Our Reporter On 'Governments'

Rarely in the recent years of the great Government bond market has trading been so dull, has interest in the price trends of Treasury obligations appeared at so low an ebb. . . Glancing just at the day-to-date quotation sheets or talking desultorily with some professional trader, you would get the impression that nothing is happening — and nothing much is going to happen until the news from abroad is cleared up in some way or the other. . .

But if you did get that impression you would be completely wrong.

This is a crucial day in the high-grade bond market. The Department of the Government bond market, especially. We're in a waiting period today, true. But, the news that is going to be read to you today is news that may be of vital significance to every institutional and individual holder of U. S. securities.

A major reversal in monetary policies by the Treasury and the Federal Reserve Board is in the offing.

A fundamental change in Government financing tactics is in the making.

And in the broad overall picture — in loans, business, banking programs — events of prime importance are shaping up.

It's too early to talk in terms of definite predictions with any confidence of accuracy. . . . Yet the chances are that the pattern won't come out clearly until mid-September.

But here at least are the reported developments in a serious consideration between now and the date that the first news breaks, September 15.

The Reserve Situation

To begin with, there's an authorized report around today that Secretary of the Treasury Morgenthau and Federal Reserve Board Chairman Eccles have resolved their four-year-old fight over monetary policies (and over the source of financial power in Washington). . . . These reports and informed quarters believe it is — well, it will be little or no opposition to Eccles' strong desire to raise bank reserve requirements at least to the point at which they were last year.

(Continued on Page 29)

IN THIS SECTION

Building Permit Valuations in July 5% Above Year Ago. Reports Secretary of Labor Perkins.

Page 28

World Tin Production in July Below Year Ago Seven Months' Output is Ahead of Last Year.

Page 28

Agreement in the Agriculture Department to Stamp Program Food List for September.

Page 29


Page 29

A total of 512 railroads and systems show increase in freight loadings during week ended Aug. 22.

Page 29

U. S. Bureau of Mines reports that Portland Cement production and shipments continue higher than year ago. Stocks at mills 13% lower than year ago.

Page 31

Production of bismuthous coal and anthracite for latest week continues above a year ago.

(Continued on Page 27)

FARM INCOME OUTLOOK

Best in Many Years

Farmers will be favored this fall and winter by a continuing high level of consumer buying power. The Department of Agriculture said on Sept. 1 in its reissue covering the features of the current and prospective agricultural situation. Department of Agriculture economists look for no sharp advances in prices received by farmers during this period, but they say that total farm income will be the largest in more than a decade. Cash farm income was expected to amount to about $1,000,000,000 more than in the like period of 1940. A spread between prices received and production costs to farmers has been narrowed this year, but the average of purchasing power of farm income is still only 77% of parity.

The Department's announcement further says:

Average of prices of farm products is only slightly higher now than at the beginning of the year, but the total volume of markets was rising as fast as available supplies. The Department's forecasts are based on weather, developments in livestock and on the probable condition of the farm community in the Plains country for new crops of winter grains.

The situation economists report that the supply of most foods will not be larger this fall and winter than last, and that prices have not gone up as much as consumer incomes have increased. A dollar buys slightly less food this year than last, and this is due largely to increases in food prices. Total food consumption is expected to increase 1% over last year, a small but significant rise. On average, about 45 cents of each dollar spent by consumers was spent for food. The consequence of the remainder of the consumer's dollar was for processing and distribution.

(Continued on Page 30)

FROM WASHINGTON

A relative calm is likely to prevail over Washington for the next several weeks. For one thing most of the members of Congress have gone off on vacations on a men's vacation year. No business will be transacted.

But more important was the creation of Mr. Roosevelt's latest alphabet agency — the PAH. Not a single additional gun or a single additional man was put on the production line but there won't be much, if any, until organized labor is out of the picture. This is the American way of doing things.

It is, however, that some weeks will elapse before it will be possible to see far ahead very clearly. Aside from the uncertainties inherent in the world situation as it exists today, and, incidentally, in the state of the financial community, two major uncertainties immediately confront those who make their living in the securities market, the banks, and the investor, large and small and institutional.

(Continued on Page 50)

GENERAL CONTENTS

Financial Situation (Tte), Page 27

From Washington Ahead of the News

Weekly Review

Bank Statistics

Building Permit Valuations

Commodity Prices

State of Trade

Weekly Review

Bulk Oil Production

U. S. Navy

Crude Oil Production

Rural Electrification

Gas Utility Securities

Electricity Output

Fruit Statistics

Farm Statistics

U. S. Navy

U. S. Navy

U. S. Navy

Tax and Budget

U. S. Navy

U. S. Navy
The State Of Trade

Business activity continues to hold at extremely high levels. However, it is expected that seasonally adjusted business indices this month probably will show the first decline since April. It is pointed out that such a decline will be recognized because industrial activity which is already at record breaking levels in many quarters, is unlikely to make the usual seasonal gains.

The adjusted index of the Board index of industrial production is estimated to have reached 104 per cent of the 1935-1949 average during August, a two point rise from the preliminary index reported by the Board for July. This rise is due in large part to the relatively heavy volume of automobile production last month. It is estimated that output exceeded 200,000 units, production being maintained at a high level despite the August holidays.

Observers state that no material letup in retail trade is expected during the summer. On the contrary since many elements are working toward higher prices, and since there is no likelihood of an all-around wage decline, the chances favor greater trade activity. There may be unemployment because of a shift from consumer goods to war orders, and there still are strikes in progress, but wage outbreak will tend to increase.

