was announced on June 30 by Chairman Paul V. McNutt. This national program, he explained, results from the setting up of a nation-wide system of manpower priority referrals to give war industries the labor they need.

Women as well as men have been brought under the priority referral system in many communities, Mr. McNutt said. He explained that in extending the system to women, regional directors have acted under authority given them by headquarters to adapt the program to local conditions and requirements. In some cases the application of the hiring restrictions to women affects only those in critical occupations.

The advices from the WMC also said:

"Certain areas in the following States also require that women be hired through USES or its approved channels: Connecticut, Massachusetts, New Hampshire, Rhode Island, New Jersey, Delaware, Ohio, Florida, Georgia, Mississippi, Tennessee, South Carolina, Nevada, Oregon, Arizona and California.

"With the field machinery set up along new lines, WMC will intensify its recruitment of workers, Chairman McNutt said. The priority referral plan with its provision that employers do all their hiring through the designated channels, will, the Chairman believes, make it possible to bring about the transfer of many workers from less-essential to essential industries and from areas where there is a surplus of labor to those where the obtaining of labor has become a serious problem.

"The 12 regional directors have reported to headquarters the naming of local manpower priorities committees with responsibility for determining what priority, if any, an industry, or business establishment, shall have in hiring workers. Wherever administratively possible, a committee has been set up to handle the situation in each area. In a number of regions this has not been found practicable and in such cases one committee will act for two or more areas, Mr. McNutt said.

"In New York City, which has a labor surplus, the regional director has departed somewhat from the national pattern in establishing the priority referral plan. There the plan will be applied only to less-essential employers of four or more employees. These employers may not hire male workers between the ages of 18 and 45 except upon referral by the local office of the USES.

"The Manpower Priorities Committee, already established in New York City will determine priorities for essential firms. Plans have been made for a special recruiting program for additional male workers channeled through USES.

"Employment ceilings have been established in Group I and II communities, in which labor is scarce. In many communities such limits on employment already had been fixed. Mr. McNutt explained that considerable latitude has been given the field men in limiting employment. The chief concern of headquarters, he said, is that the ceiling be fixed on male labor but in some cases the local officials have applied them to women as well as to men.

"In all communities ceilings for major war production employers are established on the basis of the minimum number of workers required to insure required production. Other ceilings vary according to local conditions and requirements. (In some communities the number of workers allowable at a plant is the number on the payroll on June 1. In other cases the June 30 payroll is the

determining factor and in others the number employed on dates earlier than June have been taken.) These ceilings, Mr. McNutt explained, are expected to maintain employment at present levels or even to lower the level where practicable by limiting replacements.

"Regional directors have assured headquarters, Mr. McNutt said, that consultation of WMC officials and members of local management-labor committees preceded action on every phase of the program. Every action taken, he reported, has the endorsement of the management-labor group which, in turn, represents the local employers and workers. Mr. McNutt emphasized that success of the priority referral plan will be determined by effort in the field and that the field operations will be supported by headquarters at every point. He said the National Priorities Committee recently established in Washington will function precisely as do the local committees except that it will determine priorities for inter-regional recruitment. The membership is practically the same as that of the National Committee. Area committees include representatives of WMC, the War and Navy Departments, War Production Board, Selective Service, Maritime Commission, Smaller War Plants Corporation, Aircraft Resources Control Office, War Food Administration, Office of Defense Transportation when there are transportation problems and Civil Service if government employment is an important factor. The entire program, Mr. McNutt said, has the endorsement of the National Management-Labor Policy Committee.

"Both employers and employees will have the right of appeal from any decision of local officials of WMC, Mr. McNutt said. It has not been necessary to set up new appeals units since such machinery has been in existence since the early days of WMC. As an indication of the importance of placing employment ceilings on industries in the tight labor market areas, Mr. McNutt said there are now in these areas 79% of the nation's munitions industries. Exactly what proportion of the workers of the country are found in plants located in such areas has not been determined but in war munitions throughout the country there are employed 9,700,000 workers of whom 2,700,000 are women. These totals, he added, do not include the men and women engaged in many other essential industries and necessary services.

Specific communities in which the Priority Referral System has been extended to apply in one way or another to women are:

Region I—(Maine, New Hampshire, Vermont, Connecticut, Rhode Island, Massachusetts)—Bristol, Conn.; Meriden, Conn.; New Britain, Conn.; Waterbury, Conn.; Springfield, Mass.; Claremont, N. H.; Portsmouth, N. H.; Providence, R. I.

Region II—(Pennsylvania, Delaware, New Jersey)—Newark, N. J.; Wilmington, Del.

Region IV—(District of Columbia, Maryland, North Carolina, Virginia, West Virginia)—District of Columbia, Baltimore, Md.—women released from essential and locally needed only.

Region V—(Kentucky, Michigan, Ohio)—Adrian, Mich.; Dayton, Ohio; Springfield, Ohio; Lima, Ohio; Monroe, Mich.; Sidney-Piqua-Troy, Ohio; Youngstown, Ohio.

Region VII—(Alabama, Florida,

Truckloading Volume Increased in May

The volume of freight transported by motor carriers in May increased 4.9% over April and 4.1% over May, 1943, according to statistics released on June 30 by the American Trucking Association, Inc. The increase over last year's volume was in contrast with decreases in March and April under the comparable months of 1943.

Comparable reports received by ATA from 342 motor carriers in 47 States and the District of Columbia showed these carriers transported an aggregate of 2,876,902 tons in May, as against 2,743,557 in April, and 2,764,100 in May of 1943.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 174.71 in May; the April index was 172.12.

Approximately 80% of all tonnage transported in the month was hauled by carriers of general freight. The volume in this category increased 5.1% above April and 1.5% above May, 1943.

Transportation of petroleum products, accounting for about 13% of the total tonnage reported, showed an increase of 2.2% above April and was 24.9% above May of last year.

Carriers of iron and steel products hauled about 3% of the total tonnage. Their traffic volume was 7.1% above that of the previous month and was 8.2% above May, 1943.

About 4% of the total tonnage reported consisted of miscellaneous commodities, including tobacco, milk, textile products, coke, bricks, building materials, cement and household goods. Tonnage in this class increased 7.5% above April but declined 1.4% under May of last year.

Steel Payrolls In May Rose To New High Peak

Steel industry payrolls and average weekly earnings of wage earners climbed to a new peak in May, the American Iron and Steel Institute announced on July 8. A total of \$145,427,000 in payrolls was distributed during the month, as against \$138,860,000 in April and \$137,404,000 in May, 1943. The previous record monthly payroll was \$145,285,000 in March of this year. The Institute's statement further stated:

"Wage-earning employees received an average of 118.4 cents per hour in May and worked an average of 47.5 hours per week, indicating average weekly earnings of \$56.25.

"By comparison, in April steel wage-earners received 119.0 cents per hour and worked 45.9 hours per week—indicating average weekly earnings of \$54.60 per worker. The previous peak for weekly wages was March, 1944, when average earnings of 115.9 cents per hour and a 47.7 hour work-week indicated average earnings of \$55.30 per week.

"In May a year ago, steel industry wage employees earned an average of 113.4 cents per hour and worked 41.9 hours per week.

"During May, 1944, the industry employed an average of 569,000 employees, compared with 573,000 in April. In May, 1943, a total of 632,000 employees was at work."

Georgia, Mississippi, South Carolina, Tennessee)—To women except Tampa, Fla.; Jacksonville, Fla.; Jackson, Miss.

Region XII—(Arizona, California, Nevada, Oregon, Washington)—California and Oregon—women in critical occupations.

In Region VIII women have been included in 45 areas, or an estimated one-half of the region.

President Roosevelt Approves Legislation Promising Philippine Independence

Two resolutions incident to the bringing about of the independence of the Philippines were approved by President Roosevelt on June 30. A statement by the President incident to his signing of the resolutions, points out that the first of these lays down "a policy for the granting of independence, and for the acquisition of bases adequate to provide for the mutual protection of the United States and the Philippine Islands." It is also observed by the President that the resolution declares it to be the policy of Congress "that the United States shall drive the treacherous, invading Japanese from the Philippine Islands, restore as quickly as possible the orderly, free democratic processes of government to the Filipino people, and thereupon establish the complete independence of the Philippine Islands as a separate self-governing nation."

It is made possible by the measure, said the President, "to proclaim independence as soon as practicable after constitutional processes and normal functions of government have been restored in the Philippines."

The second resolution, the President noted, "brings into effect the joint economic commission first ordained in the present organic act, and enlarges its scope to include considerations of proposals for the economic and financial rehabilitation of the Philippines." It was noted by the Associated Press that before the war the Philippines were to have received their independence July 4, 1946.

The President's statement made with the approval of the resolutions follows:

"I have signed today two joint resolutions of Congress respecting the Philippines. The first of these resolutions lays down a policy for the granting of independence and for the acquisition of bases adequate to provide for the mutual protection of the United States and the Philippine Islands.

"In that resolution it is declared to be the policy of the Congress that the United States shall drive the treacherous, invading Japanese from the Philippine Islands, restore as quickly as possible the orderly, free democratic processes of government to the Filipino people, and thereupon establish the complete independence of the Philippine Islands as a separate self-governing nation. The measure makes it possible to proclaim independence as soon as practicable after constitutional processes and normal functions of government have been restored in the Philippines.

"It is contemplated that as soon as conditions warrant, civil government will be set up under constitutional officers. It will be their duty forthwith to take emergency measures to alleviate the physical and economic hardships of the Philippine people and to prepare the Commonwealth to receive and exercise the independence which we have promised them. The latter includes two tasks of great importance: Those who have collaborated with the enemy must be removed from authority and influence and the political and economic life of the country; and the democratic form of government guaranteed in the Constitution of the Philippines must be restored for the benefit of the people of the islands.

"On the problem of bases the present organic act permitted acquisition only of naval bases and fueling stations, a situation wholly inadequate to meet the conditions of modern warfare. The measure approved today will permit the acquisition of air and land bases in addition to naval bases and fueling stations.

"I have been informed that this action is most welcome to Commonwealth authorities, and that they will gladly cooperate in the establishment and maintenance of bases both as a restored Commonwealth and as an independent nation. For this we shall have an outstanding example of cooperation designed to prevent a recur-

rence of armed aggression and to assure the peaceful use of a great ocean by those in pursuit of peaceful ends.

"The second joint resolution signed today brings into effect the joint economic commission first ordained in the present organic act, and enlarges its scope to include consideration of proposals for the economic and financial rehabilitation of the Philippines.

"We are ever mindful of the heroic role of the Philippines and their people in the present conflict. Theirs is the only substantial area and theirs the only substantial population under the American flag to suffer lengthy invasion by the enemy. History will attest the heroic resistance of the combined armies of the United States and the Philippines in Luzon, Cebu, Iloilo and other islands of the archipelago.

"Our character as a nation will be judged for years to come by the human understanding and the physical efficiency with which we help in the immense task of rehabilitating the Philippines. The resolution creates the Philippine Rehabilitation Commission whose functions shall be to study all aspects of the problem, and after due investigation report its recommendations to the President of the United States and the Congress, and to the President and the Congress of the Philippines."

According to Associated Press advices from Washington June 30, Vice-President Sergio Osmena of the Philippine government-in-exile hailed the new legislation as "a long step toward the real freedom and independence of the Philippines and its survival as a free and Christian nation."

These advices added: "However, President Manuel L. Quezon, in poor health for some time, issued a statement from Saranac Lake, N. Y., saying he had supported an original draft of the legislation, as introduced by Senator Millard E. Tydings (Dem., Md.), to grant Filipino independence outright within 30 days after its passage.

"Implying he favored a more definite statutory provision for the Islands' independence date, President Quezon quoted from correspondence with Senator Tydings and Representatives Walter H. Judd (R. Minn.), and C. Jasper Bell (Dem., Mo.), who helped draw up the resolutions. The legislators all stressed, Mr. Quezon said, that the new law 'advances the date of independence in case the Philippines is liberated before July 4, 1946, and in any event does not postpone it beyond that date.'"

Money in Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting the money held in the U. S. Treasury and by Federal Reserve Banks and agents. The figures this time are those of May 31, 1944, and show that the money in circulation at that date (including of course that held in bank vaults of member banks of the Federal Reserve System) was \$22,160,029,257 as against \$21,552,231,236 on April 30, 1944, and \$17,113,731,415 on May 31, 1943, and compares with \$5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, on June 20, 1914, total was \$3,459,434,174.

Credit Role Of Banks To Small Business Stressed By Stonier At Graduation Exercises

The role of American banking as the servant of business, large and small, in contrast with the British banking system was emphasized by Dr. Harold Stonier, Director of The Graduate School of Banking, in his address to the student body of the school at its commencement exercises in the Voorhees chapel on the Rutgers campus at New Brunswick, N. J., on June 30.

The annual summer session of the school, which the American Bankers Association conducts at Rutgers, closed on July 1; 471 bank officers have been in attendance at the session and 125 from banks in 26 States were graduated June 30, making a total of 1,255 graduated since the school began ten years ago. In addition, two men in the armed forces graduated in absentia, having completed their studies and written their theses while on military duty.

Diplomas were presented to the graduates by Raymond N. Ball, President of the Lincoln-Alliance Bank and Trust Company, Rochester, New York, who is Chairman of the Board of Regents of the Graduate School.

"Our banking system has survived wars, panics, and failures because it has always had as its major objective credit service to industry—small industry as well as large," said Dr. Stonier, who added:

"Unlike the British banks, we have catered to small business and to the man with the small savings account. British banks have not thought much about the little fellow during the past 50 years. During that time the banks of Great Britain have become great and few through mergers and consolidations. They directed people with small savings accounts to go to the post offices and to the savings and loan associations, although Britain was the original home of the savings bank. Small trust accounts have been handled by the Public Trustee, a State-owned corporation which is one of the largest corporations in the world today. Small business was discouraged by lack of thought given to it by the five big banks of England.

"Our banking system has had its faults, and has some today, but we have been anxious even in times of war to serve the credit needs of small business. The great Midland Bank of London within the past few months has opened an advertising campaign for small business accounts—something which thousands of Americans have been doing for decades. No chartered banking system can live very long under a democratic form of government that does not everlastingly think of its obligations to small business and to the thrift accounts and the small trusts and investments of the average man," he declared.

The graduating bank officers were urged by Dr. Stonier "not to take totalitarianism either lying down or by default. Democracy is the most difficult of all forms of government to maintain because it puts mental and spiritual burdens on the average man which he is often too careless or too lazy to assume," he said. "Democracies do not die from revolution; they simply cease to live from lack of attention." He went on to say:

"Total war during the past decade has become the new enemy of democracy. Paradoxical as it may seem, total war which this democracy is now waging to defeat totalitarianism may become the instrumentality to kill democracy in the United States of America. Beyond a doubt, democracies dressed up in the uniform of totalitarianism will win this war. The question of the decade to come is: Will democracies throw away the clothes of totalitarianism? Democratic totalitarianism is not as obvious or as ruthless as totalitarianism under dictators, but in the end the results are the same. The individual loses the dignity of citizenship by the promise of personal economic security. That security he pays

required to investigate all dealers from whom they purchase Title I paper, and to satisfy themselves before accepting such paper that the originating dealer is reliable, financially responsible and qualified to perform satisfactorily the work to be financed and to extend proper service to the customer."

Mr. Ferguson remarked that considering the tremendous volume of business transacted under Title I during the last ten years, amounting to more than 4,500,000 individual property improvement loans for \$1,800,000,000, there has been comparatively little abuse of this form of consumer credit. Nevertheless, he pointed out, irregular methods undertaken by some dealers tend to discredit the operations of legitimate dealers, to bring the products of manufacturers into disrepute and to destroy public confidence in the property improvement program. He also stated:

"The new provision will in no way impair the use of Title I facilities by responsible dealers. It will, however, deter the irresponsible dealer who misrepresents a product, overprices a transaction, engages in other sales practices which the vast majority of manufacturers, dealers and contractors regard as unethical and against the public interest. Moreover, lenders will be cautioned that they are to hold the dealers with whom they transact Title I business, strictly accountable for the acts of their salesmen."

Noting that while responsibility to pass upon the credit of the applicant continues to be vested in the lending institution, the Commissioner added that the new regulations make it clear that the lending institution is expected to observe prudent lending practices in granting loans. "Property improvements in the post-war period will provide jobs for hundreds of thousands of workers," said Mr. Ferguson. "It will become an attractive field for new salesmen and dealers, who should be made aware at the outset that the liberal terms of FHA time-financing must not be misused."

Mr. Ferguson added that in the interest of both dealers and lenders, and to expedite Title I transactions, the credit application has been shortened and simplified. Only such information is required from the borrower as is deemed essential, measured by the most advanced standards of installment sales practice. From the NHA announcement we also quote:

"Because of necessary restrictions on the use of materials and credit, Title I will not be used widely until the critical material situation is eased.

"Maximum amount of repair loans has been fixed, as formerly, at \$2,500 and maximum maturity at three years and 32 days. Loans for the conversion of existing properties to provide housing for war workers carry a maximum of \$5,000, with a maturity of seven years and 32 days. Loans for new non-residential, non-agricultural structures, such as garages and commercial buildings, are limited to a maximum amount of \$3,000, with a maturity of three years and 32 days. Loans for the erection of agricultural buildings, such as barns and silos, are limited to \$3,000 with a seven-year and 32-day maturity, if made without the security of a first mortgage, although the term may be 15 years and 32 days if the loan is secured by a first mortgage.

"Discount rates remain the same, except in the case of Class 2 (b) loans, which provide for financing the erection of new structures for use in whole or in part for agricultural purposes, where the rate has been lowered from a \$5 discount per \$100 to a \$3.50 discount per \$100, provided security is taken in the form of a first mortgage. The rate for repair and modernization loans stays the same, namely, \$5 per \$100 original face value of a one-year

Conclusions Of Bretton Woods Monetary Conf. To Be Summarized By Bankers' Committee

Views To Be Presented To Congress

Announcement was made at Philadelphia on July 8 by T. C. Swarts, President of the Pennsylvania Bankers Association and Executive Vice-President of the Woodlawn Trust Co. of Aliquippa, Pa., of the appointment of a Committee on International Monetary Exchange.

The Committee's tasks will be to "boil down to brass tacks" the conclusions reached by the United

Nations Monetary Conference at Bretton Woods, N. H., and to assist in presenting "the considered views of Pennsylvania business and banking" regarding the conference to Congress "in the right way." This is learned from Philadelphia advices to the New York "Times," which reported Mr. Swarts as having told the Associations Council of Administration that F. Brian Reuter, Vice-President of the Union Trust Company of Pittsburgh, had accepted chairmanship of the committee, on which the banks of the State would have "proper" representation. From the "Times" advices we also quote:

In a statement to the Council, he said:

"We owe it to the patrons of our banks to know the essential principles of sound exchange and sound credit between the nations and to be prepared to express dependable opinions about them.

"We should be very observant of the details of the new program when it shall have been launched for acceptance by all nations. It is my belief that this Association can be quite helpful to Pennsylvania in this connection.

"By this plan we shall be afforded a means of assisting in having the considered views of Pennsylvania business and banking expressed to Congress in the right way, if and when a final

plan is conceived in wisdom for upholding private enterprise in the United States."

The whole situation could be summed up in the statement that "we are ready to look a gift horse in the mouth," Mr. C. F. Zimmerman, Secretary of the Association, said. The committee will "boil down to brass tacks" the results of the Bretton Woods conference, he added.