This week the steel industry is expected to operate at 96.3 per cent of capacity, says the American Iron and Steel Institute, against 96.1 per cent for the previous week, which is an outstanding feature of trade reports. In recent weeks it has amounted to a rush by consumers to lay in supplies of many kinds—not only durable goods, but apparel and other lines. The reason is said to have provided that 5,000 to 6,000 factories may be affected by material shortages, and Mr. Henderson has stated his belief that the number of working involved, and in part facing temporary unemployment may exceed 2,000,000.

It is pointed out that this curtailment will not come uniformly or overnight, or that it will necessarily develop most rapidly, but that the effect may be mitigated by the fact that the period is in the deficit phase.

It is further stated that in many cases manufacturers still have good stocks of materials on hand, accumulated during the last year, and these stocks will cushion the

World Prices Steady

General Motors Corp. and Carnegie University, which prior to the European war had collaborated in the publication of a world commodity index, have resumed issuance of international price statistics, but on a different basis than before the war. Instead of a composite index, separate indices for 24 groups are published, and the information only as individual country indexes.

The index is built upon 40 basic commodities and the list is the same for each country. The Department of Commerce has been collecting weekly reports from General Motors overseas operations from sources described as "the most responsible agencies available in the country," and the industries involved include: "a comprehensive list of several groups, including grains, livestock and livestock products, miscellaneous foods (coffee, cocoa, tea, sugar, &c.), textiles, foods, metals and a list of other miscellaneous materials (rubber, hides, lumber, newprint, lined oil, &c.)."

Weights assigned in the index to the different commodity groups are as follows: Grains, 20; livestock and livestock products, 19; vegetable fats and other foods, 8; textiles, 12; fuel, 11; metals, 11; miscellaneous, 18.

The index, which are based on prices expressed in the currency of each country, were reported Sept. 1 as follows:

| Month | Index
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>May</td>
<td>114</td>
</tr>
<tr>
<td>June</td>
<td>124</td>
</tr>
<tr>
<td>July</td>
<td>123</td>
</tr>
<tr>
<td>August</td>
<td>124</td>
</tr>
<tr>
<td>September</td>
<td>124</td>
</tr>
<tr>
<td>October</td>
<td>124</td>
</tr>
<tr>
<td>November</td>
<td>124</td>
</tr>
</tbody>
</table>

(August, 1929=100)

SUGAR MARKET QUOTAS AGAIN LIFTED

The Department of Agriculture announced on Aug. 29 that total 1941 sugar marketing quotas of the various areas supplying the United States market had been increased from 1,006,328 short tons, new crop, announced July 30, 1941, to 9,002,976 tons.

The period for the various sugar producing areas under the revised quotas is compared with the former quotas.

Bank Debts Up 44% From Last Year

Bank debts as reported by banks in leading centers for the week ended Aug. 27, 1941 aggregated $9,404,684,000. This was $325,596,000, or 31 per cent above the total reported for the corresponding period a year ago. At banks in New York City the increase was 30 per cent compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 31 percent.

SUMMARY BY FEDERAL RESERVE DISTRICTS

(The figures are in millions)

<table>
<thead>
<tr>
<th>Federal Reserve District</th>
<th>Current</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>2,920</td>
<td>2,255</td>
</tr>
<tr>
<td>Boston</td>
<td>1,482</td>
<td>1,245</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>778</td>
<td>699</td>
</tr>
<tr>
<td>Cleveland</td>
<td>570</td>
<td>507</td>
</tr>
<tr>
<td>Columbus</td>
<td>2,353</td>
<td>2,115</td>
</tr>
<tr>
<td>Atlanta</td>
<td>1,353</td>
<td>1,174</td>
</tr>
<tr>
<td>Chicago</td>
<td>556</td>
<td>481</td>
</tr>
<tr>
<td>Minneapolis</td>
<td>1,425</td>
<td>1,188</td>
</tr>
<tr>
<td>St. Louis</td>
<td>687</td>
<td>598</td>
</tr>
<tr>
<td>Kansas City</td>
<td>407</td>
<td>352</td>
</tr>
<tr>
<td>Houston</td>
<td>1,353</td>
<td>1,123</td>
</tr>
<tr>
<td>Dallas</td>
<td>1,068</td>
<td>810</td>
</tr>
<tr>
<td>San Francisco</td>
<td>1,633</td>
<td>1,355</td>
</tr>
<tr>
<td>Total</td>
<td>7,374</td>
<td>5,838</td>
</tr>
</tbody>
</table>

The previous quota revision was mentioned in these columns Aug. 8, page 54.
The Speech That Was Not Made

For a good while past interventionists in this country in general and the commentators in the press in particular have been rather doggedly, not to say bitterly, complaining that the American people have not been "sold the idea" that it is necessary for us to fight the ultimate in sacrifice if necessary to crush the German war machine. In some more mordent terms, the American people have not been convinced of the existence of the war; and as such we are in every way, if necessary to compel them to accomplish this end. Foolish people and some others who should know better have been crying for an intensified campaign of propaganda in order to impress upon the American people the true nature of the situation. And yet there is a lack of understanding of the subject to which we have been subjected and no lack of understanding of the subject to which un-told numbers of speakers addressed themselves. If the object of the stage managers and the orators was to set forth in convincing terms the necessity of our military preparedness, then it was a failure. It is not that we have been unacquainted with the present fate of the wage earner in Germany and the prospect of the lot of the American worker and to show that "the clock has been turned back a thousand years." (Continued on Page 32)

Easy Injunctives

It is, of course, easy enough to assert, as countless speculators did, that Hitler has crushed the so-called labor movement in the world, but that country has been abolished and that long hours, probably in normal circumstances inhumanly long hours, of arduous labor have been forced upon men and women in a manner which is likewise not unknown to us, though the present fate of the wage earner in Germany is the lot of the American worker and to show that "the clock has been turned back a thousand years." (Continued on Page 32)

Procurements And Priorities

Current widespread criticism of the defense program should not divert attention from the Federation's authorizing credit for the salable improvements being effected this month in procurement methods. In the past, changes have been designed to enlist a larger share of the American industry in the defense program. This is a real double aim. It shoots first at alleviating the growing threat of "priorities unemployment," and, second, at further speeding up production by spreading the work farther through American industry.

The threat of "priorities unemployment" or "civilian industry mortality" has become quite serious this summer. It is probably one reason for the setting up last week of the new seven-man Supply, Priorities and Allocation Board. Up to this stage in defense, the sharp spurt in civilian buying has kept non-defense industry steady busy and producers of civilian goods have not been much interested in getting defense business from the government. In fact, many of the smaller firms have been in the same situation as the large producers of war goods and the large complications traditionally associated with government business.

Today, however, many find that though their order books are filled as far ahead as they can see, their stock bins of raw materials are getting low and the scarcity of raw materials are getting low and the scarcity of raw materials, particularly for the main heads of them that in a short time they will have to face the realization that they will have a few months they face indefinite shut-downs. Various Washington officials have pointed out that within a few weeks as many as 15,000 factories, and 2,000,000 men are "priorities unemployment." They are being cut off from their raw materials in two ways. Some of them have simply found that priorities have cut down supplies to the point where they are unable to get the materials they need. Others face horizontal cuts in their output at the instigation of OPACS or OPA, like the proposed 50 per cent cut in automobile output, 35 per cent in washing machines, 50 per cent (Continued on Page 32)

Mobilizing for Economy

For the first time since the start of the national defense drive, indeed for the first time since 1933 there is a real chance of making the steadily accumulative capital of Federal expenditures for non-defense purposes. Several development of the hands of the economy advocates, but for the most part the important is the recent publication of the Senate Finance Committee in lowering the income tax exemptions down to bring several million individuals into the tax-paying class. If all these millions are aware of the facts about the national defense program and of the safety demands that our resources be concentrated upon armaments and at a time when borrowing and national pensions are paid up and relief disbursements are limited, there is every chance that the ruthless pork barrel devotees in Congress can be effectively squeezed.

This requires a mobilization, however, around the plan of Senator Harry F. Byrd of Virginia, just about the only Congressman who sincerely seeks economy, to cut the non-defense outlays sharply, by as much as $2,000,000,000 a year. Perhaps the most effective way of mobilizing forces around the Byrd standard is to acquaint them with a few of the facts about the Federal fiscal situation. Tax and spending legislation and budgetary events in the executive departments, the courts, and Congress itself have soared alarmingly in the past ten years. Yet, despite the crisis, the Federal Government has been cut down, and the deficit requirements of the regular departmental outlays rose to $158,000,000 in the past fiscal year. (Continued on Page 32)

Gas Utility Revenues Higher for June Half

Domestic customers served by manufacturers in the gas utility gas utilities totalled 17,035,300 in June, an increase of 539,000 over the number reporting on the same date a year ago, it was announced by the American Gas Association.

Revenues of manufactured and municipal gas utilities totalled $481,763,000 for the first six months of this year, an increase of 5.2% over the same period a year ago. The increase of 3.2% from the corresponding period a year ago was due to the increased usage of the year.
Large Industrial Corporations Reserve

More Liberally For Tax Rates Than Smaller Ones

Large industrial corporations net more percentage points of their earnings for Federal income tax reserves in the first half of 1941 than small corporations, according to a study of 275 company statements made by the Division of Industrial Research of The Conference Board. Seven companies which reported net income after Federal tax deductions, and one company which reported net income to the Federal Reserve Board, showed larger Federal tax reserves, and more than 95 companies which reported net income to the Federal Reserve Board showed no change in Federal tax reserves during the half.
President Tells "Home Club" Dangers May
New Be More Serious Than At Start of War

President Roosevelt, in an address to members of the Roosevelt Ex-Club at Hyde Park, N. Y., on Aug. 30, said it is "very probable that the dangers to the home and the ships and the lives of others in the world may even more serious" now than when the European War began in September 1939. Expressing the hope that next year's war will still be a peaceful one, the President asserted that "as you know, it isn't all in our keeping, and the wonderful Mr. Roosevelt went on to read a photograph of the man with whom he described as "an expert." 

This little bit of what is going on from the point of view of the man who has seen things in the world at first-hand. The President read the letter as follows, according to the Associated Press:

"I am at this summer resort with my children whom I have not seen for many months. It is difficult for me, I suppose, to realize that many of the conditions which I knew and feared have come about today. They put themselves in a posture where they cannot expect to be helped. This is the moment to see what they want to see. They go about their business, yes, and they don't make the same threats, but a measles threat of humiliated America has a long tradition of freedom—the normal life—to which they have been accustomed in the past.