The members of the new committee are:

F. Brian Reuter, Vice-President, Union Trust Co., Pittsburgh, chairman; C. A. Sienkiewicz, Vice-President and economist of Federal Reserve Bank of Philadelphia; Howard A. Loeb, Chairman of the Board, Tradesmen's National Bank and Trust Co., Philadelphia; Norman T. Hayes, Vice-President, Philadelphia National Bank; Archie D. Swift, President, Central Penn National Bank, Philadelphia; David E. Williams, President, Corn Exchange National Bank and Trust Co., Philadelphia; J. F. Aierstock, Conestoga National Bank, Lancaster; Dudley R. Atherton, Third National Bank and Trust Co., Scranton; Harry B. McDowell, President, McDowell National Bank, Sharon; Arthur E. Braun, Farmer's Deposit National Bank, Pittsburgh, and Frank F. Brooks, President, First National Bank, Pittsburgh.

To Defer Action Against Insurance Companies Until Congress And States Study Decision

Assurances that the Department of Justice has no intention of prosecuting cases against insurance companies under the recent decision of the United States Supreme Court until after Congress, the States and insurance companies have had opportunity to study the decision were given to the Senate Judiciary Committee at Washington on June 23, by Attorney General Biddle, according to Associated Press accounts that day, which added:

"In his statement, made public by the Committee, Mr. Biddle said the Department wanted to give the Federal Government and the States time to 'take such action as they might deem appropriate,' but after that period had elapsed it would consider bringing actions in equity rather than criminal procedures.

"Mr. Biddle conferred with the Committee after it had decided to postpone until after the Congressional recess action on a House-approved bill to exempt insurance companies from regulation under Federal anti-trust laws. The Supreme Court in the southeastern underwriters case held insurance was interstate commerce.

"The Attorney General told the Committee he believed that where the States actually fixed the rates, there could be no violation of law but that where they merely permitted rate bureaus to fix rates, they definitely came into conflict with the Federal law. 'It would be unfair,' he said, 'to send a man to jail for something he considered legal.'"

The Supreme Court decision was referred to in our issue of June 8, page 2383. In our July 6 issue, page 109, we noted the action of the House of Representatives in voting on June 22 to remove insurance companies from the applicability of the anti-trust laws.

note, payable in equal monthly installments, which still remains the lowest cost consumer credit ever made generally available."

NYSE Suspends Trade In Finnish Bonds

Pursuant to the announcement by the State Department of the severance of relations with the Government of Finland and following consultation with the Securities and Exchange Commission and the State and Treasury departments, Emil Schram, President of the New York Stock Exchange, announced on July 1 that by action of the Board of Governors of the Exchange taken at a special meeting before the opening of the market on that day the Republic of Finland 22-year 6% external loan sinking fund bonds due Sept. 1, 1945, and the City of Helsingfors 30-year 6 1/2% sinking fund bonds due April 1, 1960, have until further notice, been suspended from dealings on the Exchange.

There were no transactions in these issues on June 30, said the announcement of the Exchange, which added that "this action corresponds to that previously taken by the Exchange in the case of securities of other Axis countries, including those issued by political sub-divisions and corporations of those countries."

Dr. Santos in UNRRA Post

The acceptance by Dr. Eduardo Santos, former President of Colombia, of the appointment as Deputy Director-General for liaison with the American republics members of the United Nations Relief and Rehabilitation Administration, was announced on July 8 by Director-General Herbert H. Lehman at a dinner in honor of Dr. Santos at Washington.

Roosevelt Announces Intention To Accept 4th Term Nomination

(Continued from first page)

officers have superior officers. The President is the Commander in Chief and he, too, has his superior officer—the people of the United States.

I would accept and serve, but I would not run, in the usual partisan, political sense. But if the people command me to continue in this office and in this war, I have as little right to withdraw as the soldier has to leave his post in the line.

At the same time, I think I have a right to say to you and to the delegates to the coming convention something which is personal—purely personal.

For myself, I do not want to run. By next Spring, I shall have been President and Commander in Chief of the armed forces for 12 years—three times elected by the people of this country under the American constitutional system.

From the personal point of view, I believe that our economic system is on a sounder, more human basis than it was at the time of my first inauguration.

It is perhaps unnecessary to say that I have thought only of the good of the American people. My principal objective, as you know, has been the protection of the rights and privileges and fortunes of what has been so well called the average of American citizens.

After many years of public service, therefore, my personal thoughts have turned to the day when I could return to civil life. All that is within me cries out to go back to my home on the Hudson River, to avoid public responsibilities, and to avoid also the publicity which in our democracy follows every step of the nation's Chief Executive.

Such would be my choice. But we of this generation chance to live in a day and hour when our nation has been attacked, and when its future existence and the future existence of our chosen method of government are at stake.

To win this war wholeheartedly, unequivocally and as quickly as we can is our task of the first importance. To win this war in such a way that there be no further world wars in the foreseeable future is our second objective. To provide occupations, and to provide a decent standard of living for our men in the armed forces after the war, and for all Americans, are the final objectives.

Therefore, reluctantly, but as a good soldier, I repeat that I will accept and serve in this office, if I am so ordered by the Commander in Chief of us all—the sovereign people of the United States.

Very sincerely yours,
FRANKLIN D. ROOSEVELT.

The following is the latter addressed to the President by Mr. Hannegan:

Dear Mr. President:
As Chairman of the Democratic National Committee, it is my duty on behalf of the committee to present for its consideration a temporary roll of the delegates for the national convention, which will convene in Chicago on July 19, 1944.

The national committee has received from the State officials of the Democratic party certification on the action of the State conventions, and the primaries in those States which select delegates in that manner.

Based upon these officials' certifications to the National Committee, I desire to report to you that more than a clear majority of the delegates to the national convention are legally bound by the action of their

constituents to cast their ballots for your nomination as President of the United States. This action in the several States is a reflection of the wishes of the vast majority of the American people that you continue as President in this crucial period in the nation's history.

I feel, therefore, Mr. President, that it is my duty as Chairman of the Democratic National Committee to report to you the fact that the national convention will, during its deliberations in Chicago, tender to you the nomination of the party as it is the solemn belief of the rank and file of Democrats, as well as many other Americans, that the nation and the world need the continuation of your leadership.

In view of the foregoing, I would respectfully request that you send to the convention or otherwise convey to the people of the United States an expression that you will again respond to the call of the party and the people. I am confident that the people recognize the tremendous burdens of your office, but I am equally confident that they are determined that you must continue until the war is won and a firm basis for abiding peace among men is established.

Respectfully
Robert E. Hannegan.

Cotton Report As Of July 1, 1944

The Crop Reporting Board estimates the acreage of cotton in cultivation in the United States on July 1 at 20,472,000 acres, which is 1,470,000 acres, or 6.7% less than last year, and 7,717,000 acres less than the 10-year (1933-42) average. Assuming 10-year average abandonment an acreage of 20,081,000 acres is indicated for harvest in 1944.

Reduction in acreage from last year is indicated for all States except California, where acreage is increased 4%, and in Oklahoma, Illinois, and Kentucky where acreages were reduced to an unusually low level last year as the result of floods.

Of the important Cotton States, Georgia has the greatest percentage reduction with acreage 14% below last year. In Louisiana and Alabama acreages are reduced 9%. Texas, Arkansas, and Tennessee are down 7%, North Carolina 6%, Mississippi 5%, Missouri 4%, and South Carolina 3%. Plantings of short staple cotton increased in New Mexico and Arizona, but these increases were more than offset by reduction in acreage of American Egyptian cotton.

The total acreage planted to American Egyptian cotton is estimated at 14,000 acres, which is only 10% of the 141,700 acres planted last year. A negligible acreage is planted to Sea Island cotton this year.

The reductions in cotton acreage in 1944 are attributed partly to excessive and continued rainfall and low temperatures at seeding time, particularly in the southern part of the belt.

Also there were fewer laborers available for cotton chopping and harvesting which cut acreage as a whole or brought about a shift to crops requiring less hand labor. The reductions in cotton plantings appear to have been more pronounced on the larger farms, as many small farmers maintained or increased plantings except where the adverse weather prevented.

Eight Recommendations Made For Post-War Treatment Of Japan By Conference

Eight recommendations for the post-war treatment of Japan were made public in Princeton, N. J., on June 20 by 40 scholars in the field of international relations, who have been collaborating on a study of the problems of the Pacific area, it was made known in a special dispatch to the New York "Times" from Princeton, N. J., on June 20, which also had the following to say about the program:

The program represents the findings of a regional conference of the universities' committee on post-war international problems, of which Prof. Ralph Barton Perry of Harvard is chairman, held at Princeton University last Saturday and Sunday.

The findings of the conference include:

"Using as points of departure the principles of unconditional surrender and the total dissolution of the Japanese Empire, as provided by the Cairo communique, the conference agreed to the following:

"1. The terms of peace should, in general, be designed to discredit the militarist elements in Japan, to bring home to the Japanese people the fact of defeat, and to encourage the emergence of a political regime willing to cooperate on friendly terms with other countries.

"2. Complete military defeat, effective disarmament pending the establishment of a general security system, and the elimination of colonies are necessary to prevent a recurrence of Japanese aggression.

"3. The chief guarantee of long-run security in the Pacific is to be found in a general security system and a strong China.

"4. The military occupation of Japan should be limited to the period and extent necessary to enforce the terms of surrender and should be international in character.

"5. To promote the economic development of China and to prevent economic chaos in Japan, it is essential that Japanese industrial productivity be maintained.

"6. If Japan is to be accepted in the community of nations on the basis of equality, political, social and economic reforms are necessary. These reforms cannot be imposed from without, but must develop from within. There is reason to believe that such developments are possible given appropriate encouragement by the victor nations.

"7. When these reforms have been realized and Japan has given satisfactory evidence of her intention to cooperate with other nations on peaceful terms, all discriminatory controls should be eliminated.

"8. Because of their importance in the field of military strategy and civil aviation, the future disposition of the Japanese-mandated islands is of concern both to the United States and to other nations. These islands should not be permanently allocated to the exclusive control of any one nation, but should be placed under international control."

Factory Workers' Hours And Earnings Announced

A shorter average work-week, coupled with a decline in employment, resulted in 15½ million fewer hours of manufacturing time in the mid-week of April as compared with the mid-week of March, Secretary of Labor Frances Perkins reported June 25. "The average number of hours worked per man per week in April declined to 45.0, reflecting observance of the Easter holiday," she said. Secretary Perkins also stated that "each of the durable-goods groups reported fewer manufacturing hours. In each case the drop in total hours reflected a drop in employment and in all but two cases it was coupled with a decline in the average work-week. A slightly longer work-week was reported in the transportation equipment and automobile groups.

However, declines in employment in both of these groups were sufficient to reduce total manufacturing hours by more than a million and a half. The decline in total manufacturing time per week in the durable-goods group aggregated to almost 8 million hours." Miss Perkins further stated:

"The decline in total hours in the non-durable-goods group amounted to 7½ million hours per week and was the result of declines in each of the non-durable-goods groups. The largest declines among the non-durable-goods groups occurred in the apparel and textile groups which together reduced their manufacturing time by more than 4 million hours.

"Average weekly earnings for manufacturing as a whole amounted to \$45.56 in April. The earnings in the durable-goods group amounted to \$51.66, while the earnings in the non-durable-goods group averaged \$36.17. While average hourly earnings in all the durable-goods groups increased between March and April, drops in the average work-week were sufficient to reduce average weekly earnings in all but three of them.

"In the anthracite mining, bituminous coal mining, and metal mining industries, the decline in average hours per week also reflects the observance of Easter. The relatively greater decline in the average work-week in the anthracite industry than in the others was due to the more widespread celebration of the holidays and to the fact that a large number of anthracite miners observed the Greek Orthodox Easter week-end which fell one week later than the usually observed holiday. Because of the drop of 3½ hours in the anthracite industry, weekly earnings were \$4.31 lower in April than in March."

Letters To War Prisoners

Postmaster Albert Goldman announced on June 27 that the Post Office Department at Washington has received information from the Office of the Provost Marshal General, Prisoner of War Division, War Department, concerning changes which affect the instructions previously released regarding mail for Prisoners of War and Civilian Internees outside of the United States. The advices state: "Japan requires letters to be typed or hand printed in block letters and to be not more than 24 words in length. The name and address of the prisoner of war and the name of the sender will not be counted in determining the number of words in the letter.

"The addresses on letters for United States prisoners of war and United States civilian internees, generally, should contain (1) rank (in the case of a prisoner from the armed forces) and complete name (including the middle initial or middle name), (2) prisoner of war or internee number (if known), (3) name of the armed forces with which a military individual was serving or nationality of a civilian internee, (4) the place of internment or camp number (when known), (5) country in which camp or place is located, and (6) the words 'Via New York, N. Y.'

"With regard to books for prisoners of war and civilian internees confined in enemy-occupied countries, only one package of books may be sent every 30 days from the same sender to the same prisoner of war.

"The German authorities restrict correspondence that may be received by Greek prisoners of war

From Washington Ahead Of The News

(Continued from first page) soon as the need for war production in that particular industry ceases. The opposition cries that this is unfair, that some industries will get the jump on others. It is described, more or less loosely, as a fight between "big" and "little" business. The smaller firms naturally are the first ones to be released from war industry. As a rough and exaggerated example, Nelson feels that if some little fellow wants to undertake the manufacture of automobiles before General Motors, say, is released for civilian production, and the materials are available, he should be permitted to do so. It is Nelson's attitude that General Motors, released from war production a year hence, would have no trouble at all, in overtaking the little fellow.

It is not for your correspondent to go into the merits of a proposition such as this. But the question does arise as to how in the world, if there is to be this sort of bickering, our private enterprise entrepreneurs ever again hope to have the opportunity to do their stuff. It is symptomatic of our National attitude all during this war. One fellow or group is regimented and he immediately wants the other fellow or the other group regimented too.

We started off on the premise that if we drafted the boys we should draft the rest of the population. Back in World War I, we thought we were taking a revolutionary step when we went in for drafting the boys. This time, showing how far we had advanced, we gave not a second thought to that; we even drafted them before we got into the war.

There followed the agitation: "If you can draft the boys you can draft the wealth."

With industry drafted, we moved rapidly towards drafting labor, in an atmosphere of "if it's fair for one, it's fair for the other."

This attitude seems to be pronounced in the matter of reconversion. If it prevails it is going to make the problem of our getting out of the straitjacket far more serious. It occurs to us that our private enterprise entrepreneurs had better show some of that private enterprise genius now as they never have before. Instead of conniving with labor leaders to keep unneeded war plants in operation or to fight against one firm's being returned to civilian production before the others can be returned, they should, or so we think, be encouraging as fast shutting down of war production as is possible, regardless of the inconveniences to particular individuals.

Redeem Guatemala Bonds

Holders of Republic of Guatemala, Debt of 1927, 8% bonds due May 1, 1948, are being notified that the Schroder Trust Company, as successor financial agent, has received funds to redeem all of these bonds outstanding at par and full payment of all interest arrears, together with accrued interest from May 1, 1944 to June 30, 1944. Total principal and interest payment will amount to \$1,453.33 per \$1,000 bond. Redemption will be made at the trust department of the bank, 48 Wall Street, New York 5.

to letters or cards from persons who receive the required forms from the prisoner of war addressed."

North Pacific And Eastern Asia Main Area Of Post-War Development Wallace Declares

(Continued from first page)

piloting of Colonel Knight and Lieutenant Golkowske, the navigation by Captain Wagner, and the cheerful, efficient work of the rest of the crew made it possible to travel on schedule in spite of some bad weather.

"Captain Knowles very kindly pinch-hit as a secretary. Sergeant Robitaille had much to do with making our trip one which I will remember pleasantly. We traveled 23,000 interesting miles."

An item bearing on the Vice-President's visit to China and Siberia appeared in our July 6 issue, page 107.

The address delivered by Vice-President Wallace in Seattle, as reported by the United Press, follows:

Text of Mr. Wallace's Address

Since I left the skies above America seven weeks ago, I have visited two great countries—Soviet Asia and China. I have not stood upon the threshold of these countries like a stranger. I have been honored with the confidence of those who are working to shape their countries' destinies. I have been privileged to look behind the scenes.

Today I want to tell you something of my experiences of the past weeks.

In the first place, I am today more than ever an American. The more I examine other countries, the more convinced I am that the American way of life is the best way for us. In the second place, we can and should fit our own way of life to cooperation with other nations and other peoples whose way of life is different from ours, but who need our cooperation quite as much as we need theirs, and are not only willing but eager to cooperate with us.

In the third place, I am convinced that a main area of new development after this war—new enterprise, new investment, new trade, new accomplishments—will be in the new world of the North Pacific and eastern Asia.

This will give to our Pacific Coast an importance greater than it has ever had before, and I am glad, returning from Soviet Asia and China, that Seattle is my port of entry. No city is more American in spirit and action than Seattle. But no city has shown itself more alive to the importance of our relations with other areas of the North Pacific. This spirit is well exemplified, not only in your active peace-time trade with Asia, but also in the University of Washington, where for several years you have worked on integrating the study of the languages, cultures, history, politics and economics of the Pacific.

We shall need all our resources

of knowledge and all our American readiness to think out new ways of tackling new problems when we have won the war in the Pacific.

The day will come when the Pacific will be cleared of Japs and our boys, coming home from Tokyo, will land at Seattle, Portland, San Francisco and Los Angeles. Then we shall think more and more of our West as a link with the east of Asia.

Those who say that east is east and west is west and that the two shall never meet are wrong. The east of Asia, both Chinese and Russian is on the move in a way which is easy for any American to understand who sees these great areas at first hand for himself.

The rapid agricultural and industrial development of this great area means so much to the peace and prosperity of the post-war world that I am glad on my return to America to give my impressions of the manifest destiny of the West of American and the East of Asia.

Here in the Northwest United States we were long held back by unfair freight rates and by failure to develop the power inherent in the great rivers. But more and more we are perceiving the importance of strengthening our West and especially our Northwest. Thanks to men like Norris, McNary, Bone and Roosevelt, the Northwest during the last ten years has rapidly expanded. This expansion must continue to the limit of its agricultural, industrial and commercial potentialities. This includes Alaska, which has not yet begun to measure up to its possibilities. Our growth must be not merely in terms of ourselves, but also in terms of Asia. Vigorous two-way trade with Soviet Asia and China will greatly increase the population and prosperity of our Northwest.

All of this I knew in a theoretical way before going to Asia. After having seen as much of the industry and agriculture of east Asia as any American has seen in such a short time, I am more than ever convinced that we are entering upon what might be called the "era of the Pacific."

One characteristic of the Pacific era will be the building of great airports in parts of the world now very thinly inhabited. The extent to which the Russians have already developed runways and servicing for airplanes in east Asia amazed me. We landed at perhaps a dozen airports in Soviet Asia, the names of which not one in a thousand Americans ever heard.

It is quite possible that for 15 or 20 years after this war the air route to Asia via Fairbanks,

Alaska, will not be a money-making one. But it is also certain that our national future requires that we, in cooperation with Russia and the Chinese, maintain such a route.

Soviet Asia during the last 15 years has more than doubled in population. It is quite possible that the next 50 years will see a further increase of more than 30 million people. I am convinced from what I saw of the Amur River region that in the southern part of that area there will be a great increase in population. Russia, as a result of her experience with this war, will certainly shift much of her industry east of the Urals. Most of the people who moved to Siberia with their factories will stay there.

Everywhere from Magadan on the Pacific Ocean to Tashkent, central Asia, I found the Russian people producing to the limit in the factory and on the farm. About two-thirds of the work on farms and one-third of the work in the factories is being done by women.

In the factories everywhere I found American machinery, some purchased before the war, but most of it obtained under lend-lease. The way in which American industry through lend-lease has helped Russia to expand production in Soviet Asia has given me an increased admiration for both the United States and Russia.