"They cannot see that the Hittite and the Cretan and the Roman, so long exposed to the en- eral war by exploiting social unrest, exploiting decent human prog- rammatic, with the eyes of the rich. If you organize your people and people are not aware of what is happening now, you will not believe in America despite all the propaganda that is fed to them through the press and the radio, for the press is only one of the instruments of war that is used by exploiters. America must save itself by helping greatly to defeat Hitlerism. They try to do so because, in order to see that those that is the only way in which people can, I mean the people, can attain peace and live in peace.

Declaring that he supposed the letter voiced "the thought we all have," the President concluded by saying:

"We all feel down deep in our hearts that America is not the America so that in all the years of history since the World War has come and gone, long after there isn't any home Club any more, somebody is in the position of doing this law—will be able to hold the line and see that we go on doing it just as we have done it for the last six months, and do it again.

"The President's address to the group of New York City residents local to the community as he arrives for the annual conference with Prime Minister Churchill, England, and to the activities of the Roosevelt Ex-Club, a newsstand development of postwar.
Revenue Freight Cars-Loaded and Delivered From Connections During Week Ended Aug. 23

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Aug. 23, 1941. The period 1912 shows increases when compared with the same week last year.

### Table

<table>
<thead>
<tr>
<th>Railroad</th>
<th>Total Revenue</th>
<th>Total Loaded</th>
<th>Revenue Cars Delivered</th>
<th>Loaded Cars Delivered</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1941</td>
<td>1940</td>
<td>1941</td>
<td>1940</td>
</tr>
<tr>
<td>Eastern Division</td>
<td>1,280,000</td>
<td>1,250,000</td>
<td>1,260,000</td>
<td>1,240,000</td>
</tr>
<tr>
<td>Atlantic &amp; Great</td>
<td>2,125,000</td>
<td>2,100,000</td>
<td>2,115,000</td>
<td>2,095,000</td>
</tr>
<tr>
<td>New England</td>
<td>1,150,000</td>
<td>1,120,000</td>
<td>1,145,000</td>
<td>1,135,000</td>
</tr>
<tr>
<td>Middle Atlantic</td>
<td>1,020,000</td>
<td>1,000,000</td>
<td>1,015,000</td>
<td>1,005,000</td>
</tr>
<tr>
<td>Southern</td>
<td>1,200,000</td>
<td>1,180,000</td>
<td>1,195,000</td>
<td>1,185,000</td>
</tr>
<tr>
<td>Total</td>
<td>7,915,000</td>
<td>7,770,000</td>
<td>7,825,000</td>
<td>7,745,000</td>
</tr>
</tbody>
</table>

### Weekly Coal Output Continues Above Last Years Figures During Week Ended Aug. 23, 1941

The current weekly coal report of the Bituminous Coal Division U.S. Department of the Interior revealed that the total production for the week in 1941 amounted to 19,720,000 net tons, approximately the same figure as for the preceding week, and in comparison with 18,350,000 net tons in 1940. There has been little change in the trend of coal production since the middle of July. The average weekly rate of production during the past six weeks, however, has been approximately 5,000,000 tons above that in the same period last year, and a much larger increase than in 1929.

The U.S. Bureau of Mines reported that the production of Pennsylvanian anthracite for the week ended Aug. 23 was estimated at 1,588,000 tons an increase of 24,000 tons over the corresponding week (about 7%). Output in the corresponding week of 1940 amounted to 1,574,000 tons.

### Estimated United States Production of Coal, in Thousands of Net Tons, in Each Calendar Year 1941

<table>
<thead>
<tr>
<th>State</th>
<th>1941</th>
<th>1940</th>
<th>1939</th>
<th>1938</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>95,558</td>
<td>82,878</td>
<td>75,438</td>
<td>68,428</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>32,792</td>
<td>30,770</td>
<td>28,179</td>
<td>25,230</td>
</tr>
<tr>
<td>New York</td>
<td>15,850</td>
<td>15,079</td>
<td>14,422</td>
<td>13,350</td>
</tr>
<tr>
<td>Ohio</td>
<td>11,210</td>
<td>10,780</td>
<td>10,019</td>
<td>9,192</td>
</tr>
<tr>
<td>Illinois</td>
<td>9,700</td>
<td>8,891</td>
<td>8,164</td>
<td>7,528</td>
</tr>
<tr>
<td>Michigan</td>
<td>7,700</td>
<td>7,200</td>
<td>6,625</td>
<td>6,078</td>
</tr>
<tr>
<td>Indiana</td>
<td>7,300</td>
<td>6,889</td>
<td>6,314</td>
<td>5,818</td>
</tr>
<tr>
<td>Missouri</td>
<td>7,100</td>
<td>6,755</td>
<td>6,197</td>
<td>5,631</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>6,219</td>
<td>5,861</td>
<td>5,317</td>
<td>4,810</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>5,300</td>
<td>4,924</td>
<td>4,590</td>
<td>4,251</td>
</tr>
<tr>
<td>Virginia</td>
<td>4,700</td>
<td>4,320</td>
<td>3,928</td>
<td>3,535</td>
</tr>
<tr>
<td>New Jersey</td>
<td>4,600</td>
<td>4,200</td>
<td>3,844</td>
<td>3,427</td>
</tr>
<tr>
<td>South Carolina</td>
<td>3,700</td>
<td>3,322</td>
<td>2,942</td>
<td>2,556</td>
</tr>
<tr>
<td>North Carolina</td>
<td>3,500</td>
<td>3,193</td>
<td>2,832</td>
<td>2,479</td>
</tr>
</tbody>
</table>