I found American flour in the Soviet Far East, American aluminum in Soviet airplane factories, American steel in truck and railway repair shops, American machine tools in shipbuilding yards, American compressors and electrical equipment on Soviet naval vessels, American electric shovels in open-cut coal mines, American core drills in copper mines of Central Asia and American trucks and planes performing strategic transportation functions in supplying remote bases.

I found the people, both in positions of management and at the work benches, appreciative of the aid rendered by the United States and other allies.

While it is misleading to make any comparison between the huge Soviet industrial effort and the amount of lend-lease aid we have been able to give the USSR, I am convinced by what I saw in Siberia and Central Asia that lend-lease has helped the Russians in many difficult and even critical situations on the industrial front, as well as on the military front.

On the rich irrigated land of Central Asia a strong cotton industry is being rapidly developed. At Tashkent, a city of a million people, I found experimental work in cotton which for its originality and practical effectiveness compares most favorably with the best in the United States. Modern industry was also flourishing at this ancient seat of Eastern culture.

From Tashkent, my farthest point west, we turned east to Alma Ata, my last stop before entering China. There I found not only excellent scientific work with apples but also the beginnings of a moving picture industry which may make Alma Ata the Hollywood of central Asia. Located at the foot of the Tien Shan—Heavenly Mountains—the city is blessed with a superb climate—almost as good as that of southern California.

China is totally different from Soviet Asia. While she is eager and anxious to enter the machine age, she has not yet been able to turn out, in either modern war materials or heavy goods, more than a small fraction of her needs. This situation should not long continue.

China, with her 450,000,000 people and her great resources, should sooner or later produce a large portion of her requirements in the way of heavy and light industrial goods and also consumer goods. But to modernize her industry and train her people China

needs help. We have thousands of technical and business men in the United States who are able to furnish that help. But the business men in particular want to be sure of one thing. They want to be certain, before they lay the foundations and make the necessary outlay, that there is no foreseeable likelihood of conflict within China or between China and the U. S. S. R.

I am glad to say that I found among those with whom I talked an outspoken desire for good understanding, and personally I am convinced that China and the U. S. S. R. will take the necessary steps to insure continuing peace and to promote cultural and commercial exchanges among the nations of the Pacific to the benefit of all.

Asia is the center of the greatest land and population masses of the world. It is our business to be friends with both Russia and China and exchange with both Russia and China the goods and information which will raise the standard of living of all our peoples.

I found the leaders in both Soviet Asia and China anxious for the most friendly relationship with the United States and expressing the utmost confidence in the leadership of President Roosevelt. Living standards can be raised. Causes of war can be removed. Failure to concern ourselves with problems of this sort after World War I is costing us today hundreds of billions of dollars and a terrible toll of human life.

To avoid a recurrence of the scourge of war it is essential, in so far as the Pacific basin is concerned, that relations among the four principal Powers in the Pacific—China, the Soviet Union, the British Commonwealth and the United States—be cordial and collaborative.

Post-war stability in China is dependent upon economic reconstruction—agricultural as well as industrial—and reconstruction in China is dependent upon trade. It became clear to me during my visit to China that reconstruction is going to depend in large measure on imports from abroad. It will require technical and material assistance from us given on a businesslike basis.

We hear much about industrial reconstruction in China. I found the Chinese anxious for industrialization. China should be industrialized, but any industrialization of China must be based upon agricultural reconstruction—agrarian reform—because China is predominately a nation of farmers. They are good farmers, as I observed during my stay there, but they need a break—a new deal.

China should make the necessary reform, but we can help by furnishing technicians and scientific information and, on the trade level, by selling the Chinese agricultural implements, fertilizers and insecticides. Ultimately, of course, China should make these products for herself.

China should be self-sufficient in foods, but I can foresee that for many years the Chinese will continue to import food products from our West—wheat, flour and fruits, for instance. In fact, it is not unreasonable to anticipate that, with an increase in the standard of living of China's consumers, a healthy exchange of food products peculiar to China and our West will develop and endure. Northwest lumber should play an important part in the China of the future as it has in the China of the past.

The industrialization of China will require machines, and the materials of which machines are made. During recent years our West has been developing facilities for the production of steel and machinery. These will be in demand in China to produce the consumer goods which will be needed by the masses of East Asia.

Machines for land, sea and air

transportation will also be needed. Our West is in a particularly strategic position to produce for the east of Asia—airships and sea ships, and the timber, steel and aluminum of which they are made.

Trade is not a one-way affair—it is a swap, sometimes direct and sometimes complicated. It seems evident that credits will have to be employed to finance economic development in east Asia. But those credits must be repaid, and the most satisfactory way to repay is with goods. So, speaking particularly of China, we should plan to buy as well as to sell. Such typical commodities as wood oil, silks, tea, hides, and metals, which formed the bulk of China's exports to us before the war, should form the basis of an expanding Chinese export to the United States after the war.

There is a great future for trade between east Asia and ourselves. To bring this to pass will take only a sympathetic understanding of each other's conditions and a far-sighted determination to make trade what it should be—a mutually beneficial transaction.

Day after tomorrow I hope to report to President Roosevelt certain definite facts which I am not at liberty to discuss here. But I can say that everywhere I went in eastern Asia I found rapid changes. Even in Mongolia, one of the most remote regions of the world, I found that the changes of the past 20 years had been very great. The United States, together with Russia and Great Britain, has a profound interest in the rapid, peaceful change of eastern Asia to the more fruitful use of her vast natural and human resources.

Here is a great new frontier to which Seattle can furnish much in the way of leadership. Our scientists must cooperate with Russian and Canadian scientists in learning how to lick the problem of the permanently frozen ground of Alaska, Canada and the north of Siberia. We must exchange agricultural and weather information. I have found a splendid disposition on the part of Russian scientists to cooperate in agricultural matters and a frank readiness on the part of Chinese administrators to consider America's position as well as China's in discussing future economic cooperation. This gives me great hope for the long future.

The American business man of tomorrow should have a broad world outlook. I have faith that American economic leadership will confer on the Pacific region a great material benefit and on the world a great blessing. The new frontier extends from Minneapolis via the coast States and Alaska through Siberia and China all the way to central Asia. Here are vast resources of minerals and man-power to be developed by democratic, peaceful methods—the methods not of exploitation, but on the contrary, the more profitable method of creating higher living standards for hundreds of millions of people.

It was a wonderful trip. I am grateful to the President for giving me an opportunity to talk with people in every walk of life in Asia who are aiding us in winning this war. With victory we can continue to work together in peace. We want a higher standard of living in America. We want full production, jobs for our boys who come home, and peacetime jobs for those who are now employed. Trade with Russia and China will help keep the factories of America busy in the days that lie ahead. We are on our way.

Latest Summary Of Copper Statistics

The Copper Institute on July 11 released the following statistics pertaining to production, deliveries and stocks of duty-free copper:

SUMMARY OF COPPER STATISTICS REPORTED BY MEMBERS OF THE COPPER INSTITUTE (In Tons of 2,000 Pounds)

U. S. Duty Free Copper	Production		Deliveries to Customers		Refined Stocks End of Period	Stock Increase (+) or Decreases (-)	
	*Crude	Refined	Domestic	Export		Blister	Refined
Year 1939...	236,074	818,289	814,407	134,152	159,485	+17,785	-130,270
Year 1940...	992,293	1,033,710	1,001,886	48,537	142,772	-41,417	-16,713
Year 1941...	1,016,996	1,065,667	1,545,541	307	75,564	-48,671	-67,208
Year 1942...	1,152,344	1,135,708	1,635,233	---	65,309	+16,636	-10,255
Year 1943...	1,194,699	1,206,871	1,643,677	---	52,121	-12,172	-13,188
6 Mos. 1944...	568,355	566,945	844,917	---	42,467	+1,510	-9,654
July, 1943...	100,456	105,589	129,631	---	55,097	-5,133	-610
Aug., 1943...	97,413	100,077	147,135	---	53,726	-2,664	-1,371
Sept., 1943...	98,867	98,373	141,111	---	45,844	+534	-7,882
Oct., 1943...	102,589	97,274	129,212	---	47,148	+5,315	+1,304
Nov., 1943...	99,340	102,136	138,881	---	52,027	-2,796	+4,879
Dec., 1943...	98,568	104,644	115,850	---	52,121	-6,076	+94
Jan., 1944...	95,424	92,791	101,779	---	45,800	+2,643	-6,321
Feb., 1944...	95,713	87,128	124,532	---	36,489	+5,885	-9,311
Mar., 1944...	101,289	99,118	156,083	---	37,259	+2,171	+770
Apr., 1944...	92,779	95,290	155,877	---	38,382	-2,501	+1,123
May, 1944...	94,624	98,590	155,714	---	37,074	-3,956	-1,308
June, 1944...	88,526	93,958	140,932	---	42,467	-5,432	+5,393

*Mine or smelter production or shipments, and custom intake including scrap.
 †Beginning March, 1941, includes deliveries of duty paid foreign copper for domestic consumption.
 ‡At refineries, on consignment and in exchange warehouses, but not including consumers' stocks at their plants or warehouses.
 §Corrected figures.

U. S. Severs Relations With Finland — Finnish Diplomats Leave U. S. On State Department Order

A break in the relations between the Governments of the United States and Finland was revealed on June 30 by Secretary of State Hull, when he made public the text of a note addressed to the Finnish Charge d'Affaires, Alexander Thesleff, the only remaining Helsinki representative in the United States—on the severance of the relations. In his note Secretary Hull makes the statement that the Finnish Government has "formally admitted to the world that it has now entered a hard and fast military partnership with Nazi Germany irrevocable throughout the war, for the purpose of fighting the Allies of the United States, in alliance with the enemies of the United States. It is also stated in the note that "notwithstanding the esteem in which the American people have held the people of Finland, further relations between the Government of the United States and the Government of Finland are now impossible." The note further indicates that the American Charge d'Affaires in Helsinki has been instructed to request passports for his staff and their families.

This action came as an aftermath of developments several weeks ago, when, because of activities, termed by the State Department as "inimical to the interests of the United States," Finnish Minister Hjalmar J. Procope was held to his home under police guard on June 17 with virtual orders to leave the country as soon as possible. Later on June 21, the State Department disclosed that Minister Procope was on his way home as were also the two legation counselors.

Mr. Procope's wife, who is in ill health, remained behind with their children. The State Department's announcement on June 21 on the departure of the Minister said: "The Department of State has completed arrangements for the departure from the United States of Hjalmar J. Procope, lately Minister of Finland, and of Messieurs Vahervuori and Solanko, lately counselors of the Finnish Legation, with the families of the latter two officers.

"The Department has been informed by Mr. Procope that it is his desire to proceed unaccompanied by his family. . . .

"The Department has received a request from Mr. Urho Toivola, lately a counselor of the Finnish Legation who has been expected to depart from the United States with Mr. Procope and Messieurs Vahervuori and Solanko that he be permitted to remain in this country, owing to the serious illness of Mme. Toivola. This request has been granted."

Secretary Hull's note of June 30 to the Finnish Charge d'Affaires, as given in the New York "Times" of July 1, follows:

June 30, 1944.

Sir: On June 27, 1944, the Finnish Government made the following announcement:

"The German Foreign Minister [Joachim] von Ribbentrop has concluded his visit to the Finnish Government. "During this visit questions of interest to Finland and Germany were discussed, especially Finland's expressed desire with respect to military aid. The German Government has declared itself prepared to comply with this wish of the Finnish Government. "The discussions which were conducted between the President of the Finnish Republic [Risto] Ryti and Foreign Minister [Henrik] Ramsay on one side and the German Foreign Minister on the other, are sustained by the spirit which has its roots in the comradeship in arms between the armies and the existing friendship between the two peoples. "Complete agreement and understanding were reached on all points between the Finnish Government and the German Government."

The Finnish Government has thus formally admitted to the

world that it has now entered a hard and fast military partnership with Nazi Germany irrevocable throughout the war, for the purpose of fighting the Allies of the United States, in alliance with the enemies of the United States. This action was taken without recourse to the established democratic procedure of Finland, and responsibility for the consequences must rest solely on the Finnish Government.

The American Government is not unaware of the fact that the infiltration of German troops into Finland, with the consent of the Finnish Government and German infiltration into the councils of the Finnish Government have deprived Finland of liberty of action and reduced the Government of the Republic of Finland to the condition of a puppet of Nazi Germany.

This necessarily changes the status of the Finnish Government. The United States, up to the present, has taken every opportunity, publicly and through diplomatic representations, to warn the Finnish Government of the inevitable consequences of continuing its association with Nazi Germany. These warnings have been ignored, and the partnership is now complete.

The Government of the United States must take into account the fact that at this decisive stage in the combined operations of the military, naval and air forces of the United States and the other United Nations, the Finnish operations have a direct bearing on the success of the Allied effort.

Notwithstanding the esteem in which the American people have held the people of Finland, further relations between the Government of the United States and the Government of Finland are now impossible.

The American charge d'affaires in Helsinki has therefore been instructed to request passports for himself and for the members of his staff and their families.

The American Government is requesting the Swiss Government to assume immediately the representation of American interests in Finland.

Accept, Sir, the renewed assurances of my high considerations.

CORDELL HULL.

Associated Press dispatches from Washington, on June 27, had the following to say regarding the Finnish Minister:

The ban was imposed late yesterday on Procope—Finland's representative in Washington during several critical years, when he was called to the State Department, handed his passport and requested to go home as soon as transportation could be arranged.

The unprecedented action which did not involve an actual diplomatic break with Finland, extended also to three counselors of the Finnish legation and to the families of all four diplomats.

The action, regardless of the incident which caused it, brought American - Finnish relations to their lowest point. It apparently increased the probability of a complete break with Finland, although the United States Government has thus far avoided that final rupture in every crisis. It has, however, accused Finland of playing the German game to the detriment of the United States and its allies and only two weeks ago put 84 Finnish business concerns, many of which represented high political interests, on the blacklist.

Only two days before this latest development of Allied pressure, the Finns had paid the regular

Limiting Federal Taxes To 25% Opposed By Treasury In Memorandum

The Treasury Department has prepared a memorandum opposing the proposal for an amendment to the Constitution to limit tax rates not to exceed 25%, it is learned from advices to the New York "Journal of Commerce" from its Washington bureau July 2, according to which the Treasury contends that a ceiling or any comparable limitation upon the Federal Government's ability to obtain revenue through income taxation

would weaken post-war markets for business products and by establishing "regressive" taxation prevent the Government from removing discrimination against risk capital. In the view of the Treasury such tax legislation written into the Constitution would dangerously weaken the adaptability of the Federal Government to changing circumstances and emergencies, and would weaken Federal credit, thereby also impairing State and local credit. The advices to the "Journal of Commerce" in the matter further state:

A number of State Legislatures variously listed at 14 to 17, have passed resolutions calling upon Congress to initiate an amendment to the Constitution limiting the Federal tax powers. The proposed amendment consists of a clause repealing the Sixteenth Amendment (income tax); a clause reinstating that amendment with a proviso that "in no case shall the maximum rate of tax exceed 25%"; and a clause applying similar limitation to taxes on estates and gifts. Some, but not all, of the resolutions provide that in time of war this ceiling might be lifted by a three-fourths vote of both Houses of Congress.

Literature of the sponsors for the proposed amendment states

\$148,445.06 annual installment on a World War I debt to this government, maintaining their record as the only people still paying on such obligations. The balance of the debt is about \$9,000,000.

The nature of the "inimical" activities was not disclosed and officials flatly declined to discuss the ground for the accusation.

Ever since Finland became involved in war with Russia and Great Britain three years ago, Minister Procope and legation aids have been forbidden by the State Department to engage in propaganda activities on behalf of their country. They have been free to answer questions put to them by reporters, but could not initiate statements on their own.

Since the Finnish legation remains open, Finland's top diplomat here now is Alexander Thesleff, the legation's secretary. This corresponds to the level of representation maintained by the United States in Helsinki where the legation is in charge of Edmund Gullion, a foreign service officer with the rank of secretary.

The three counselors of legation who were included with Mr. Procope in the request to leave the country were T. O. Vahervuori, Urho Toivola and Risto Solanko.

Associated Press dispatches from Washington, on June 19 stated:

United States foreign policy was discussed in both Houses of Congress today as Secretary of State Hull declined to disclose the specific matters which led him to hand Hjalmar J. Procope, the Finnish Minister, his passport last week.

Asserting that a specific answer to questions about the Minister's dismissal would be harmful to the conduct of the war, the Secretary added at his press conference that we must always keep in mind that the pro-Nazi Finnish Government is actively fighting on the side of Germany and has adjusted Finnish policy and actions to suit the aim of the German Government.

The activities of the dismissed Finnish diplomats, Mr. Hull declared, must be viewed in that light.

that it is aimed "to deprive the Federal Government of the power through unsound and confiscatory taxation to destroy the American private enterprise system" and "to deprive the Federal Government of the power through taxation to destroy the American system of Government by concentrating all power in Washington and rendering the States completely subservient to it."

The Treasury, in its statement opposing the purpose of the amendment, lists six key issues involved:

1. How much leeway is there likely to be for Federal tax adjustments reducing the revenue yield after the war, and how much of this slack would be taken up by adopting the limitation proposal?

2. How far could revenue losses be recouped by tax adjustments not barred by the proposal?

3. What would be the combined effect of these tax adjustments upon business incentives; upon business activity and employment, and upon the fairness with which the tax burden is shared?

4. How would these Federal tax adjustments affect the revenue sources of State and local governments? The use of Federal grants-in-aid?

5. Is such a limitation of the taxing power consistent with a policy of reducing the national debt? With maintaining the unquestioned credit standing of the Federal Government? With maintaining the credit standing of State and local governments?

6. Is it wise to freeze any specific figure into constitutional law?

In consideration of these issues, the Treasury offers these conclusions. The proposed "Twenty-second Amendment," indorsed by a number of State Legislatures, would preclude peacetime rates of income and death taxes above the levels of the 1920s, it points out.

If post-war tax adjustments were limited to repeal of the excess profits tax, excise reductions scheduled under the Revenue Act of 1943, and the reductions of upper bracket income tax and death tax rates which would be required by the proposed limitation, it would probably be impossible to bring about any excess of revenue for expenditures, applicable to reduction of the national debt, even in years of high prosperity.

Restoring some progression by pushing the initial rate (now 23%) appreciably below the 25% maximum would involve further loss of revenue. Excise tax revenue might have to be expanded. Adjustments to income and business taxes to improve their incentive effects would probably have to be abandoned. Taxes would become both less progressive and less sensitive to incentive considerations. Under the progressive system of personal income taxation if the 23% bracket had to be substantially reduced to come under the 25% ceiling, it is pointed out that this would mean a very considerable loss in revenue from this and the other brackets.

The 25% limitation would involve other adjustments that would handicap business; it is very doubtful that reductions in individual income tax and even more doubtful that reductions in death taxes would provide incentives sufficient to offset these deterrents.

While State and local revenue opportunities in the income tax and death tax fields would be improved by such a limitation, the intensified pressure for Federal

Scroll to Chungking From President Roosevelt Lauds China's Courage

It was made known by President Roosevelt on July 1 that one of the commissions assigned to Vice-President Henry A. Wallace on his visit to China was the presentation of a scroll sent the City of Chungking from the President "in recognition of the great contribution which the Chinese people * * * have made to the war efforts of the United Nations." Both the scroll and a letter bearing thereon were presented by Mr. Wallace on June 23 to Generalissimo Chiang Kai-shek. In his letter the President said:

"Among the greatest inspirations of this war to the American fighting spirit has been the vivid memory of the great courage which the men, women and children of the City of Chungking have displayed during the long period of siege and repeated attacks. By their fortitude and endurance the citizens of Chungking have won a place in the heart of every American.

"In recognition of the great contribution which the Chinese people, and particularly the citizens of Chungking, have made to the war efforts of the United Nations, I now send to you the enclosed scroll. The stand which your people have made against the forces of aggression has set an example for all the friends of China, and I hope that you may see fit, in presenting this scroll to the citizens of Chungking, to convey my expressions of the very real friendship which I feel exists between our two nations and which will contribute in no small measure to an earlier victory."

The text of the scroll follows:

"In the name of the people of the United States of America, I present this scroll to the City of Chungking as a symbol of our admiration for its brave men, women and children.

"Under blasts of terror from the air, even in the days before the world at large had known this horror, Chungking and its people held out firm and unconquered. They proved gloriously that terrorism cannot destroy the spirit of a people determined to be free. Their fidelity to the cause of freedom will inspire the hearts of all future generations."

Acknowledgement of the scroll was made as follows by the Generalissimo:

"Representing the people of Chungking, I accept this scroll as a priceless symbol which they will hold forever in gratitude and reverence."

revenue in other fields would deal a virtual death blow to efforts to coordinate Federal, State and local tax systems. The limitation would also handicap States by creating a barrier to Federal grant-in-aid.

To leave the Federal Government with no reserve of unused taxing power (as the proposed limitation would do) would weaken Federal credit. This would impair State and local credit. Writing tax legislation into the Constitution would dangerously reduce the adaptability of the Federal Government to changing circumstances and emergencies, the Treasury concludes.

Replying to the charges that the Federal Government through its unlimited power of taxation endangers the nation, the statement adds: "The 'power to destroy' of which advocates of the proposed limitation complain cannot well be separated from effective government. A government whose powers were so limited that their misuse could do no damage would be a government so weak as to be useless, which is a worse danger. Moreover, the democratic processes of government give the best assurance that governmental power will not be used against the public interest."

Changes In Holdings Of Reacquired Stock Of N. Y. Stock & Curb Listed Firms

The New York Stock Exchange issued on June 16 the following tabulation of companies reporting changes in the amount of stock held as heretofore reported by the Department of Stock List:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Air Reduction Company, capital	23,519	23,915
Allied Stores Corporation, 5% preferred	13,912	15,012
American Locomotive Company, 7% cum. preferred	12,900	10,400
Associates Investment Company, common	44,806	45,076
Associates Investment Company, 5% cum. preferred	1,899	1,969
Atlantic Gulf and West Indies Steamship Lines, pfd.	None	1,800
Atlas Corporation, preferred	1	2
Atlas Corporation, common	38,122	59,179
Barnsdall Oil Company, common	35,724	36,424
Borden Company, The, capital	125,758	134,658
Bucyrus-Erie Company, preferred	12,838	13,838
Burlington Mills Corporation, common	10,166	15,966
Chicago Pneumatic Tool Company, prior preferred	7,311	7,411
Copperwell Steel Company, cum. conv. preferred	9,609	10,079
Cruible Steel Company of America, 5% conv. pfd.	1,200	1,600
Cuban American Sugar Company, preferred	11,283	5,460
Davega Stores Corporation, common	17,550	18,050
Electric Boat Company, capital	79,375	81,775
Engineers Public Service Company, Inc., \$5 divd. pfd.	None	None
Engineers Public Service Co., Inc., \$5.50 cum. div. pfd.	None	None
Franklin Simon & Co., Inc., 7% cum. preferred	None	410
General Motors Corporation, common	892,712	899,012
Gimbel Brothers, Inc., \$6 cum. preferred	9,811	12,011
Hat Corporation of America, preferred	3,260	3,330
Hat Corporation of America, common	2,434	2,429
Jewel Tea Co., Inc., common	33,500	25,300
Lehman Square Garden Corporation, capital	36,100	36,400
Madison Square Publishing Company, Inc., common	12,110	20,610
McGraw-Hill Publishing Company, Inc., common	292	2,508
National Cylinder Gas Company, common	10,458	12,673
National Department Stores Corporation, 6% preferred	1,680	180
National Steel Corporation, capital	29,900	31,100
Newport News Shipbuilding and Dry Dock Co.—\$5 cumulative convertible preferred	15,584	16,184
Plymouth Oil Company, capital	89,400	73,000
Pullman Incorporated, capital	9,690	3,220
Radio-Keith-Orpheum Corporation, 6% preferred	52,011	52,018
Reliable Stores Corporation, common	7,132	13,032
Reynolds Spring Company, common	7,835	8,035
Schenley Distillers Corporation, 5 1/2% cum. pfd.	2,647	2,652
Schaeffer (W. A.) Pen Co., common	1,104,119	1,104,122
Sinclair Oil Corporation, common	4,334	6,334
Sterling Drug Co., capital	57,331	57,831
Twentieth Century-Fox Film Corporation, preferred	7,072	7,142
The United States Leather Company, prior pref.	6,524	6,650
Universal Laboratories, Inc., preferred	1,422	1,382
White (S. S.) Dental Manufacturing Co., The, capital	105,995	None
Willys-Overland Motors, Inc., 6% cum. conv. pfd.		

NOTES

- (1) Acquired 2,200; cancelled 4,700.
- (2) Acquired during April and May.
- (3) Acquired and retired 3,840 shares.
- (4) Acquired and retired 2,255 shares.
- (5) Acquired 570; cancelled 7,040.
- (6) Acquired 1,600; cancelled 107,595.

The New York Curb Exchange has made available the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
American General Corp., common	385,444	385,447
American Writing Paper Corp., common	46,962	49,562
Carman & Co., Inc., class A	290	305
Crown Central Petroleum Corp., common	597	598
Equity Corporation, \$3 convertible preferred	55,398	55,598
Esquire, Inc., capital	39,663	41,163
Gilbert (The A. C.) Co., preference	3,360	3,780
Klein (D. Emil) Co., Inc., common	19,369	20,269
Kleinert (I. B.) Rubber Co., common	27,028	27,337
Lane Bryant, Inc., 7% preferred	30	138
Merritt-Chapman & Scott Corp., 6 1/2% "A" preferred	1,280	1,430
Mid-West Abrasive Co., common	564	764
New York Merchandise Co., Inc., common	125,882	127,782
Ogden Corp., common	447	449
Pantepec Oil Co. of Venezuela, C. A., common capital	93,128	103,128
Root Petroleum Co., \$1.20 convertible pref.	6,713	6,717
Selected Industries, Inc., \$5.50 div. pr. stock	750	800
Trunz, Inc., common	19,164	19,374
United Cigar-Whelan Stores Corp., common	12,238	12,243
United Profit-Sharing Corp., 10% preferred	1,250	1,299
Utility Equities Corp., \$5.50 div. pr. stock	11,725	11,850

Living Costs In Large Cities Up 0.4% From April 15-May 15, Labor Dept. Reports

"Retail prices to wage earners and lower-salaried workers in large cities rose 0.4% between mid-April and mid-May," Secretary of Labor Frances Perkins reported on June 16. "The increase was largely due to seasonal advances for food and higher housefurnishings prices," she said. "Clothing costs and charges for services also rose slightly.

"The all-items index stood at 123% of the 1935-39 average on May 15, 0.1% below last May," Miss Perkins continued:

"Retail food costs increased 0.7% over April, primarily because of seasonal increases in prices for roasting chickens, oranges, potatoes, and some other fresh vegetables. Prices for flour, corn meal, and rolled oats were higher. Fresh fish, eggs, beef and pork declined due to large supplies.

"Food supplies generally are more plentiful than last spring and the increase in the amount of food available for the civilian population, combined with the rollbacks and subsidies introduced last summer, has brought the index of retail food costs 5% below the level of May, 1943." The Secretary of Labor also said:

"The further increase in housefurnishings costs reflected largely the return of spring-filled living room suites in additional cities at prices considerably higher than those charged a year and a half ago, when furniture of this kind was last available. Low-priced merchandise continued to be short and, as in the case of cook stoves in four cities, it was necessary for families to buy higher-cost models.

"Telephone bills for May included an excise tax which raised the cost of telephone service by 4.6%. Scattered increases in beauty shop charges were attributed to increased costs of supplies. Newspaper prices were raised in three cities because of higher production costs and limited paper stocks, which decreased advertising revenue.

"Clothing costs advanced slightly because of scattered increases in prices for lightweight overalls, covert work trousers, and cotton socks, and the fact that new straw hats were higher priced. Women's girdles cost more because of the disappearance of low-cost qualities

in some cities, and in few cities the rayon hose available were largely those with premium features; also at higher prices.

"Fuel, electricity and ice costs declined, on the average, by 0.1% between April 15 and May 15. The usual seasonal decrease in gas rates went into effect in New York. In Philadelphia a temporary OPA order allowing higher anthracite and coke prices was discontinued April 30, and lower prices under previous regulations were established. Increased retail prices for anthracite and Eastern bituminous coals in Milwaukee and Minneapolis reflected increases in f.o.b. mine prices allowed several months ago.

"Rents are not surveyed in May. Next month's report will give changes that have occurred over the quarter ending June 15."

Note—The BLS index indicates average changes in retail prices of selected goods, rents and services bought by families of wage earners and lower-salaried workers in large cities. The items covered represented 70% of the expenditures of families who had incomes ranging from \$1,250 to \$2,000 in 1934-36.

The index does not show the full wartime effect on the cost of living of such factors as lowered quality, disappearance of low-priced goods and forced changes in housing and eating away from home.

It does not measure changes in total "living costs"—that is, in the total amount families spend for living. Income taxes and bond subscriptions are not included.

COST OF LIVING IN LARGE CITIES

Indexes, 1935-39=100*

Date—	All items	Food	Clothing	Rent	Fuel, electricity and ice	House-furnishings	Miscellaneous
1939: Aug. 15	98.6	93.5	100.3	104.3	97.5	100.6	100.4
1941: Jan. 15	100.8	97.8	100.7	105.0	100.8	100.1	101.9
1942: May 15	116.0	121.6	126.2	109.9	104.9	122.2	110.9
Sep. 15	117.8	126.6	125.8	108.0	106.2	123.6	111.4
1943: May 15	125.1	143.0	127.9	108.0	107.6	125.1	115.3
1944: Apr. 15	124.5	134.6	136.9	↑	109.9	133.0	120.7
May 15	125.0	135.5	137.0	↑	109.8	134.5	121.0

PERCENT OF CHANGE

Date—	All items	Food	Clothing	Rent	Fuel, electr. and ice	House, furnis. and ice	Miscellaneous
April 15, 1944 to May 15, 1944	+ 0.4	+ 0.7	+ 0.1	↑	- 0.1	+ 1.1	+ 0.2
May 15, 1943 to May 15, 1944	- 0.1	- 5.2	+ 7.1	+ 0.1	+ 2.0	+ 7.5	+ 4.9
Sept. 15, 1942 to May 15, 1944	+ 6.1	+ 7.0	+ 8.9	+ 0.1	+ 3.4	+ 8.8	+ 8.6
May 15, 1942 to May 15, 1944	+ 7.8	+ 11.4	+ 8.6	- 1.6	+ 4.7	+ 10.1	+ 9.1
Jan. 15, 1941 to May 15, 1944	+ 24.0	+ 38.5	+ 36.0	+ 3.0	+ 8.9	+ 34.4	+ 13.7
Aug. 15, 1939 to May 15, 1944	+ 26.8	+ 44.9	+ 36.6	+ 3.6	+ 12.6	+ 33.7	+ 20.5

*These indexes are based on changes in the cost of goods purchased by wage earners and lower-salaried workers in large cities.
†Rents surveyed at quarterly dates: March 15, June 15, Sept. 15, Dec. 15.
‡Changes through March 15, 1944.

Moody's Common Stock Yields

Annual average yields for the years 1929 to 1941, inclusive, and monthly yields for 1941 are published in the "Chronicle" of June 11, 1942, page 2218. Yields for 1942 are on page 202, Jan. 14, 1943, issue, and for 1943, on page 1130, March 16, 1944 issue.

MOODY'S WEIGHTED AVERAGE YIELD OF 200 COMMON STOCKS

	Industrials (125)	Railroads (25)	Utilities (25)	Banks (15)	Insurance (10)	Average Yield (200)
January, 1944	4.6%	7.0%	5.5%	3.8%	3.9%	4.8%
February, 1944	4.6	6.7	5.5	3.7	4.0	4.8
March, 1944	4.6	6.9	5.5	3.8	3.7	4.8
April, 1944	4.6	7.0	5.6	3.8	3.8	4.9
May, 1944	4.7	6.7	5.4	3.6	3.7	4.8
June, 1944	4.4	6.6	5.2	3.5	3.7	4.6

U. S. Navy Greatest In World, Says Morgenthau In July 4 Address Featuring Navy Program

In an address on July 4, featuring the Navy program, Secretary of the Treasury Morgenthau declared that "during the past two-and-a-half years the Navy has served as America's first line of defense in two oceans at once." He further declared that, "today the United States has the greatest Navy in the world." Mr. Morgenthau, who spoke from the Philadelphia Navy Yard and whose address was broadcast by the National Broad-

casting Company, at the same time presented the navy yard with a Treasury honor flag because of the navy's record of war bond purchases.

Almost \$58,000,000,000 has gone into naval expenditures in the last four fiscal years, he said, while Congress during the week, approved an appropriation for another \$33,000,000,000 for the fleet. Secretary Morgenthau took occasion to state that "the immediate task before our armed forces today is to beat back the Germans and Japanese until they are crushed so completely that they can never again embark upon their mad scheme of world conquest." He ventured the guess "that we shall be tempted, both in the West, and in the East, with some sort of false capitulation," and urged that we make sure "before we accept the enemy's surrender, that it is real and unconditional and final." Secretary Morgenthau's address follows:

"There could be no more appropriate occasion for a Navy program than Independence Day. For the simple fact is that the American people, in very large measure, owe their independence, now as in the past, to the strength and courage and resolution of their fighting forces at sea. The Navy has seen to it, over a period

of 130 years, that no invader has set foot upon the soil of the United States.

"During the past two-and-a-half years, the Navy has served as America's first line of defense in two oceans at once. On this side of the world, in magnificent cooperation with the sea forces of our Allies, the Atlantic Fleet broke the back of the U-boat menace upon which Hitler had pinned so much of his hopes. On the other side of the world, in the Coral Sea, at Midway and around the Solomon Islands, it stopped the Japanese Grand Fleet in its tracks. And just a fortnight ago, off the Marianas, it made that fleet turn tail and run for cover. Something tells me that the Japanese will not be able to remain under cover very much longer. Admiral Nimitz will see to that.

"Today the United States has the greatest navy in the world. I think it will interest you to know that, from the founding of this Republic in 1789 up through the year 1940, we expended on our naval establishment a little over 6 1/2 billion dollars. During the last four fiscal years, however, naval expenditures have amounted to almost 58 billion dollars—approximately nine times as much as during the whole preceding century and a half of our history.

And just a few days ago, because of the new needs of the war, Congress approved another naval appropriation of 33 billion dollars. This is more than twice the sum we set out to raise during the Fifth War Loan Drive.

"The immediate task before our Armed Forces today is to beat back the Germans and the Japanese until they are crushed so completely that they can never again embark upon their mad scheme of world conquest. We are waging total war, and we cannot be content with anything less than total victory. If we fall short of that goal, all of this expenditure, all of this effort will have been thrown away. Worse, we shall have betrayed basely all those who fought and died. I hazard the guess that we shall be tempted, both in the West and in the East, with some sort of false capitulation. Let us make sure, before we accept the enemy's surrender that it is real and unconditional and final.

"In these times, it takes a certain temerity for any civilian to present a citation to the fighting chief of a fighting fleet. But the personnel of the Navy have made so splendid a record, not only in their capacity as seamen but in their capacity as American citizens, that they merit the warmest public congratulation. They have not been content simply to take their ships and planes into battle. They have shared in the cost of building them. Two-thirds of the officers and the enlisted men and women of the Navy, Marine Corps and Coast Guard are now purchasing War Bonds regularly at the rate of about 300 million dollars a year. And during the Navy's current bond campaign, arrangements have been made to give each man and woman in uniform an opportunity to participate through the purchase of an additional bond.

"Admiral King, I am honored, on behalf of the Treasury Department, to present to you, as Commander in Chief of the United States Fleet and Chief of Naval Operations, this citation for the Navy's outstanding contribution to the success of the War Bond program."

Secretary Morgenthau further said:

"The civilian employees of the Navy have made a splendid record in the War Bond program. The Philadelphia Navy Yard, where we are now, was the first yard to receive the Secretary of the Navy's War Bond Honor Flag in November, 1942, and it has held a preeminent place since that time with 97% of all employees now purchasing War Bonds regularly through Payroll Savings.

"During the first five months of 1944, more than 93% of all the civilian employees of the Navy were participating in the Payroll Savings Plan, and purchased War Bonds aggregating more than 12% of the total payroll. For the Fifth War Loan Drive, a goal of an extra \$100 Bond over and above payroll deduction has been established for every civilian employee.

"Secretary Forrestal, it gives me great pleasure to present to you, on behalf of the Treasury Department, this honor flag in token of the magnificent contribution to the War Bond program by the Navy's civilian employees."

James V. Forrestal, Secretary of the Navy, speaking at the same ceremony, declared the success of the present bond campaign would be "an answer to the fear that we are rapidly becoming overoptimistic about the early conclusion of the war."

Admiral Ernest J. King, commander in chief of the fleet and chief of naval operations, was also a speaker.

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

The New York Stock Exchange announced on July 7 that as of the close of business June 30, there were 1,242 stock issues, aggregating 1,492,874,003 shares listed on the New York Stock Exchange, with a total market value of \$53,067,698,691. This compares with 1,243 stock issues, aggregating 1,492,655,670 shares, with a total market value of \$50,964,039,424 on May 31.

In making public the June 30 figures the Stock Exchange further said:

As of the close of business June 30, New York Stock Exchange member total net borrowings amounted to \$863,979,503 of which \$517,672,785 represented loans which were not collateralized by U. S. Government issues. The ratio of the latter borrowings to the market value of all listed stocks, on that date, was, therefore, 0.98%. As the loans not collateralized by U. S. Government issues include all other types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value.