### Summary of Production of Coal, in Thousands of Net Tons, in Each Calendar Year 1941

<table>
<thead>
<tr>
<th>State</th>
<th>1941</th>
<th>1940</th>
<th>1939</th>
<th>1938</th>
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<tbody>
<tr>
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<td>New York</td>
<td>15,850</td>
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<td>14,422</td>
<td>13,350</td>
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<td>Ohio</td>
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<td>10,019</td>
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</tr>
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</tr>
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<td>7,700</td>
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<td>6,625</td>
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<td>Indiana</td>
<td>7,300</td>
<td>6,889</td>
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<td>7,100</td>
<td>6,755</td>
<td>6,197</td>
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<td>Wisconsin</td>
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<td>5,861</td>
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<td>Massachusetts</td>
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<td>4,924</td>
<td>4,590</td>
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</tr>
<tr>
<td>North Carolina</td>
<td>3,500</td>
<td>3,193</td>
<td>2,832</td>
<td>2,479</td>
</tr>
</tbody>
</table>
PROCEMMENTS AND PRIORTIES

(Continued from Page 16)

in mechanical refrigerators, and nearly 100 per cent in silk.

In this second type of situation the defense authorites have simply stepped in with a horizontal cut in order to pro-

tect the consumer. In the first type, the defense authority has the possibility that the smaller units can be allocated a some-

what larger proportionate share of output in order to spare them from production controls.

But whether the impending shut-downs are due to sparc

ratic and unpublicised shortages or to: or horizontal

its makes little difference to employer or employee; in

stil1... a hard economic winter not far off is look-

As a result, for the first time since the defense program

began, Russia is being deluged with Irantie requests

for help from her allies in the economic field.

dow. Iranian cities, chambers of commerce and labor or-

izations are asking that something be done to find their

people a work. A resolution for an investigation was consid-

ered at a session of the City Council on Wednesday and

the issue has become politically quite "hot."

On the other side of the picture, the defense program

has spread out approximately to the limits possible

without a change in procurement methods. For various

reasons the first year of the defense program saw a very

heavy concentration of orders. About half a dozen single

contracts, probably a third of all the defense contracts

in a year, some 56 firms received 75 per cent of the total, and 600

firms got 90 per cent. A huge backlog of idle facilities

still exists in the United States, it is estimated from data in the

American Chambers of Commerce, that the business

to be made idle by raw material priorities, can only be tap-

ed for defense by a change in the buying methods of the Army.

Up to the present, there were numerous good and valid

reasons for the recent buying method. The services found it

easier to place a few large orders than to place and super-

vision many small orders of same sort. In years of

financial drought they had done business with compara-

tively few firms, had learned to rely on certain of them,

and the continuity of the procurement line was a matter

of some importance.

Moreover the system of competitive bidding, developed to avoid the cost

plus scandals of negotiated contracts 25 years ago, contrib-

uted to the specialization. The bidder who could do the work

cheaper would be the better and because they were familiar with government requirements.

The shortage of skilled laborers in the defense area, coupled with con-

tracting, but with little success; out of some $2,500,000,

000 of orders recently placed, only $20,000,000 was sub-con-

tracted.

Undoubtedly some of the current complaints and fore-

warnings of "priority unemployment" are considerably ex-

aggerated. The American Federation of Labor, for instance,

has reported that strikes in the metal-working industries alone, and other labor or-

ganizations have made even broad-statement. But prior-

ity disputes are the first and the worst of the defense orders are still putting fresh men to work by the

hands. Social Security Administrator McNutt estimated

recently that defense would need 457,000 more workers by

November 1, 1944, and the latest Stockholm estimate for automobile curtailment will cost 90,000

jobs, three large defense plants in Detroit will shortly be

taking from 40,000 to 50,000 men, with additional

thousands to be added over the winter.

Nevertheless, the problem is a real and a serious one

and with the prospect of killing two birds with one stone—

the need for defense expansion and the need for alleviating

unemployment—the defense authorities have been taking

some decidedly constructive steps this month.

First of these is preparation for a considerably more

metitlization of defense needs. More and more fre-

quently heard that armament companies, and even the armed

services themselves, are using loopholes in the priority sys-

tern to pile themselves up inventories that may be

excess amounts, "just in case."

The cure for this, unfortunately, means a more careful system

of official scrutiny not only of who gets what materials, but

also of what is being done with them. The result now

is that the principal supplier must detail monthly reports of all deliveries, so that the authorities can tell whether the

items are being used or are being held up in the works.

Another tactic has been to sell off equipment that is being prepared in General Metals Ord. No. 1, stipulating that

some of the scarce metals shall not increase inventories "beyond the amount needed in the normal operation of business."

The result should be that the scarce supplies go further,

either to more defense plants or, if there is anything over,

to the defense program so badly in need of a few pounds or

tons of some scarce item in order to keep plants and men

occupied.

A second type of change involves sub-contracting, which

the achievements in this direction of such firms as Pratt & Whitney, Sperry, and Allison indicate can be much more

widely practiced. The British have developed a good deal

of favor for their own only partly successful automobile indus-

try is reported ready to sub-contract as much as 45 per

cent of its present backlog of $2,000,000,000 of defense

orders.