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

	June 30, 1944		May 31, 1944	
	Market Value	Average Price	Market Value	Average Price
Amusement	610,372,353	26.36	566,838,987	24.47
Automobile	4,785,102,998	39.91	4,462,723,793	36.94
Aviation	623,463,803	17.49	576,944,369	16.18
Building	662,109,050	31.46	603,117,696	28.64
Business and Office Equipment	476,529,331	36.63	443,992,792	34.36
Chemical	6,412,909,751	66.79	6,143,949,902	63.99
Electrical Equipment	1,740,778,046	42.09	1,654,851,920	40.01
Farm Machinery	856,021,903	62.56	815,481,057	59.60
Financial	1,056,255,287	21.59	995,997,507	20.36
Food	3,378,210,373	40.00	3,256,934,726	38.89
Garment	48,603,318	29.06	46,522,232	27.82
Land & Realty	35,861,834	7.39	35,140,447	7.24
Leather	263,088,051	31.21	250,215,323	29.68
Machinery & Metals	1,950,565,968	27.16	1,814,686,649	25.23
Mining (excluding Iron)	1,480,842,595	23.96	1,399,353,701	22.65
Paper & Publishing	594,685,101	25.46	550,616,105	23.57
Petroleum	6,245,959,565	30.77	6,238,227,409	30.74
Railroad	4,109,020,873	38.21	4,035,029,896	37.53
Retail Merchandising	2,897,855,040	39.79	2,771,285,396	38.03
Rubber	652,615,587	61.44	637,489,329	59.96
Ship Building & Operating	104,475,412	18.94	98,276,472	17.82
Shipping Services	19,992,464	11.59	18,135,863	10.52
Steel, Iron & Coke	2,386,116,138	47.20	2,210,599,108	43.70
Textiles	594,663,925	38.59	514,852,097	34.43
Tobacco	1,407,844,945	51.69	1,312,115,863	48.25
Utilities:				
Gas & Electric (Operating)	2,322,713,393	22.41	2,470,061,428	23.83
Gas & Electric (Holding)	1,296,710,826	13.46	1,255,505,013	13.03
Communications	3,891,660,482	92.00	3,790,005,757	89.75
Miscellaneous Utilities	126,389,862	21.63	121,499,600	20.79
U. S. Cos. Operating Abroad	872,981,431	25.72	826,437,179	24.29
Foreign Companies	999,832,016	24.15	892,530,595	21.55
Miscellaneous Businesses	163,467,870	27.85	154,621,213	26.34
All Listed Stocks	53,067,698,691	35.55	50,964,039,424	34.14

We give below a two-year compilation of the total market value and the average price of stocks listed on the Exchange:

	1942		1943	
	Market Value	Average Price	Market Value	Average Price
June 30	33,413,047,743	22.73	47,577,989,240	32.17
July 31	34,443,805,860	23.42	47,710,472,858	32.04
Aug. 31	34,871,607,323	23.70	48,711,451,018	32.82
Sept. 30	35,604,809,453	24.20	48,178,040,869	32.44
Oct. 31	37,727,599,526	25.65	45,101,778,943	30.33
Nov. 30	37,374,462,460	25.41	47,607,294,582	31.96
Dec. 31	38,811,728,666	26.39		
Jan. 30	41,410,585,043	28.16	48,396,650,695	32.47
Feb. 27	43,533,661,753	29.61	48,494,092,518	32.51
Mar. 31	45,845,738,377	31.20	49,421,855,812	33.12
Apr. 30	46,192,361,639	31.45	48,670,491,772	32.59
May 29	48,437,700,647	32.96	50,964,039,424	34.14
June 30	48,878,520,886	33.27	53,067,698,691	35.55

Further Rise In Individuals' Liquid Savings Reported By SEC

The Securities and Exchange Commission made public on June 25 its quarterly analysis of the volume and composition of saving by individuals in the United States covering the first quarter of 1944 in which it is shown that "the volume of liquid saving by individuals during this quarter amounted to \$9.4 billion, reflecting a rise of \$9.0 billion in liquid assets, and a decline of \$400 million in liabilities. This high rate of saving," says the Commission "has shown little change since the middle of 1942, in contrast to the rapid increase in saving prior to that time." The Commission goes on to say:

"During the first three months of this year, individuals added \$5.0 billion to their holdings of U. S. Government bonds; \$2.1 billion to their cash and deposits; \$1.0 billion to their equity in Government insurance; \$900 million to their equity in private insurance, mostly life insurance; and paid off \$300 million of debt other than mortgages. Net purchases of U. S. Government bonds were by far the largest component of saving in this quarter, mainly as a result of the Fourth War Loan Drive. Such purchases were at a level reached only once before, in the third quarter of 1943, also as a reflection of a War Loan Drive.

"In contrast to the high level of saving in the form of Government securities, additions to cash and deposits, though substantial, were at the lowest level since the second quarter of 1942. An increase in savings deposits, amounting to about \$1.2 billion, accounted for over half of the rise in individuals' cash and deposits. This rise in savings deposits was at the same rate as in the two preceding quarters which were the highest on record. Currency showed a much smaller increase of approximately \$500 million, reflecting seasonal factors as well as the Fourth War Loan Drive, while individuals' demand deposits increased only \$400 million. It should be noted, however, that most of the unprecedented increase in individuals' cash and deposits since the beginning of the war has taken place in currency and demand deposits.

"Of the remaining components of individuals' saving in the first quarter of 1944, private and Government insurance continued to grow at the same high rate as in prior quarters. Individuals also showed the first fairly sizable liquidation of consumer debt for close to a year, largely as a reflection of seasonal factors."

The Commission points out that the above discussion is based on data presented in the following table:

1. In this analysis individuals' saving includes unincorporated business saving of types specified in the attached table. Corporate and Government saving are not included.

2. This does not reflect the increase in inventories of unincorporated business (net of the change in notes and accounts payable). Although the amount of this increase is not known, it is believed to have been in the neighborhood of \$250 million in the first quarter of 1944, compared with a decrease of \$250 million in the fourth quarter of 1943.

3. This does not include the reduction in consumer indebtedness to unincorporated business, estimated at less than \$50 million.

GROSS SAVING BY INDIVIDUALS IN THE UNITED STATES* 1940-1944. (Billions of dollars)

	1940	1941	1942	1943	1944				
					Jan.	April	July	Oct.	Jan.
Gross Saving	15.8	24.9	38.4	46.1	10.7	11.4	11.8	12.2	11.1
Liquid saving	4.0	10.5	29.2	38.0	8.9	9.3	9.8	10.0	9.4
Gross saving by type:									
1. Currency and bank deposits	+3.0	+4.9	+11.2	+15.4	+3.6	+2.9	+2.9	+5.9	+2.1
2. Savings & loan associations	+2.0	+4.4	+3.3	+6.1	+1.1	+2.2	+1.1	+2.2	+2.2
3. Insurance & pension reserves:									
a. Private insurance	+1.7	+2.1	+2.5	+3.1	+3.8	+3.8	+3.8	+7.8	+3.9
b. Government insurance	+1.2	+1.8	+2.4	+3.8	+1.0	+1.0	+1.0	+1.0	+1.0
c. Total	+2.9	+3.8	+4.9	+6.9	+1.6	+1.8	+1.7	+1.8	+1.8
4. Securities:									
a. U. S. savings bonds	+0.9	+2.8	+8.0	+11.1	+2.6	+3.0	+3.4	+2.2	+3.9
b. Other U. S. Government	+4.8	+8.1	+9.7	+2.7	+0.2	+1.6	+2.1	+2.1	+2.1
c. State & local govts.	-1.1	-2.1	-1.1	0.0	0.0	0.0	0.0	0.0	0.0
d. Corporate and other	-5.5	-5.3	-3.0	0.1	0.1	-0.3	+2.2	-1.1	-1.1
e. Total	-2.2	+2.9	+10.1	+13.9	+2.7	+4.1	+4.1	+2.2	+4.8
5. Non-farm dwellings:									
a. Purchases	+2.5	+3.0	+1.6	+1.0	+2.2	+2.2	+3.3	+3.3	+2.2
b. Change in debt	+0.9	+0.9	-1.4	-2.1	-1.1	-1.1	-1.1	-1.1	-1.1
c. Savings (a. minus b.)	+1.7	+2.1	+1.5	+1.4	+4.3	+4.3	+4.3	+4.3	+4.3
16. Automobiles & other durable consumers' goods	+9.3	+11.4	+7.6	+7.2	+1.6	+1.9	+1.8	+1.9	+1.5
**7. Liquidation of debt, not elsewhere classified	-1.1	-0.6	+2.8	+0.8	+0.7	+0.2	+0.1	+0.2	+0.3

*Includes unincorporated business saving of the types specified. Does not include corporate or government saving.

†Gross saving excluding purchases of homes as well as of automobiles and other durable consumers' goods.

‡Does not include net purchases by brokers and dealers or by other individuals financed by bank loans.

§New construction of one- to four-family nonfarm homes less net acquisition of properties by non-individuals.

¶Purchases. Based on Department of Commerce data on commodity flow currently being revised. The figures shown above include all new passenger cars sold in the United States.

**Largely attributable to purchases of automobiles and other durable consumers' goods, although including some debt arising from purchases of consumption goods. The other segments of individuals' debt have been allocated to the assets to which they pertain, viz., savings in savings and loan associations, insurance, securities and homes.

Note—Figures are rounded and will not necessarily add to totals.

The foregoing data have been compiled by the Commission from many different sources. Because of the nature of the figures current data are necessarily estimates and, therefore, are subject to revision.

Figures for the year 1943 were given in our issue of March 30, page 1334.

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

Shipments of finished steel products by subsidiaries of the United States Steel Corp. in June amounted to 1,737,769 net tons, a decrease of 39,165 net tons from May shipments of 1,776,934 tons and an increase of 185,106 tons over the 1,552,663 net tons shipped in June, 1943. Deliveries in June, 1942, were 1,774,068 net tons and in June, 1941, 1,668,637 tons.

For the six months ended June 30, last, shipments total 10,632,854 net tons, highest on record for this period. This figure compares with 10,040,016 net tons in the first half of 1943. The previous record for first six months shipments, 10,503,507 net tons, was established in 1942.

	1944	1943	1942	1941	1940	1939
January	1,730,787	1,685,993	1,738,893	1,682,454	1,145,592	870,866
February	1,755,772	1,691,592	1,616,587	1,548,451	1,009,256	747,427
March	1,874,795	1,772,397	1,780,938	1,720,366	931,905	845,108
April	1,756,797	1,630,828	1,758,894	1,687,674	907,904	771,752
May	1,776,934	1,706,543	1,834,127	1,745,295	1,084,057	795,689
June	1,737,769	1,552,663	1,774,068	1,668,637	1,209,684	607,562
July	1,660,762	1,765,749	1,666,667	1,296,887	745,364	885,636
August	1,704,289	1,788,650	1,753,665	1,455,604	1,086,683	1,345,855
September	1,664,577	1,703,570	1,664,227	1,392,838	1,086,683	1,345,855
October	1,794,968	1,787,501	1,851,279	1,572,408	1,425,352	1,406,205
November	1,660,594	1,665,445	1,624,186	1,425,352	1,443,969	
December	1,719,624	1,849,635	1,846,635	1,544,623		
Total by mos.	20,244,830	21,064,157	20,458,937	14,976,110	11,752,116	
Yearly adjust.		*97,214	*449,020	*42,333	37,639	*44,865
Total	20,147,616	20,615,137	20,416,604	15,013,749	11,707,251	

*Decrease.

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

April Hotel Sales Higher

In its June bulletin, Horwath & Horwath, New York, public accountants, report that "continuing the gradual abatement in sales increases over last year. April showed a total gain of only 14%. This," say the bulletin, "compares with one of 16% both for Mar. and for the year to date. Room sales were up 11% and total restaurant sales, 18%, whereas the respective averages for the first four months of this year are 13% and 20%. However, occupancies are holding up everywhere, the total average being 88%, the same as for Mar. and the year to date."

The firm supplies the following statistical data:

	APRIL, 1944, COMPARED WITH APRIL, 1943					Room	
	Sales, Increase or Decrease					Occupancy	Rate
	Total*	Rooms	Restaurant	Food	Beverages	Apr. 1944	Apr. 1943
New York City	+15%	+13%	+20%	+20%	+21%	92%	87%
Chicago	+11	+9	+13	+12	+14	85	82
Philadelphia	+13	+9	+7	+11	+2	87	82
Washington	+5	+3	+7	+7	+8	91	91
Cleveland	+10	+12	+9	+15	-3	91	88
Detroit	+15	+10	+22	+26	+15	94	88
Pacific Coast	+20	+18	+22	+14	+32	92	87
Texas	+9	+15	+13	+14	+10	94	93
All others	+14	+9	+18	+20	+15	85	80
Total	+14%	+11%	+18%	+18%	+17%	88%	83%
Year to date	+16%	+13%	+20%	+20%	+21%	88%	82%

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

Mtg. Loans Exceed 34 Billion Dollars

Despite the fact that the mortgage field has faced strong competition from Government agencies longer than almost any other type of private business, Federal agencies still own less than one-tenth of the total mortgage loans of the country, according to a study made by L. E. Mahan, St. Louis, Vice-President of the Mortgage Bankers Association of America. His survey estimates the total amount of mortgage loans outstanding on Dec. 31 last year at around \$34,372,700,000, of which Federal agencies hold around \$3,436,500,000. In the announcement from the Association it is stated that practically all previous similar studies have analyzed farm and city mortgages separately and have shown the amounts owned by each large group of holders; the Mahan study, it is noted, approaches the matter from the standpoint of private and Federal holdings.

It is pointed out that the principal estimated factor in the tabulation is the amount of loans held by "others," meaning primarily individual holders of mortgages. Mr. Mahan sets this at 10 1/2 billion dollars which, it is stated, is more than a third of the total holdings of private interests which include life insurance companies, building and loan associations, mutual savings and commercial banks, fraternal societies and associations. Commenting on the vast amount of private money to be available to mortgage financing in the post-war period, Mr. Mahan cited the insurance companies as an example of what we may expect in this field. After the last war, he said, these institutions had around 40% of their total assets in mortgages while today only around 20% of assets are in these investments. He added:

"Since these companies have always shown a high regard for mortgages as investments, they would now own about 14 billion dollars of such loans instead of the less than 7 billion they do own—provided the loans were available. With the greatest building boom of the nation's history likely to develop after the war, good mortgages will be available in greater quantity than in the past quarter century."

Rayon Shipments At New High

Shipments of rayon yarn by American producers totaled 263,300,000 pounds during the first six months of 1944, states the "Rayon Organon," published by the Textile Economics Bureau, Inc. This figure, which represents a new high for any comparable period, is 9% above shipments of 24

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES* (Based on Average Yields)									
1944— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*			Corporate by Groups*			Indus.
			Aaa	Aa	A	R. R.	P. U.	Indus.	
July 11	120.33	112.56	118.80	117.00	112.19	102.96	106.39	114.08	117.40
10	120.34	112.37	118.60	117.00	112.19	102.96	106.39	114.08	117.40
8	120.33	112.37	118.60	117.00	112.19	102.96	106.21	114.08	117.40
7	120.27	112.56	118.60	117.00	112.37	102.96	106.21	114.08	117.40
6	120.23	112.37	118.60	117.00	112.19	102.96	106.21	114.08	117.40
5	120.15	112.37	118.60	116.80	112.19	102.96	106.21	113.89	117.40
4	HOLIDAY								
3	120.15	112.37	118.60	117.00	112.19	102.96	106.21	113.89	117.40
1	120.15	112.37	118.60	116.80	112.19	102.96	106.04	113.89	117.40
June 30	120.15	112.37	118.60	116.80	112.00	102.80	106.04	113.89	117.20
23	120.13	112.19	118.40	116.61	112.00	102.63	105.86	113.70	117.23
16	120.01	112.19	118.40	116.61	111.81	102.46	105.69	113.89	117.20
9	119.88	112.19	118.40	116.61	111.81	102.46	105.86	113.89	117.00
2	119.99	112.19	118.40	116.80	111.81	102.30	105.86	113.89	117.00
May 26	119.66	112.00	118.60	116.80	111.81	102.13	105.86	113.89	116.80
19	119.59	112.00	118.60	116.80	111.81	101.64	105.52	113.89	116.80
12	119.48	111.81	118.40	116.61	111.62	101.47	105.52	113.70	116.41
5	119.48	111.81	118.40	116.61	111.62	101.47	105.34	113.70	116.41
Apr. 28	119.75	111.62	118.40	116.41	111.62	101.31	105.17	113.70	116.41
21	119.75	111.62	118.20	116.61	111.44	101.14	105.17	113.70	116.41
14	119.81	111.44	118.20	116.61	111.44	100.98	104.83	113.89	116.22
6	119.81	111.44	118.20	116.41	111.25	100.81	104.66	113.70	116.22
Mar. 31	119.68	111.25	118.20	116.41	111.07	100.32	104.31	113.50	116.22
Feb. 25	120.21	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41
Jan. 28	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41
High 1944	120.44	112.56	118.30	117.00	112.37	102.96	106.39	114.08	117.40
Low 1944	119.34	110.70	118.20	116.22	110.88	99.04	103.30	113.12	116.02
High 1943	120.87	111.44	119.41	117.00	111.81	99.36	103.47	114.27	117.40
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
1 Year Ago	120.77	111.07	119.20	116.41	111.25	98.88	102.96	114.08	116.90
2 Years Ago	118.26	106.74	116.41	113.50	107.98	91.62	95.77	111.25	114.27

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)									
1944— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*			Corporate by Groups*			Indus.
			Aaa	Aa	A	R. R.	P. U.	Indus.	
July 11	1.77	3.03	2.71	2.80	3.05	3.57	3.37	2.95	2.78
10	1.77	3.04	2.72	2.80	3.05	3.57	3.37	2.95	2.78
8	1.77	3.04	2.72	2.80	3.05	3.57	3.38	2.95	2.78
7	1.78	3.03	2.72	2.80	3.04	3.57	3.38	2.95	2.78
6	1.78	3.04	2.72	2.80	3.05	3.57	3.38	2.95	2.78
5	1.79	3.04	2.72	2.81	3.05	3.57	3.38	2.96	2.78
4	HOLIDAY								
3	1.79	3.04	2.72	2.80	3.05	3.57	3.38	2.96	2.78
1	1.79	3.04	2.72	2.81	3.05	3.57	3.38	2.96	2.78
June 30	1.79	3.04	2.72	2.81	3.06	3.58	3.39	2.96	2.78
23	1.79	3.05	2.73	2.81	3.06	3.59	3.39	2.96	2.79
16	1.80	3.05	2.73	2.82	3.06	3.59	3.40	2.97	2.79
9	1.82	3.05	2.72	2.82	3.07	3.60	3.41	2.96	2.79
2	1.84	3.05	2.72	2.81	3.07	3.60	3.40	2.96	2.80
May 26	1.84	3.05	2.73	2.81	3.07	3.61	3.40	2.96	2.80
19	1.84	3.06	2.72	2.81	3.07	3.62	3.40	2.96	2.81
12	1.85	3.06	2.72	2.81	3.07	3.65	3.42	2.96	2.81
5	1.85	3.07	2.73	2.82	3.08	3.66	3.42	2.97	2.83
Apr. 28	1.86	3.07	2.73	2.82	3.08	3.66	3.43	2.97	2.83
21	1.83	3.08	2.73	2.83	3.08	3.67	3.44	2.97	2.83
14	1.82	3.08	2.74	2.82	3.09	3.68	3.44	2.97	2.83
6	1.83	3.09	2.74	2.82	3.09	3.69	3.46	2.96	2.84
Mar. 31	1.83	3.09	2.74	2.83	3.10	3.70	3.47	2.97	2.84
Feb. 25	1.81	3.10	2.74	2.83	3.11	3.73	3.49	2.98	2.84
Jan. 28	1.87	3.11	2.74	2.84	3.11	3.74	3.50	2.99	2.83
High 1944	1.87	3.13	2.74	2.84	3.12	3.81	3.55	3.00	2.85
Low 1944	1.77	3.03	2.71	2.80	3.04	3.57	3.37	2.95	2.78
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.79	3.09	2.68	2.80	3.07	3.79	3.54	2.94	2.78
1 Year Ago	1.80	3.11	2.69	2.83	3.10	3.82	3.57	2.95	2.81
2 Years Ago	1.98	3.35	2.83	2.98	3.28	4.30	4.02	3.10	2.94

*These prices are computed from average yields on the basis of one "typical" bond (3% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

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

National Fertilizer Association Wholesale Price Index Continues Fractional Advance

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on July 10, again advanced fractionally to 138.0 in the week ending July 8 from 137.7 in the preceding week. A month ago this index registered 137.0 and a year ago this year. The index is now 0.1% higher than it was on Jan. 1 of 1944. The Association's report went on to say:

The farm products group continued to advance as higher quotations on rye, hogs, and live fowls exceeded moderate declines in wheat, choice cattle, and lambs. The foods group also continued to advance fractionally as higher prices were registered for eggs and fresh pork cuts. Cotton prices again soared into new high ground last week, causing the textiles group to advance for the eighth consecutive week. The chemicals and drugs group declined fractionally, marking its first change this year, as the price of iron free alumina sulphate was reduced. The OPA granted an increase in Florida phosphate rock which in turn caused a fractional advance in the fertilizer materials group—the first change to be registered in this index in over a year.

During the week 8 price series in the index advanced and 5 declined; in the preceding week there were 12 advances and 5 declines; and in the second preceding week there were 8 advances and 9 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX Compiled by The National Fertilizer Association				
1935-1939=100*				
Each Group Bears to the Total Index	Group	Latest	Preceding	Month
		Week	Week	Ago
		July 8, 1944	July 1, 1944	June 10, 1944
25.3	Foods	140.9	140.0	138.2
	Fats and Oils	145.1	145.1	144.9
	Cottonseed Oil	163.1	163.1	163.1
	Farm Products	159.8	158.6	154.9
	Cotton	208.6	207.1	202.3
	Grains	160.1	162.0	164.6
	Livestock	151.6	149.3	143.7
17.3	Fuels	130.1	130.1	130.1
10.8	Miscellaneous commodities	132.2	132.2	132.2
8.2	Textiles	153.3	153.1	152.5
7.1	Metals	104.4	104.4	104.4
6.1	Building materials	153.4	153.4	153.4
1.3	Chemicals and drugs	126.9	127.7	127.7
3	Fertilizer materials	118.1	117.7	117.7
3	Fertilizers	119.7	119.7	119.8
3	Farm machinery	104.5	104.5	104.4
100.0	All groups combined	138.0	137.7	137.0

*Indexes on 1926-1928 base were: July 8, 1944, 107.5; July 1, 1943, 107.3, and July 10, 1943, 104.7.

Steel Operations Rise 1.4% — Orders Also At Higher Rate — Less Pressure From Consumers

"While the War Production Board, the armed forces and the steel industry focused attention on the lagging ingot rate this week, steel output barely resumed the same rate of activity which took place in the pre-holiday week, the 'Iron Age' states in its issue of today (July 13), further adding: "Discussions in Washington last week led to the conclusion that unless the manpower situation in the steel industry was alleviated there was little chance that the industry could operate at its maximum capacity. Added to this factor was the abnormal hot weather throughout the country which some sources claim has been responsible for the major part of the drop recently in raw steel output. Other quarters, however, are of the belief that even though the heat factor is offset the manpower shortage will continue to be the guiding hand in the future trend of steel production."

"Not mentioned in official quarters but nevertheless an important adjunct to the declining steel ingot rate has been the increase in the number of so-called outlaws or 'quickie' strikes in the steel industry. While the actual production loss due to these work stoppages is only a small per cent of the total steel output, the effect of these unauthorized strikes is to completely disrupt the intricate steel scheduling mechanism in the industry."

"Steel ordering has increased notably during July but at the same time some sales offices feel that pressure from consumers is reducing rather than increasing as might be expected along with large orders. This hesitancy on the part of steel users is predicated on the belief that inventories and shipments should be more closely geared with actual production than was the case several months ago before the invasion of Europe became a fact."

"The War Department has cut the shell container program 60%. The downward revision is due to the fact that the containers are not needed in the European theater and also to the fact that they are too heavy for that area. The cut back will effect a saving of about 100,000 tons of steel a month, it is said."

"Movement of scrap iron and steel is sluggish throughout the country, except in the Buffalo area which is receiving barge shipments from metropolitan New York. The dull market is caused by the reluctance of steel mills to take on inventories of scrap at ceiling prices when an early termination of the war in Europe may cause cancellation of government contracts and depress scrap prices. Mills are adhering rigidly to scrap grade specifications and certain dealers are shipping at a sacrifice out of their normal market areas rather than risk rejections. Concern has been expressed for next winter's supply of scrap, for dealers are unwilling to build up their supplies in the face of an impending market drop, and the manpower shortage is seriously impeding their scrap handling operations."

The American Iron and Steel Institute on July 10 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 95.7% of capacity for the week beginning July 10, compared with 94.3% one week ago, 97.1% one month ago and 96.4% one year ago. "The operating rate for the week beginning July 10 is equivalent to 1,714,300 tons of steel ingots and castings, compared to 1,689,200 tons one week ago, 1,739,300 tons one month ago, and 1,679,700 tons one year ago."

larger number than originally indicated. One builder given a tentative order for 1,000 large tanks is expected to receive a definite order for 4,000.

"As another phase of tank work a large number completed against previous orders, but still in this country, will be altered to provide greater fire power, among other changes."

"While there will be no immediate pressure for tonnage, substantial new merchant ship contracts are expected to be announced shortly. Most of this construction will fall in 1945, with the remainder carrying over into the following year. With sheared plate mills booked solidly for five months, some virtually out of the market for the year and with substantial backlogs beyond that, shipwork should go far toward sustaining production at a good rate for considerable time. Meanwhile pressure on plate mills is heavy, though new orders currently are irregular, due not only to present lack of new ship work but also to extended deliveries and to time required for formulating new car and locomotive needs for export. However, 35,000 freight cars of various types, mainly for the War Department, are up for bids, and an unspecified number of locomotives."

"While May movement of Lake Superior iron ore was only 110,339 gross tons, 0.9% greater than in the corresponding month last year, total movement to July 1 was 4,583,040 tons greater than to the same date last year, a gain of 18.48%. May loadings totaled 11,974,640 tons and cumulative movement to July 1 was 29,376,930 tons."

"Scrap continues to come out in sufficient volume to sustain steel-making at a high rate, though inferior grades predominate in some areas."

New York Stock Exch. Borrowings Higher

The New York Stock Exchange announced on July 7, 1944, that the total of money borrowed as reported by Stock Exchange member firms as of the close of business June 30, was \$863,979,503, an increase of \$209,048,774 over the May 31 total of \$654,930,729.

The following is the Stock Exchange's announcement:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges, (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$346,306,718; (2) on all other collateral, \$517,672,785; reported by New York Stock Exchange member firms as of the close of business June 30, 1944, aggregated \$863,979,503.

The total of money borrowed, compiled on the same basis, as of the close of business May 31, 1944, was (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$187,570,300; (2) on all other collateral, \$467,360,429. Total, \$654,930,729.

Moody's Daily Commodity Index

Tuesday, July 4, 1944	249.3
Wednesday, July 5	249.3
Thursday, July 6	249.3
Friday, July 7	249.3
Saturday, July 8	249.3
Sunday, July 9	249.3
Tuesday, July 11	250.1
Two weeks ago, June 27	249.9
Month ago, June 10	250.4
Year ago, July 10, 1943	243.0
1943 High, April 1	249.3
Low, Jan. 2	240.2
1944 High, March 17	251.5
Low, Jan. 5	247.0

*Holiday.

Civil Engineering Construction \$18,922,000 For Week

Civil engineering construction volume in the continental U. S. totals \$18,922,000 for short week due to the Fourth of July holiday. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 55% below the corresponding week last year as reported to "Engineering News-Record," 32% under the previous four-week moving average, and compares with \$34,477,000 reported for the preceding week. The report made public on July 6 continued as follows:

Trading On New York Exchanges

The Securities and Exchange Commission made public on July 1 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended June 17, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended June 17 (in round-lot transactions) totaled 4,230,450 shares, which amount was 16.68% of the total transactions on the Exchange of 12,680,200 shares. This compares with member trading during the week ended June 10 of 2,175,604 shares, or 16.79% of the total trading of 6,477,020 shares. On the New York Curb Exchange, member trading during the week ended June 17 amounted to 586,070 shares, or 14.64% of the total volume on that exchange of 2,001,690 shares; during the June 10 week trading for the account of Curb members of 277,255 shares was 14.14% of total trading of 980,155 shares.

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

WEEK ENDED JUNE 17, 1944			
A. Total Round-Lot Sales:	Total for week	%	
Short sales.....	327,870		
†Other sales.....	12,352,330		
Total sales.....	12,680,200		
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases.....	970,320		
Short sales.....	115,450		
†Other sales.....	877,050		
Total sales.....	992,500	7.74	
2. Other transactions initiated on the floor—			
Total purchases.....	847,480		
Short sales.....	66,210		
†Other sales.....	725,210		
Total sales.....	791,420	6.46	
3. Other transactions initiated off the floor—			
Total purchases.....	289,607		
Short sales.....	25,820		
†Other sales.....	313,303		
Total sales.....	339,123	2.48	
4. Total—			
Total purchases.....	2,107,407		
Short sales.....	207,480		
†Other sales.....	1,915,563		
Total sales.....	2,123,043	16.68	

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

WEEK ENDED JUNE 17, 1944			
A. Total Round-Lot Sales:	Total for week	%	
Short sales.....	17,230		
†Other sales.....	1,984,460		
Total sales.....	2,001,690		
B. Round-Lot Transactions for Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases.....	158,260		
Short sales.....	10,820		
†Other sales.....	170,165		
Total sales.....	180,985	8.47	
2. Other transactions initiated on the floor—			
Total purchases.....	69,240		
Short sales.....	3,200		
†Other sales.....	56,340		
Total sales.....	61,540	3.27	
3. Other transactions initiated off the floor—			
Total purchases.....	55,825		
Short sales.....	2,100		
†Other sales.....	58,120		
Total sales.....	60,220	2.90	
4. Total—			
Total purchases.....	283,325		
Short sales.....	16,120		
†Other sales.....	286,625		
Total sales.....	302,745	14.64	
C. Odd-Lot Transactions for Account of Specialists—			
Customers' short sales.....	0		
†Customers' other sales.....	70,938		
Total purchases.....	70,938		
Total sales.....	53,928		

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.
 †In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.
 ‡Round-lot short sales which are exempted from restriction by the Commission's rules are included with "other sales."
 §Sales marked "short exempt" are included with "other sales."

rye flour rose slightly while wheat flour and white potatoes in most markets declined. Average prices for foods are 1.4% higher than at the end of May. Notwithstanding the recent rise in food prices they are 0.8% lower than at the same time last year.

Industrial commodities—Very few changes were reported in prices for industrial commodities during the week. The decline in the hides and leather products group resulted from an earlier decrease in prices for shearlings. Minor fluctuations occurred in quotations for pine lumber. Rosin advanced nearly 4% while turpentine dropped 1.3%. Slightly lower prices were reported for soap products.

Note: 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 tables show (1) index numbers for the principal groups of commodities for the past three weeks, for June 3, 1944 and July 3, 1944, and the percentage changes from a week ago, a month ago, and a year ago, and (2) percentage changes in subgroup indexes from June 24 to July 1, 1944.

WHOLESALE PRICES FOR WEEK ENDED JULY 1, 1944										
(1926=100)										
Commodity Groups—	7-1			6-24			6-3			Percentage change to July 1, 1944 from—
	1944	1944	1944	1944	1944	1944	1944	1944		
All commodities.....	*104.1	*103.7	*103.7	*103.9	103.0	+0.4	+0.2	+1.1		
Farm products.....	125.5	123.0	122.9	123.9	125.9	+2.0	+1.3	-0.3		
Foods.....	160.7	104.9	104.9	105.2	107.6	+1.7	+1.4	-0.8		
Hides and leather products.....	116.8	117.7	117.7	117.7	118.4	-0.8	-0.8	-1.4		
Textile products.....	97.3	97.3	97.3	97.3	96.9	0	0	+0.4		
Fuel and lighting materials.....	83.8	83.8	83.7	83.7	81.5	0	+0.1	+2.8		
Metals and metal products.....	*103.8	*103.8	*103.8	*103.8	103.9	0	0	-0.1		
Building materials.....	115.9	115.9	115.8	115.7	110.4	0	+0.2	+5.0		
Chemicals and allied products.....	105.3	105.3	105.3	105.3	100.2	0	0	+5.1		
Housefurnishing goods.....	106.0	106.0	106.0	106.0	104.3	0	0	+1.6		
Miscellaneous commodities.....	93.3	93.3	93.3	93.3	91.6	0	0	+1.9		
Raw materials.....	114.6	113.2	113.1	113.8	114.0	+1.2	+0.7	+0.5		
Semimanufactured articles.....	93.7	93.7	93.7	93.6	92.7	0	+0.1	+1.1		
Manufactured products.....	*101.1	*101.1	*101.1	*101.1	99.7	0	0	+1.4		
All commodities other than farm products.....	*99.5	*99.5	*99.5	*99.6	98.1	0	-0.1	+1.4		
All commodities other than farm products and foods.....	*98.7	*98.7	*98.7	*98.7	96.9	0	0	+1.9		
*Preliminary.										
PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM JUNE 24, 1944 TO JULY 1, 1944										
Increases										
Fruits and vegetables.....	8.6 Grains..... 0.6									
Other farm products.....	4.2 Paint and paint materials..... 0.3									
Other foods.....	1.4 Meats..... 0.1									
Decreases										
Hides and skins.....	4.6 Cereal products..... 0.2									
Livestock and poultry..... 1.0										

Non-Ferrous Metals Experience Slow Trading Period—Quicksilver Consumption Below Output

"E. & M. J. Metal and Mineral Markets," in its issue of July 6, stated: "Labor difficulties at Mexican metal-producing properties are in process of being settled, which was viewed as a favorable development, particularly among consumers of lead. So far, some 140 companies and individuals involved in the month-old wage dispute have reached an agreement with miners and smelter workers, and other producers are negotiating for an early settlement. With July needs of consumers almost fully provided for, new business in non-ferrous metals came through on a reduced scale during the last week. Quicksilver statistics for May were issued on July 5 and showed that production still exceeded consumption in that month." The publication further went on to say in part:

Copper
 Brass mills were more concerned with making necessary repairs during the vacation period scheduled for the holiday week than in obtaining more copper. July needs have been provided for, and August business is developing slowly.

Copper production from domestic mines in May was 85,848 tons, a decrease of 2% from that of April, according to a preliminary estimate by the Bureau of Mines.

The Metals Reserve Co. intends to terminate on Jan. 30, 1945, its buying program in Chile for obtaining copper ore and concentrates from small mining properties, according to mail advices from Santiago. Contract prices are being lowered on a quarterly basis on such transactions, which means that premium payments will gradually be eliminated. Ore and concentrates were purchased by Metals Reserve through the Chilean government. During 1943, about \$5,300,000 was involved in acquiring the copper-bearing material.

Purchases of electrolytic and fire-refined copper will not be affected by the move. During 1943 the United States obtained virtually all of Chile's production of copper. Output last year was estimated at 548,000 tons.

Lead
 Production of pig lead in Mexico has not yet been resumed, but settlement of the labor difficulties is thought to be near at hand and tension in the domestic market has moderated. With domestic production falling, owing to labor shortages, the trade will continue to call on outside sources for fairly large tonnages, particularly for the common grade of lead. Consumers are not greatly concerned about obtaining corroding lead, as the stockpile consists largely of this grade.

Sales of lead by domestic producers for the last week amounted to 8,859 tons, against 4,201 tons in the week previous.

Zinc
 The Rosita zinc smelter of A. S. & R., in Mexico, resumed production June 30. Though all details of the settlement have not yet been worked out, no obstacles stand in the way of operating the plant at capacity, according to advices from Mexico.

Buying last week was on the quiet side, owing to the fact that most of the large consumers have already purchased zinc for their July requirements. There were no price developments.

Mine output of zinc in the United States for May was estimated by the Bureau of Mines at 62,708 tons, against 63,814 tons in April.

Tin
 Though exports of tin concentrates from Bolivia have been smaller so far this year, receipts of tin and tin concentrates in the United States from all sources have actually increased, according to members of the trade.

Concentrates formerly consigned to England have been moving to Texas, and supplies from African sources have been coming through with regularity.

General Preference Order M-43 has been amended by WPB, covering tin contained in solder. The revised regulations raise from 21% to 30% the tin content of solder that may be used as specifically permitted. The order now requires prescribed certification in the purchase of all solders, and adds radio, radar, and electrical appliances to the list in which solder containing not more than 35% tin may be used. Fabrication of terne-plate tanks is included under items in which 35% tin solder may be used.

Quotations for tin were unchanged last week. Straits quality tin for shipment, in cents per pound:

	July	August	Sept.
June 29.....	52.000	52.000	52.000
June 30.....	52.000	52.000	52.000
July 1.....	52.000	52.000	52.000
July 3.....	52.000	52.000	52.000
July 4.....	HOLIDAY		
July 5.....	52.000	52.000	52.000

Chinese, or 99% tin, was unchanged at 51.125c. per pound.

Quicksilver
 Production of quicksilver in May amounted to 3,400 flasks, against 3,700 flasks in April and a monthly average of 4,327 flasks for 1943, the Bureau of Mines reports. Consumption during May was 3,100 flasks, against 3,200 flasks in April and a monthly average for 1943 of 4,542 flasks.

The position of the market for quicksilver was unchanged last week. Buying was described as light, with sales reported within the range of \$98 to \$103 per flask, New York, depending on quantity. Sellers were not inclined to force matters over the holiday period. Conditions on the Pacific Coast remained unsettled, chiefly because important consumers continue to show so little interest in obtaining forward metal.

E&MJ monthly averages for quicksilver for 1943 and the first six months of 1944 follow:

	1943	1944
January.....	\$196.000	\$151.600
February.....	196.000	130.000
March.....	196.000	130.000
April.....	196.000	128.200
May.....	196.000	115.538
June.....	196.000	101.692
July.....	196.000	-----
August.....	196.000	-----
September.....	195.720	-----
October.....	195.000	-----
November.....	193.696	-----
December.....	190.077	-----

Silver
 The London market for silver was quiet last week, with the price unchanged at 23½d. The New York Official for foreign silver continued at 44¢c., with domestic metal at 70¢c.

Results Of Treasury Bill Offering

The Secretary of the Treasury announced on July 10 that the tenders for \$1,200,000,000, or thereabouts, of 92-day Treasury bills to be dated July 13 and to mature Oct. 13, 1944, which were offered on July 7, were opened at the Federal Reserve Banks on July 10. The details of this issue are as follows:

Total applied for, \$2,042,316,000. Total accepted, \$1,203,823,000 (includes \$54,389,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price 99.904, equivalent rate of discount approximately 0.374% per annum.

Range of accepted competitive bids:

High, 99.910, equivalent rate of discount approximately 0.352% per annum.

Low, 99.904, equivalent rate of discount approximately 0.376% per annum.

(51% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on July 13 in the amount of \$1,014,523,000.

Wholesale Prices Up In Week Ended July 1 Labor Department Reports

Sharp increases in prices for most agricultural products brought the Bureau of Labor Statistics' index of commodity prices in primary markets up 0.4% during the last week of June. "The all-commodity index of nearly 900 price series rose to 104.1% of the 1926 average," according to the U. S. Department of Labor on July 6. It is added that "the general level of prices for these commodities is 0.2% higher than at the end of May and 1.1% over the corresponding week of last year." The department's announcement further said:

Farm products and foods higher—Led by an increase of more than 8% for fruits and vegetables and 7% for eggs, average prices for farm products rose 2% during the week to the highest point reached in nearly a year. Substantially higher prices were reported for apples in the New York and Portland (Oregon) markets, for oranges, and for onions. Rye and wheat rose by more than 1% and alfalfa hay by 10%. Congressional action in raising the loan value brought cotton prices up 1%. Heavy hogs also rose slightly and quotations were higher for live poultry in the New York market. In the past four weeks average prices for farm products have risen 1.3%. They are, however, 0.3% lower than at this time last year.