The Defense Contract Service of OPM has been lifted up

to more authority. Contracts over $50,000 must now state

the percentage to be sub-contracted or "farmed out," and

the percentage must be specified in detail.

As Mr. Kunclen said at a recent press conference;

"We try from our experience with other firms in the

same line to see whether there is a way to get them to

increase that ratio. But we have two companies making a

8-cylinder engine. If one has got 20 per cent (sub-

contracted) and the other has got 40 percent, we will go to the fellows with 0 percent."

Prime contractors are to be reimbursed for added costs

due to sub-contracting. They are to be given bonuses if

they can achieve earlier delivery by sub-contracting. The

Government is considering making a specialty of sub-

contracting, is to be extended.

Other changes are intended to make it easier for small

firms to get into the defense field. Smaller firms have insisted on government specifications to handle defense orders.

Performance and requirements are to be modified. Inspection at plants will speed up payments. Calls for bids for large quantities are to be broken down into optional smaller units to let the

smaller fellows bid. Where possible, specifications are to

be relaxed and tolerances lowered.

Deficiency contracts are to be permitted at prices up to

15 per cent above going rates, when approved by Defense

Contract Service, so that defense work can go out into com-

munities which without it may face early shut-downs for lack of materials. The Government now says manufacturer "pools" to bid on work which can then be spread among different shops owning the necessary tools.

The Defense Department itself, at some time, many of them instigated by the National Association of Manufacturers. In addition the defense departments are en-

couraging "defense clinics," where small would-be defense contractors can meet the representatives of the large prime contractors; such clinics have recently been held in New York, Brooklyn, Hartford, and many upstate New York cities.

Another important part of the defense authorities' con-
dition the defense authorities, is now taking a census of the

facilities of 65,000 small manufacturers to make avail-

able a pool of information and statistics about the

work can be done by the men who are in the war industries of semi-skilled and semi-skilled available workers made last year by the U. S. Employment Office, and the pool of information on

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**Federal Reserve Bank of St. Louis**

**Digitized for FRASER**

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### N. Y. Stock Exchange

**Weekly Firm Changes**

<table>
<thead>
<tr>
<th>Week</th>
<th>Name, City</th>
<th>New York Stock Exchange</th>
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**Special Revisions in the Rules Adopted by the New York Stock Exchange on August 30, 1940**

- David E. Levy, Exchange member, resigned as representative of the Missouri Exchange
- Bernard J. Goldstein, Jr., former member of the New York Stock Exchange, resigned as representative of the Chicago Board of Trade

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### OPM Board Reorganized — Small Plans to Receive Additional Steel Defense Orders

**The Iron Age** in its issue of Sept. 4 reported that a long step toward the solution of the steel problem has been taken in that a small group of men is being formed by the President's third shake-up of the government's defense machinery. At first glance the reorganization promises progress for the steel industry, but it seems likely that the new body will meet no favorable reception from the steel makers.

- While the new super board has possibilities for smoothing the relations between the government and the steel industry, it is not expected to bring any improvements in the industry's output. Some small plants may find themselves in a hopeless position until the shortages of material like steel pass, and they will have to make other arrangements for their own steel supplies. Chicago steel makers have been very careful in their dealings with the new board, and many of them may decide to drop the old board.

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### Steel of Cleveland

In its summary of the iron and steel market, the report stated:

- Steel of Cleveland, a leading producer of steel for construction, has announced it will limit its production to 75% of capacity until further notice.
- The company has been facing difficulties in obtaining raw materials and is trying to conserve its inventory until more favorable market conditions develop.

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### The American Iron and Steel Institute

- The Institute reported that the steel industry is facing significant challenges in meeting increased demands for steel due to the ongoing war.
- The report noted that the industry is operating at 95% of its capacity, with some companies operating at even higher levels.
- The Institute emphasized the importance of continued support from the government in providing resources and necessary infrastructure to support steel production.

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**Notes:**

- The revisions in the rules published for increased capacity of the industry, noted as of September 1, 1941, may be found in the full report.
- The statistics presented are as of the end of the previous week, and the data is subject to revision as more information becomes available.

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### Table: OPM Board Reorganized — Small Plans to Receive Additional Steel Defense Orders

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<th>Week</th>
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**The revised notes published for increased capacity of the industry, noted as of September 1, 1941, may be found in the full report.**
President Calls For Increased Armament
Production; Everything Else Is Secondary

In a Labor Day radio broadcast on Sept. 1, President Roosevelt declared that the “power to crush Hitler and his Nazi forces” is the “most brutal, most terrible of all wars,” and that the American people are determined “to devote our entire industrial effort to the production of weapons with which to strike at the heart of our enemies.”

Roosevelt added that “the defense of America’s freedom must take precedence over every other consideration and over every private interest.”

He noted that “the American people must not hesitate to do their part in carrying this burden of defense successfully.” And he urged that “we must do our full part in carrying this burden and in winning the war.”

The President’s talk was made in a Labor Day observation program of the American Federation of Labor and Emergency Management. Others on the program included British Prime Minister Labor of Ernest Bevin, speaking from London; William Green, President of American Federation of Labor; James B. Conant, president of the American Congress of Industrial Organizations, and the acting general director of the offices of the national emergency.