"The sharp advance in prices for agricultural commodities, particularly fruits and vegetables and eggs, also led to an increase of 1.7% in average prices for foods during the week. Fresh pork and

Daily Crude Oil Production Sets New High— Up 3,550 Barrels Per Day In July 1 Week

The American Petroleum Institute estimated that the daily average gross crude oil production for the week ended July 1, 1944, was 4,586,750 barrels, a new high record. It was 3,550 barrels per day higher than in the preceding week, 578,950 barrels per day more than in the corresponding week of last year and 1,150 barrels in excess of the daily average figure recommended by the Petroleum Administration for War for the month of June, 1944. Daily production for the four weeks ended July 1, 1944, averaged 4,565,200 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,638,000 barrels of crude oil daily and produced 14,052,000 barrels of gasoline; 1,523,000 barrels of kerosine; 4,496,000 barrels of distillate fuel oil, and 8,872,000 barrels of residual fuel oil during the week ended July 1, 1944; and had in storage at the end of that week, 83,559,000 barrels of gasoline; 9,682,000 barrels of kerosine; 35,360,000 barrels of distillate fuel, and 52,235,000 barrels of residual fuel oil. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations June	*State Allowables begin. June 1	Actual Production Week Ended July 1, 1944	Change from Previous Week	4 Weeks Ended July 1, 1944	Week Ended July 3, 1943
Oklahoma	332,000	332,000	†338,300	+ 6,000	333,200	335,500
Kansas	274,000	269,600	†274,700	—15,000	276,800	280,100
Nebraska	1,000	—	†1,000	—	1,000	2,150
Panhandle Texas	—	—	92,150	—	92,200	90,200
North Texas	—	—	149,400	—	149,400	134,300
West Texas	—	—	447,900	—	447,900	236,100
East Central Texas	—	—	145,000	—	145,000	125,500
East Texas	—	—	360,550	—	360,500	350,400
Southwest Texas	—	—	312,950	—	312,900	217,600
Coastal Texas	—	—	528,450	—	528,500	394,300
Total Texas	2,639,000	2,042,059	2,036,400	—	2,036,400	1,548,400
North Louisiana	—	—	72,750	—1,450	73,600	85,150
Coastal Louisiana	—	—	288,750	—	288,800	250,800
Total Louisiana	350,000	395,000	361,500	—1,450	362,400	335,950
Arkansas	78,000	77,991	80,250	—	80,400	75,700
Mississippi	42,000	—	43,900	—1,450	43,900	55,050
Alabama	—	—	150	+ 50	100	—
Florida	—	—	50	—	50	—
Illinois	220,000	—	208,650	—900	206,400	220,550
Indiana	14,000	—	12,200	—700	12,400	13,600
Eastern— (Not incl. Ill., Ind., Ky.)	73,600	—	71,550	+ 4,750	69,000	79,750
Kentucky	23,000	—	24,700	+ 2,950	21,500	20,800
Michigan	51,000	—	51,900	+ 4,700	49,900	57,500
Wyoming	94,000	—	93,950	+ 2,500	87,700	86,550
Montana	24,400	—	22,100	+ 800	21,500	20,850
Colorado	7,400	—	7,550	—800	8,200	7,000
New Mexico	113,000	113,000	108,000	—	108,000	97,050
Total East of Calif	3,736,400	—	3,736,850	+ 1,450	3,718,800	3,236,500
California	849,200	849,200	849,900	+ 2,100	846,400	771,300
Total United States	4,585,600	—	4,586,750	+ 3,550	4,565,200	4,007,800

*P.A.W. recommendations and state allowables, as shown above, represent the production of crude oil only, and do not include amounts of condensate and natural gas derivatives to be produced.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. June 29, 1944. ‡This is the net basic allowable as of June 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 1 to 15 days, the entire state was ordered shut down for 7 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 7 days shutdown 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 1, 1944

(Figures in Thousands of barrels of 42 Gallons Each)

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

District—	Daily Refining Capacity	Crude Runs to Still	Gasoline Production	Stocks of Gasoline	Stocks of Gas Oil	Stocks of Residual Fuel Oil
*Combin'd: East Coast	2,518	90.3	2,399	95.3	6,782	36,891
Texas Gulf, Louisiana Gulf, North Louisiana-Arkansas, and inland Texas	2,518	90.3	2,399	95.3	6,782	36,891
Appalachian—	130	83.9	95	73.1	326	1,948
District No. 1	130	83.9	95	73.1	326	1,948
District No. 2	47	87.2	60	127.7	185	1,083
Ind., Ill., Ky.	824	85.2	767	93.1	2,752	18,523
Okla., Kans., Mo.	418	80.2	380	90.9	1,345	7,486
Rocky Mountain—	13	17.0	12	92.3	34	66
District No. 3	13	17.0	12	92.3	34	66
District No. 4	141	58.3	91	64.5	305	2,374
California	817	89.9	834	102.1	2,323	15,188
Total U. S. B. of M. basis July 1, 1944	4,908	87.2	4,638	94.5	14,052	†83,559
Total U. S. B. of M. basis June 24, 1944	4,908	87.2	4,638	94.5	14,066	86,000
U. S. Bur. of Mines basis July 3, 1943	—	—	3,892	—	11,089	77,185

*At the request of the Petroleum Administration for War. †Finished, 71,574,000 barrels; unfinished, 11,985,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,523,000 barrels of kerosine, 4,496,000 barrels of gas oil and distillate fuel oil and 8,872,000 barrels of residual fuel oil produced during the week ended July 1, 1944, which compares with 1,502,000 barrels 4,337,000 barrels and 8,961,000 barrels, respectively in the preceding week and 1,213,000 barrels, 3,556,000 barrels and 7,781,000 barrels, respectively, in the week ended July 3, 1943. Note—Stocks of kerosine at July 1, 1944 amounted to 9,682,000 barrels, as against 9,195,000 barrels a week earlier and 8,361,000 barrels a year before.

Weekly Coal And Coke Production Statistics

The Solid Fuels Administration for War, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended July 1, 1944 is estimated at 12,050,000 net tons, as against 12,000,000 tons in the preceding week and 10,165,000 tons in the corresponding week of 1943. Cumulative production of soft coal from Jan. 1 to July 1 totaled about 321,080,000 tons, compared with 289,287,000 tons in the same period last year, an increase of 11.0%.

Production of Pennsylvania anthracite for the week ended July 1, 1944, as estimated by the U. S. Bureau of Mines, was 1,291,000 tons, an increase of 52,000 tons (4.2%) over the preceding week. When compared with the output in the corresponding week of 1943, there was an increase of 665,000 tons. The calendar year to date shows an increase of 12.2% when compared with the same period last year. The strike of the coal miners was the main cause for the lower production a year ago.

The Bureau of Mines also reported that the estimated production of beehive coke in the United States for the week ended July 1, 1944 showed a decrease of 6,100 tons when compared with the output in the week ended June 24; and was 53,300 tons more than for the corresponding week of 1943.

ESTIMATED UNITED STATES PRODUCTION OF COAL, IN NET TONS

	Week Ended			January 1 to Date		
	July 1, 1944	June 24, 1944	July 3, 1943	July 1, 1944	July 3, 1943	July 3, 1937
Bituminous coal and lignite	12,050,000	12,000,000	10,165,000	321,080,000	289,287,000	227,625,000
Total incl. coll. fuel	12,050,000	12,000,000	10,165,000	321,080,000	289,287,000	227,625,000
Daily average	2,008,000	2,000,000	1,694,000	2,058,000	1,851,000	1,465,000

*Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

	Week Ended			Calendar Year to Date		
	July 1, 1944	June 24, 1944	July 3, 1943	July 1, 1944	July 3, 1943	July 3, 1937
Penn. anthracite	1,291,000	1,239,000	626,000	33,342,000	29,715,000	28,861,000
Total incl. coll. fuel	1,291,000	1,239,000	626,000	33,342,000	29,715,000	28,861,000
Commercial produc.	1,239,000	1,189,000	601,000	32,009,000	28,526,000	27,418,000
Beehive coke	52,000	50,000	25,000	1,333,000	1,189,000	1,443,000
United States total	150,000	156,100	96,700	3,920,500	3,853,000	1,861,400

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Subject to revision. §Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

State—	Week Ended			
	June 24, 1944	June 17, 1944	June 26, 1943	June 26, 1937
Alabama	379,000	402,000	74,000	246,000
Alaska	5,000	5,000	5,000	3,000
Arkansas and Oklahoma	90,000	73,000	45,000	17,000
Colorado	121,000	140,000	58,000	80,000
Georgia and North Carolina	1,000	1,000	1,000	—
Illinois	1,527,000	1,484,000	650,000	604,000
Indiana	527,000	533,000	240,000	246,000
Iowa	50,000	46,000	43,000	16,000
Kansas and Missouri	155,000	160,000	126,000	72,000
Kentucky—Eastern	926,000	937,000	289,000	704,000
Kentucky—Western	374,000	390,000	178,000	121,000
Maryland	40,000	39,000	21,000	24,000
Michigan	3,000	3,000	3,000	4,000
Montana (bitum. & lignite)	74,000	74,000	73,000	35,000
New Mexico	23,000	30,000	22,000	22,000
North & South Dakota (lignite)	37,000	35,000	34,000	12,000
Ohio	695,000	710,000	195,000	415,000
Pennsylvania (bituminous)	2,980,000	3,108,000	785,000	1,934,000
Tennessee	147,000	144,000	41,000	98,000
Texas (bituminous & lignite)	2,000	2,000	2,000	18,000
Utah	146,000	133,000	43,000	34,000
Virginia	377,000	388,000	167,000	231,000
Washington	30,000	30,000	18,000	30,000
West Virginia—Southern	2,133,000	2,160,000	930,000	1,620,000
West Virginia—Northern	996,000	1,113,000	477,000	565,000
Wyoming	155,000	158,000	86,000	81,000
Other Western States	—	1,000	—	—
Total bituminous & lignite	12,000,000	12,300,000	4,606,000	7,233,000
Pennsylvania anthracite	1,239,000	1,319,000	286,000	937,000
Total, all coal	13,239,000	13,619,000	4,892,000	8,170,000

†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 and Oregon. *Less than 1,000 tons.

Electric Output For Week Ended July 8, 1944 Shows 0.5% 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 by the United States for the week ended July 8, 1944, was approximately 3,940,854,000 kwh., compared with 3,919,398,000 kwh. in the corresponding week a year ago, an increase of 0.5%. The output for the week ended July 1, 1944, was 5.3% in excess of the similar period of 1943.

Major Geographical Divisions—	PERCENTAGE INCREASE OVER PREVIOUS YEAR			
	July 8, 1944	July 1, 1944	June 24, 1943	June 17, 1943
New England	+12.0	0.6	3.3	2.7
Middle Atlantic	+5.4	0.1	+1.3	+1.2
Central Industrial	+1.7	5.5	5.2	4.8
West Central	2.0	5.7	6.2	3.9
Southern States	+5.2	8.2	8.4	6.3
Rocky Mountain	+8.0	+8.6	+9.1	+8.5
Pacific Coast	15.0	15.2	15.4	16.5
Total United States	0.5	5.3	5.0	4.6

*Decrease under similar week in 1943.

Week Ended—	DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)				
	1944	1943	% Change over 1943	1942	1929
April 1	4,408,703	3,889,858	+13.3	3,348,608	1,465,076
April 8	4,361,094	3,882,467	+12.3	3,320,858	1,480,738
April 15	4,307,498	3,916,794	+10.0	3,307,700	1,469,810
April 22	4,344,188	3,925,175	+10.7	3,273,190	1,454,505
April 29	4,436,247	3,866,721	+12.1	3,304,602	1,429,032
May 6	4,144,490	3,903,723	+5.3	3,365,208	1,436,928
May 13	4,238,375	3,969,161	+6.8	3,356,921	1,435,731
May 20	4,245,878	3,992,250	+6.3	3,379,965	1,425,151
May 27	4,291,750	3,990,040	+6.3	3,322,651	1,381,452
June 3	4,144,490	3,925,893	+5.6	3,372,374	1,435,471
June 10	4,264,600	4,040,376	+5.5	3,463,528	1,441,532
June 17	4,287,251	4,098,401	+4.6	3,433,711	1,440,541
June 24	4,325,417	4,120,038	+5.0	3,457,024	1,456,961
July 1	4,327,359	4,110,793	+5.3	3,424,188	1,341,730
July 8	3,940,854	3,919,398	+0.5	3,428,916	1,415,704
July 15	4,184,143	4,184,143	—	3,565,367	1,433,903
July 22	4,196,357	4,196,357	—	3,625,645	1,440,386
July 29	4,226,705	4,22			

Revenue Freight Car Loadings During Week Ended July 1, 1944 Increased 16,533 Cars

Loading of revenue freight for the week ended July 1, 1944 totaled 897,800 cars, the Association of American Railroads announced on July 7. This was an increase above the corresponding week of 1943 of 45,718 cars, or 5.4%, and an increase above the same week in 1942 of 144,060 cars or 19.1%, which latter period included the July 4 holiday.

Loading of revenue freight for the week of July 1, increased 16,533 cars, or 1.9% above the preceding week.

Miscellaneous freight loading totaled 397,633 cars, an increase of 8,405 cars above the preceding week, and an increase of 10,723 cars above the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 106,831 cars, an increase of 2,989 cars above the preceding week, and an increase of 6,235 cars above the corresponding week in 1943.

Coal loading amounted to 175,440 cars, a decrease of 89 cars below the preceding week, but an increase of 30,262 cars above the corresponding week in 1943.

Grain and grain products loading totaled 58,600 cars, an increase of 5,267 cars above the preceding week but a decrease of 1,879 cars below the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of July 1, totaled 42,434 cars, an increase of 4,688 cars above the preceding week but a decrease of 3,950 cars below the corresponding week in 1943.

Live stock loading amounted to 13,950 cars, a decrease of 620 cars below the preceding week, but an increase of 2,193 cars above the corresponding week in 1943. In the Western Districts alone loading of live stock for the week of July 1, totaled 9,663 cars, a decrease of 647 cars below the preceding week, but an increase of 1,463 cars above the corresponding week in 1943.

Forest products loading totaled 50,044 cars, an increase of 2,403 cars above the preceding week and an increase of 5,430 cars above the corresponding week in 1943.

Ore loading amounted to 80,971 cars, a decrease of 1,117 cars below the preceding week and a decrease of 8,721 cars below the corresponding week in 1943.

Coke loading amounted to 14,331 cars, a decrease of 705 cars below the preceding week, but an increase of 1,475 cars above the corresponding week in 1943.

All districts reported increases compared with the corresponding week in 1943, except the Pocahontas and Northwestern. All districts reported increases compared with 1942.

	1944	1943	1942
5 Weeks of January	3,796,477	3,531,811	3,858,479
4 weeks of February	3,159,492	3,055,725	3,122,942
4 weeks of March	3,135,155	3,073,445	3,174,781
5 weeks of April	4,068,625	3,924,981	4,209,907
4 weeks of May	3,446,252	3,363,195	3,311,637
Week of June 3	810,772	667,609	854,689
Week of June 10	874,193	854,498	832,635
Week of June 17	879,161	858,286	844,913
Week of June 24	881,267	760,930	853,418
Week of July 1	897,800	852,082	753,740
Total	21,949,194	20,952,550	21,817,141

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended July 1, 1944. During the period 81 roads showed increases when compared with the corresponding week a year ago when the coal miners were on strike.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED JULY 1

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Eastern District—					
Ann Arbor	242	253	345	1,396	1,371
Bangor & Aroostook	1,083	969	867	528	173
Boston & Maine	6,985	6,744	5,610	14,084	14,161
Chicago, Indianapolis & Louisville	1,315	1,271	1,320	2,456	1,850
Central Indiana	21	39	27	44	41
Central Vermont	1,034	1,103	865	2,322	2,479
Delaware & Hudson	6,151	5,932	5,269	12,804	11,619
Delaware, Lackawanna & Western	8,021	7,470	6,622	11,158	10,784
Detroit & Mackinac	266	226	231	122	106
Detroit, Toledo & Ironton	1,757	1,942	1,359	1,248	1,275
Detroit & Toledo Shore Line	283	325	255	2,445	2,374
Erie	13,973	12,804	11,280	17,452	17,721
Grand Trunk Western	3,969	3,878	3,953	7,721	7,629
Lehigh & Hudson River	213	200	186	2,868	2,002
Lehigh & New England	2,068	804	1,784	1,623	1,207
Lehigh Valley	8,680	6,931	7,282	15,937	14,693
Maine Central	2,233	2,454	2,114	2,927	2,285
Monongahela	6,015	5,456	5,208	394	351
Montour	2,538	2,130	1,900	26	131
New York Central Lines	50,508	56,792	44,033	54,672	46,799
N. Y., N. H. & Hartford	9,551	9,885	8,660	18,986	16,724
New York, Ontario & Western	1,335	1,328	834	3,494	2,095
New York, Chicago & St. Louis	6,697	6,569	6,445	16,626	15,317
N. Y., Susquehanna & Western	483	595	315	2,158	1,585
Pittsburgh & Lake Erie	8,151	7,421	7,117	8,605	8,167
Pere Marquette	5,185	4,728	4,783	7,844	7,443
Pittsburgh & Shawmut	966	400	562	97	316
Pittsburgh, Shawmut & North	1,361	1,135	782	3,047	3,669
Pittsburgh & West Virginia	418	358	353	1,169	863
Rutland	6,068	5,577	4,735	13,330	13,489
Wabash	6,044	6,254	5,744	4,266	4,881
Total	164,047	162,895	141,152	232,028	213,621

Allegheny District—					
	1944	1943	1942	1944	1943
Akron, Canton & Youngstown	731	759	674	1,298	960
Baltimore & Ohio	48,164	41,713	33,759	29,463	29,424
Bessemer & Lake Erie	6,284	6,286	6,592	2,261	1,557
Buffalo Creek & Cauley	334	282	230	3	4
Cambria & Indiana	1,564	57	1,516	7	7
Central R. R. of New Jersey	7,094	6,691	5,981	20,459	19,850
Conwall	513	660	659	43	32
Cumberland & Pennsylvania	222	267	215	5	9
Ligonier Valley	157	199	112	27	45
Long Island	1,425	1,178	601	3,484	3,470
Penn.-Reading Seashore Lines	1,780	1,715	1,426	2,343	2,619
Pennsylvania System	93,105	79,239	76,978	68,952	63,611
Reading Co.	15,220	11,565	12,093	28,103	25,068
Union (Pittsburgh)	19,575	16,351	21,110	6,923	7,581
Western Maryland	4,188	3,974	3,152	12,326	12,121
Total	200,356	170,936	165,698	175,712	166,358

Pocahontas District—					
	1944	1943	1942	1944	1943
Chesapeake & Ohio	27,684	28,935	19,304	14,092	12,126
Norfolk & Western	21,664	21,965	14,459	8,893	7,474
Virginian	4,136	4,738	2,669	2,307	2,011
Total	53,484	55,638	36,432	25,292	21,611

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Southern District—					
Alabama, Tennessee & Northern	366	303	455	374	251
Atl. & W. P.—W. R. R. of Ala.	790	584	620	2,538	2,817
Atlanta, Birmingham & Coast	882	695	881	1,361	1,089
Atlantic Coast Line	11,311	12,179	10,648	9,515	9,669
Central of Georgia	3,866	3,966	4,671	5,746	4,630
Charleston & Western Carolina	515	373	453	1,800	1,634
Clinchfield	1,828	1,620	1,529	2,887	2,551
Columbus & Greenville	222	322	367	374	121
Durham & Southern	156	105	126	654	338
Florida East Coast	818	1,374	912	1,555	1,800
Gainesville Midland	56	36	40	115	76
Georgia	1,080	981	1,355	2,688	3,375
Georgia & Florida	456	508	467	591	519
Gulf, Mobile & Ohio	4,376	3,986	3,935	4,120	4,178
Illinois Central System	29,360	26,121	23,719	16,204	18,892
Louisville & Nashville	25,562	23,131	19,791	12,272	11,463
Macon, Dublin & Savannah	161	172	184	1,022	733
Mississippi Central	261	225	190	500	374
Nashville, Chattanooga & St. L.	3,285	3,071	3,241	4,708	5,201
Norfolk Southern	1,770	2,314	1,520	1,774	1,148
Piedmont Northern	401	339	333	1,070	1,078
Richmond, Fred. & Potomac	509	361	474	9,919	11,078
Seaboard Air Line	9,392	9,950	10,373	8,785	7,341
Southern System	24,246	20,378	21,659	24,088	22,457
Tennessee Central	712	1,134	565	879	935
Winston-Salem Southbound	118	104	87	956	704
Total	122,599	114,392	108,595	116,495	114,450

Northwestern District—					
	1944	1943	1942	1944	1943
Chicago & North Western	18,778	21,788	19,801	13,550	12,903
Chicago Great Western	2,329	2,404	2,193	3,608	3,105
Chicago, Milw., St. P. & Pac.	21,191	21,727	16,446	10,592	11,753
Chicago, St. Paul, Minn. & Omaha	3,256	3,789	3,263	3,825	3,638
Duluth, Missabe & Iron Range	27,604	28,762	29,907	288	620
Duluth, South Shore & Atlantic	1,068	1,138	835	552	642
Elgin, Joliet & Eastern	9,068	9,043	9,132	10,938	9,103
Ft. Dodge, Des Moines & South	461	449	434	110	83
Great Northern	23,333	25,952	22,525	7,149	5,967
Green Bay & Western	479	420	430	968	868
Lake Superior & Ishpeming	3,195	3,470	1,630	54	35
Minneapolis & St. Louis	2,581	1,910	1,653	2,573	2,513
Minn., St. Paul & S. S. M.	6,919	7,828	6,385	3,084	2,930
Northern Pacific	11,218	11,111	8,658	6,488	5,520
Spokane International	154	121	144	754	571
Spokane, Portland & Seattle	2,932	2,832	2,003	3,403	3,750
Total	134,666	142,744	125,439	67,936	63,793

Central Western District—					
	1944	1943	1942	1944	1943
Atch., Top. & Santa Fe System	33,006	26,743	25,749	13,035	11,915
Alton	3,695	3,270	2,841	3,986	4,086
Bingham & Garfield	466	559	712	65	78
Chicago, Burlington & Quincy	18,671	19,583	13,925	12,250	11,223
Chicago & Illinois Midland	3,206	2,566	2,552	925	784
Chicago, Rock Island & Pacific	14,627	13,376	11,459	13,827	13,338
Chicago & Eastern Illinois	2,770	2,462	2,144	6,603	5,996
Colorado & Southern	543	719	687	2,383	1,711
Denver & Rio Grande Western	3,700	3,813	2,598	5,649	6,204
Denver & Salt Lake	764	680	435	18	15
Fort Worth & Denver City	1,607	1,340	1,439	1,832	2,362
Illinois Terminal	2,588	2,227	1,660	1,652	2,131
Missouri-Illinois	1,147	1,040	1,086	640	415
Nevada Northern	1,852	2,040	2,006	105	64
North Western Pacific	903	985	968	838	671
Peoria & Pekin Union	3	15	8	0	0
Southern Pacific (Pacific)	36,147	32,299	28,825	13,707	14,473
Toledo, Peoria & Western	297	202	275	2,094	1,876
Union Pacific System	16,327	14,883	12,866	18,610	17,134
Utah	511	489	458	11	3
Western Pacific	2,217	2,224	1,619	4,092	3,915
Total	145,058	131,515	114,412	102,222	98,577

Southwestern District—					
	1944	1943	1942	1944	1943
Burlington-Rock Island	561	835	229	360	248
Gulf Coast Lines	5,592	5,083	4,154	2,627	2,486
International-Great Northern	2,834	2,138	2,350	4,045	2,996
Kansas, Oklahoma & Gulf	268	246	320	1,111	957
Kansas City Southern	6,097	5,619	4,661	2,643	2,895
Louisiana & Arkansas	3,928	3,766	4,273	2,778	2,982
Litchfield & Madison	266	363	231	1,046	1,288
Midland Valley	750	505	588		

Items About Banks, Trust Companies

(Continued from page 204)

an Assistant Vice-President in 1923, and a Vice-President in 1934.

The Federation Bank and Trust Company of New York reported as of June 30, 1944, deposits of \$23,951,102 and total resources of \$26,961,730, against \$22,639,039 and \$25,506,832, respectively, as of March 31, 1944. Cash on hand and due from banks amounted to \$5,134,176, against \$2,502,880. Holdings of United States Government securities totaled \$12,161,002, against \$13,659,915. Loans and discounts were \$8,293,175, against \$7,978,143. Capital and surplus were unchanged at \$825,000 and \$1,175,000, respectively, and undivided profits were \$373,888, against \$340,195.

Deposits of the Clinton Trust Company of New York increased to \$18,607,541 on June 30 from \$14,498,202 on the corresponding date a year ago and \$16,979,875 on March 31 last. Total assets rose to \$19,740,642 as compared with \$15,658,950 on June 30, 1943, and \$18,161,884 at the close of the first quarter this year. Surplus and undivided profits on June 30 were reported at \$482,475. A year ago they were \$457,444 and on March 31, 1944, amounted to \$472,563. Loans and discounts of \$3,269,845 were reported as of June 30, 1944, compared with \$2,792,818 on June 30, 1943, and \$3,008,258 on March 31 last. United States Government and municipal bonds now total \$9,302,208; a year ago the total was \$6,770,882 for Federal, state and municipal securities, and at the close of the first quarter of 1944 holdings of U. S. Government and municipal bonds were \$9,092,383. Cash on hand and due from banks on June 30 were \$4,631,677 as compared with \$3,833,724 on June 30, 1943, and \$3,638,708 on March 31 of this year.

Plans for a special meeting of the stockholders of the Clinton Trust on July 18 to act on a proposal to increase the capital from \$600,000 to \$700,000 were referred to in our issue of July 6, page 112.

The statement of condition of Brooklyn Trust Company of Brooklyn, N. Y., as of June 30, showed deposits of \$219,137,078, the highest total ever reported by the company, which compares with \$193,401,258 on March 31 last, and \$180,869,131 a year ago. The previous peak total deposits on a statement date was \$196,169,319 on Sept. 30, 1943, and the previous high mark for any date was \$212,000,000 on Oct. 15, 1943. The statement disclosed an increase of \$150,000 in surplus since the preceding statement on March 31, the figure being \$4,900,000 against \$4,750,000 three months before.

Cash on hand and due from banks, including the Federal Reserve Bank of New York, was \$49,396,340 against \$38,072,764 on March 31 last. Holdings of United States Government securities were \$139,414,054, against \$127,229,752, while loans and bills purchased aggregated \$32,481,513 against \$28,892,719. Undivided profits are now \$1,463,156 against \$1,454,784 on March 31, while capital is unchanged at \$8,200,000. Total resources are \$235,373,496, also a new high record, against \$209,393,083 three months before.

Lafayette National Bank of Brooklyn in New York as of June 30, 1944, reports total resources of \$25,492,228, an increase of \$2,891,492 for 6 months' period from Dec. 31, 1943; deposits of \$23,977,075, as against \$21,119,344, an increase of \$2,857,731. Surplus, undivided profits and reserves are reported as \$742,045, as against \$691,726, an increase of \$50,319.

Adolph I. Salzman, Assistant Vice-President of the Lafayette National Bank of Brooklyn, N. Y., with which he had been associated

for the last eight years, and a former President of the Brooklyn Kiwanis Club, died on June 28. The Brooklyn "Daily Eagle" reporting this, also said:

"A native of this borough, Mr. Salzman attended the public schools here, and early in life he went to work for a corrugated box firm in the city. Before transferring to the Lafayette National Bank in 1937 he was assistant cashier of the National Exchange Bank & Trust Co.

Addison Keim has been elected President of the Albany Exchange Savings Bank, of Albany, N. Y., succeeding the late Martin Nachman.

The formal announcement, said the Albany "Times-Union" of June 30, was made at a dinner which was attended by trustees of the savings bank and directors of the First Trust Co. of which Mr. Keim has been president for the last three years. He has also been a trustee of the Exchange Bank since 1937, and a member of the Executive Committee since 1942. The "Times-Union" also states that prior to his three years service as President of the First Trust he had served as Executive Vice-President. His connection with the First Trust Company and its predecessor the First National Bank dates back 37 years. It is added that the announcement of Mr. Keim's new connection said he will continue as a director of the First Trust Company and as a member of its Executive Committee.

The current statement of the County Trust Company of White Plains, N. Y., shows the highest deposits in the history of the institution with \$36,421,626, as compared with \$29,057,054 a year ago. Total loans amount to \$8,159,012 as of July 1, 1944, an increase of \$854,794 during the year. The current statement shows total assets of \$38,924,589, compared with \$31,231,208 on July 1, 1943. According to a statement by Andrew Wilson, Jr., President of the bank, the increase in deposits is partly accounted for by the recent consolidation with the First National Bank of Pleasantville and to some extent by the increase in the Government War Loan account, but in addition to these factors, the institution has enjoyed a healthy increase in deposits in all of its offices during the year. Mr. Wilson reported that \$20,741 had been added to undivided profits during the past quarter and the statement now shows capital funds of \$2,191,535.

A regular quarterly dividend of 37½ cents a share was mailed to depositors on June 30.

Frank D. Abell, President of First National Bank of Morristown, N. J., is slated to become President and chief executive officer of the combined First National Bank and National Iron Bank when shareholders meet July 27 to vote the merger, it is learned from Morristown advices to the "Newark News" of June 27, which further reported: "This was announced today when recommendations by a joint committee from the two institutions were made public after their approval by the boards of directors of the banks.

"The joint committee also recommended that Elmer King, present Chairman of the Board of the National Iron Bank, become Chairman of the board of directors of the combined banks and Hurlbut B. Cutting, also of the National Iron Bank, become Vice-Chairman. George A. Easley, President of the National Iron, and William E. Eppler, also of that bank, would be Chairman and Vice-Chairman, respectively, of a seven-member executive committee.

"Other officers of the combined

banks would be: Executive Vice-President, Alfred J. Mackin; Vice-President and Trust Officer, Kenneth W. Thompson; Cashier, Edward C. Scott, and Trust Officer, Miss Gladys L. Stuart.

"The board of directors of the new institution, to be known as the First National Iron Bank of Morristown, will have 15 members. They are: Abell, Calvin A. Agar, H. Clifford Brown, Marcus A. Curry, Cutting, Easley, Eppler, King, Allan P. Kirby, Mackin, Clarence Mark, Winter Mead, Thomas W. Streeter, Harold H. Van Natta and Albert N. Williams.

"Mr. Abell is President of the New Jersey Bankers Association, having been elected May 13. He is a former State Senator and a former director of the Morris County Board of Freeholders and has been active in banking circles and in public life in Morristown more than 40 years."

The Integrity Trust Company of Philadelphia has made known that John L. Nelson, President of the Standard Plating Works, Inc., has been elected to the Board of Directors of the bank. The Philadelphia "Evening Bulletin" of June 30 in reporting this also said:

Benjamin F. Sawin has been appointed a Vice-President of the Provident Trust Company, it has been announced. He will assume his new duties in connection with commercial credits to corporations and correspondent accounts tomorrow.

Lewis E. Huseman has been elected President of the First National Bank at Wilkesburg, Pa., succeeding Lynedon P. Noble, who after serving in the Presidency of the bank for 10 years, has resigned. The Pittsburgh "Post Gazette" also added that Mr. Huseman has been with the bank since 1933; he advances from the post of Vice-President and Cashier.

The following changes also were effective on July 1: A. D. Harrison has been elected Vice-President, C. G. McKee, heretofore Asst. Cashier, has been made Assistant to the President, and Karl Hewitt, also previously Assistant Cashier, has become Cashier.

According to the Cleveland "Plain Dealer" the directors of the Cleveland Trust Co. of Cleveland, Ohio, on June 26 promoted Willard W. Wilson from Trust Officer to Vice-President and advanced William E. Squire, from Assistant Manager of the Estates Tax Department, to Assistant Trust Officer. Mr. Wilson has been with the bank since 1932. Mr. Squire joined the bank in 1928, and was chief counsel of the American Institute of Banking.

The Fifth Third Union Trust Co. of Cincinnati, Ohio, has released its statement of condition as of June 30, 1944, showing total deposits at \$230,903,139 and total assets of \$244,732,244. The principal items comprising the resources in the last report are: Cash and due from banks, \$69,827,774; United States Bonds (Direct and Guaranteed), \$94,177,855; other bonds and securities stood at \$12,820,088, while loans and discounts were \$62,039,159. The capital and surplus are \$6,000,000 and \$5,500,000, respectively, and the undivided profits are shown as \$1,229,306.

President J. K. Thompson of the Union Bank of Commerce of Cleveland reported that net profit after transfers to reserves for six months ended June 30, 1944, amounted to \$6.09 a share on the 35,300 outstanding shares of capital stock. In the corresponding period last year, net profit was equal to \$4.13 a share.

Directors of the Union Bank of Commerce, Cleveland, on July 3 declared a dividend of \$3 a share on capital stock, payable July 25 to stockholders of record

at the close of business July 15. The same amount was paid on Jan. 15, 1944, and July 20, 1943.

The Harris Trust and Savings Bank, Chicago, in its statement of condition as of June 30, 1944, reports total deposits of \$479,939,928 and total assets of \$510,183,784, comparing, respectively, with \$447,286,229 and \$476,111,484 on Dec. 31, 1943. The chief items comprising the resources in the current statement are: Cash on hand and due from banks, \$110,650,197 (against \$109,117,270); loans and discounts, \$104,233,352 (compared with \$105,572,144); United States Government securities, \$107,617,091 (against \$193,500,629); State and municipal securities, \$33,560,180 (compared with \$28,905,765), and other bonds and securities, \$36,324,096 (against \$36,786,897). During the year the bank's capital and surplus remained unchanged at \$6,000,000 and \$12,000,000, undivided profits stood at \$2,744,136 on June 30, 1944, as against \$2,277,408 at the end of 1943.

The Chicago "Journal of Commerce" reported on July 1 that the doubling of the dividend rate on stock of the National Bank of Hyde Park, Chicago, and the transfer of \$50,000 from undivided profits to the surplus account, bringing the latter to \$175,000, was announced on June 30. The advices added:

"Directors of the bank authorized payment of a dividend of 50 cents a share for the six months ending June 30, against a previous rate of 50 cents per year. It is planned to pay dividends on a quarterly basis, the directors announced."

Otto G. Wismer, President of the Bankers Trust Co. of Detroit, has announced that Howard H. Servis has been elected a director of the trust company. The Detroit "Free Press" reports that Mr. Servis, a prominent Detroit broker and for the past 28 years a member of the board of S. S. Kresge Co., recently retired from that firm where he held the post of Vice-President in charge of real estate.

The Board of Governors of the Federal Reserve System announce that the Wayne County Bank of Ecorse, Mich., a State member, has changed its title to the Ecorse-Lincoln Park Bank, effective June 13.

It is learned from the weekly bulletin of the Board of Governors of the Federal Reserve System that the Merchants Bank of Winona, at Winona, Minn., a State member bank, has converted into a national bank under the title of the Merchants National Bank of Winona. The change went into effect July 1.

G. W. LaLone, President of the Produce State Bank of Minneapolis, Minn., announced on July 1 following a meeting of the directors that Earl P. Fredell had been elected Assistant Cashier. Mr. Fredell started as a messenger in 1931, when he entered the employ of the bank, and has advanced by progressive steps to his new post.

The statement of condition of the Mercantile - Commerce Bank & Trust Co. of St. Louis, Mo., on June 30, shows total deposits and total resources stood at \$292,299,183 and \$313,634,475, respectively. Cash and due from banks, \$67,682,500; United States Government obligations (incl. \$70,513,839 pledged) are shown as \$166,599,910; other bonds and securities are given as \$23,158,824. The capital and surplus are \$10,000,000 and \$4,000,000, respectively, while the undivided profits stand at \$4,563,947.

A syndicate, headed by Dean Witter & Co. and including Blyth & Co., Inc., and Wesley Hall & past.

Co., is offering 42,117 shares of the First National Trust & Savings Bank of San Diego, Cal., common stock at \$26.50 per share. The bank will not receive any proceeds from the sale as the shares are already issued and outstanding. The First National Trust and Savings Bank of San Diego was chartered under the National Bank Act in 1883 and is the city's largest local bank.

The statement of condition of Bank of America National Trust and Savings Association of San Francisco as of June 30, 1944, reflects substantial gains made during the half year in all departments of operation, and a marked increase in capital funds, which now total \$171,776,000, a net increase of \$10,251,000 over a year ago, and \$5,391,000 since Dec. 31, 1943. Total resources were \$3,975,493,000, a gain of \$847,856,000 over a year ago and \$277,581,000 over Dec. 31, 1943. Deposits totaled \$3,767,443,000, an increase of \$830,177,000 over a year ago and \$269,290,000 since Dec. 31. Loans and discounts outstanding aggregated \$857,395,000, an increase of \$79,743,000 over a year ago and \$46,735,000 during the half year. Total securities amounted to \$2,323,546,000, or \$616,115,000 more than a year ago and an increase of \$228,114,000 since Dec. 31. This increase was largely in United States Government securities, which at June 30, 1944, totaled \$2,040,595,000.

Earnings for the half year are reported at \$15,595,000.

The advices from the bank further stated:

"From this total \$3,158,000 was reserved for amortization of bond premiums, \$627,000 for depreciation of bank premises and \$795,000 was set up in reserves and applied to the absorption of losses and the revaluation of assets. After payment of \$5,204,000 in dividends at the annual rate of \$2.40 per share on the common stock and \$2 per share on the preferred stock, and after profit sharing bonus to employees, capital funds were increased from earnings for the six months by \$5,434,000. This, with the dividend, is equal to an annual rate of approximately \$5.12 per share on the common stock."

President L. M. Giannini stated that the reserve for war contingencies, etc., a capital account in the amount of \$13,919,000, created several years ago and subsequently added to from earnings, has been returned to the undivided profits account since the funds are not earmarked for any risks now foreseeable. Undivided profits now total \$31,306,000. An expense reserve in the amount of \$3,400,000, which is not included in capital funds, has been provided from the earnings of this period.

At the date of the June 30 call for statement of condition the United States National Bank of Portland, Ore., reported deposits reaching an all-time high of \$428,139,114 and resources of \$446,541,331. Gains of \$99,567,490 and \$104,274,336, respectively, were recorded over the corresponding date of call in 1943.

Barclays Bank Limited of London reports total resources as of June 30, 1944, of £879,569,535, an all time high record, according to advices received by cablegram by the New York representatives of the bank. This figure, it is announced, represents an increase of over £100,000,000 since June 30, 1943, and of £14,000,000 since Dec. 31, 1943. Deposits are now at a record total of £836,831,238. Bills discounted amount to £45,204,717 and advances are shown at £167,604,334. Dividends have been declared for the first half year at the rates of 10% per annum on the "A" stock and 14% per annum on the "B" and "C" stock, which rates are the same as those paid for many years past.