The following is the text of the President’s address, according to report:

On this day—this American holiday—we celebrate the rights of free laboring men and women. We are not a warlike people. We have never sought glory as a nation of warriors. We are not interested in war as a means of settling disputes. We do not covet one square inch of the territory of any other nation.

On that account, and the unity of purpose which inspires that of every American citizen, we have found the rights of labor—threatened by Hitler’s violent attempt to destroy them.

These rights were established in the battle of the American Labor movement. They have been defended and protected, in the battle of the American civil liberties, and by the American people. They are the rights of every American citizen. They are the rights of every American worker.

We give solemn warning to any group of men who would attempt to undermine the rights of the American worker. We give solemn warning to any group of men who would attempt to undermine the rights of the American worker. We give solemn warning to any group of men who would attempt to undermine the rights of the American worker. We give solemn warning to any group of men who would attempt to undermine the rights of the American worker.

This is the battle of our time. This is the battle of our generation. This is the battle of our lives.

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Senate Committee Tax Bill Reported; Yield Estimates Vary

The Senate Finance Committee completed its action on the proposed tax bill on Aug. 29; the measure as it comes from the hands, and final action in the Senate's cohesive work for a gain of 28,900,000 would be approximately $4,500,000. Federal revenue would go up $15,000,000,000, in revenue through the proposed tax bill to be imposed, while, according to Senator George, Chairman of the Senate Finance Committee, would be $1,500,000,000. The yield estimates have been made.

Although several controversial issues remained to be decided, considerable Senate debate, Senator George said that his calculations of a $1,500,000,000 increase in Federal revenue would go up $15,000,000,000, in revenue through the proposed tax bill to be imposed, while, according to Senator George, Chairman of the Senate Finance Committee, would be $1,500,000,000. The yield estimates have been made.

Says Bidding Rule Fosters Free Enterprise

(Continued from Page 3)

said pursuant to Rule U-20, "I declare, an officer of one of the large undertakers withdraws in the course of

* • • • "On business where we in the past have headed a group of undertakers to form a group to bid, and in recent years that group by appropriating those who were on the negotiation board before the

"It is to be expected that this tax will not be a burden in the industry. It appears furnished,

members and will be expected to look after the best interests of small producers, as well as the major producers of the

They are Bureau of Mines calculations of the requirements of domestic crude oil—

The American Petroleum Institute estimates that the average crude oil production for the week ended Aug. 30, 1941, was 6,047,000 barrels. This was a new high mark (the third one in three weeks) as a gain of 28,900,000 barrels, or 616,000 barrels, over the week ended Aug. 1, 1941, was 6,085,000 barrels. Further detailed report as to the Institute figures for domestic use and receipts in bond at principal United States ports, for the week ended Aug. 30, 1941, was a total of 21,450,000 barrels, a daily average of 2,875,000 barrels, compared with a daily average of 24,714,000 barrels the week ended Aug. 23, and 22,429 barrels daily for the four weeks ended Aug. 20. These figures include all oil imports, whether for domestic use or for de-}


Daily Average Crude Oil Production for Week Ending Aug. 30, 1941, Continues Higher

The American Petroleum Institute estimates that the average crude oil production for the week ended Aug. 30, 1941, was 4,004,700 barrels. This was a new high mark (the third one in three weeks) as a gain of 28,900,000 barrels, or 616,000 barrels, over the week ended Aug. 1, 1941, was 6,085,000 barrels. Further detailed report as to the Institute figures for domestic use and receipts in bond at principal United States ports, for the week ended Aug. 30, 1941, was a total of 21,450,000 barrels, a daily average of 2,875,000 barrels, compared with a daily average of 24,714,000 barrels the week ended Aug. 23, and 22,429 barrels daily for the four weeks ended Aug. 20. These figures include all oil imports, whether for domestic use or for de-
The Speech That Was Not Made

(Continued from Page 19)

in Hitler's domain, if the assumption is made that such things can be measured simply in hours worked per week, wages received and the like. To shout to high heaven that should Der Puecher conquer and enslave this country he might be foreclosed from doing it. But what of the rest and other things which would not please the wage earner here, is, after all, rather flimsy and cheap pseudo oratory. It is the sober truth that the real situation, as Hitler and Mussolini, or, for that matter, Stalin. Indeed it is conceivable that we are further from that goal than is Germany at least. Both are far enough, however, in any event. It would be going too far perhaps, to say that both return, by some effort to find a solution of the labor problem, and that Nazism, while embodying other goals, particularly objective embarrassing situations, is in substance, and the labor problem, but such an assertion would not be very wide of the mark. We do not like such solutions, and we are no more likely to like the other. We can, but why should we

as I mentioned the other day, that the problem of labor relations emerges from the dim reaches of history, from the time when the world was composed of master and slaves, passes through those eras when property was as a rule, if not always, the only factor of production. From those created it so much as from those set, and violence. Slaves became serfs, then free men, but largely without the voice and without much voice in the management of public affairs. Customs, laws, traditions and the inertia of the masses made exploitation possible, and it was perhaps the rule rather than the exception. Slowly these masses liberated and united in more than a single instance have taken the reigns of government in their hands. By organized effort they have attained a somewhat more "independent" position economically, they have achieved the "right" to be exploited. But have they acquired a relatively more independent and secure existence, economically speaking? The question is certainly open to much of the fac¬ polition is concerned. Such improvement of their economic status has occurred certainly could never have been achieved had it not been for the work of those who employ them, accomplishments almost wholly independent of the wage earner, one might say with substantial truth, In spite of him. Such is the status today, whether one turns his eyes to the State of America or elsewhere.

The thesis of Bolshevik, Fascian or of Nazism to the wage earner in other countries, this one included, is not in danger that the armed forces of these distant lands are likely presently to land upon our shores and oblige the workers here to bow to the same lord and master. It lies rather in the fact that it is to such plausibly presented solutions that unthinking and frail human beings are turning for the management of their own affairs, and we here in the United States have shown in recent years a most lamentable weakness to act precisely as other people in other countries have acted in the past. We have seen, and will see, the extension of new, vast schemes of tyranny, exploitation, inefficiency, and persecution, finally resulted not only in rebellion of the persecuted and the exploited, but also the formation of the government and acceptance by them of responsibility to set the country in order—a responsibility, incidentally, which not all those who complain have been willing to assume. Consequently, the public utilities of the United States are doubtless greatly improved, and the achievements of the nation since attracted by the German legions strongly suggest greater accomplishments prior to that time that had been commonly supposed to exist, but no one is likely
to suppose that a new heaven and a new earth have come into existence under Lenin and Stalin. The average American worker would still have found it in early 1941 a most "backward." In Italy and Germany "democracy" failed, failed not so much politically, and certainly not by reason of any neglect of social reform and labor legislation, but failed by reason of the fact that both countries accepted a second, newer regime to do their share of the work of the world. The result has been first Fascism and then Nazism. The effort to achieve a "new environment", in this case, has made several blunders. One of them is found in the perverted delight in turning the energies of the people to the production of instruments of destruction and to the employment of them. The record has not been as a whole a success, and we may well succeed in such designs if we do not make more strenuous efforts than we have been making places too great a strain on the human organism and long do not, and thus built its magnificent house upon the sands. In France those who had been exploited or thought they had, took so much pains to exhibit their dignity and to be certain that they were no longer exploited that the country became economically and in a military sense helpless. The plane of living suffered, and when the case came the alleged exploiters and the allegedly exploited, both fell victims to Nazi efficiency and production.

In England, always flexible and easy going, yielded to labor's demands again and again, found itself sliding deeper and deeper into that same selfsame grave, and when finally discovering that it not only had not been producing but had very nearly lost the art of doing so.

In This Country, Too

Yet in the United States we have had similar influence at work. The utilities are more independent in the matter of the state of the utilities. Formerly, like in other matters is likewise the labor problem, but such an assertion would not be very wide of the mark. We do not like such solutions, and we are no more likely to like the other. We can, but why should we

A historical perspective

This whole subject will be best understood if considered in historical perspective. As the problem of labor relations emerges from the dim reaches of history, from the time when the world was composed of master and slaves, passes through those eras when property was as a rule, if not always, the only factor of production. From those created it so much as from those set, and violence. Slaves became serfs, then free men, but largely without the voice and without much voice in the management of public affairs. Customs, laws, traditions and the inertia of the masses made exploitation possible, and it was perhaps the rule rather than the exception. Slowly these masses liberated and united in more than a single instance have taken the reigns of government in their hands. By organized effort they have attained a somewhat more "independent" position economically, they have achieved the "right" to be exploited. But have they acquired a relatively more independent and secure existence, economically speaking? The question is certainly open to much of the fac¬ polition is concerned. Such improvement of their economic status has occurred certainly could never have been achieved had it not been for the work of those who employ them, accomplishments almost wholly independent of the wage earner, one might say with substantial truth, In spite of him. Such is the status today, whether one turns his eyes to the State of America or elsewhere.

The thesis of Bolshevik, Fascian or of Nazism to the wage earner in other countries, this one included, is not in danger that the armed forces of these distant lands are likely presently to land upon our shores and oblige the workers here to bow to the same lord and master. It lies rather in the fact that it is to such plausibly presented solutions that unthinking and frail human beings are turning for the management of their own affairs, and we here in the United States have shown in recent years a most lamentable weakness to act precisely as other people in other countries have acted in the past. We have seen, and will see, the extension of new, vast schemes of tyranny, exploitation, inefficiency, and persecution, finally resulted not only in rebellion of the persecuted and the exploited, but also the formation of the government and acceptance by them of responsibility to set the country in order—a responsibility, incidentally, which not all those who complain have been willing to assume. Consequently, the public utilities of the United States are doubtless greatly improved, and the achievements of the nation since attracted by the German legions strongly suggest greater accomplishments prior to that time that had been commonly supposed to exist, but no one is likely

to suppose that a new heaven and a new earth have come into existence under Lenin and Stalin. The average American worker would still have found it in early 1941 a most "backward." In Italy and Germany "democracy" failed, failed not so much politically, and certainly not by reason of any neglect of social reform and labor legislation, but failed by reason of the fact that both countries accepted a second, newer regime to do their share of the work of the world. The result has been first Fascism and then Nazism. The effort to achieve a "new environment", in this case, has made several blunders. One of them is found in the perverted delight in turning the energies of the people to the production of instruments of destruction and to the employment of them. The record has not been as a whole a success, and we may well succeed in such designs if we do not make more strenuous efforts than we have been making places too great a strain on the human organism and long do not, and thus built its magnificent house upon the sands. In France those who had been exploited or thought they had, took so much pains to exhibit their dignity and to be certain that they were no longer exploited that the country became economically and in a military sense helpless. The plane of living suffered, and when the case came the alleged exploiters and the allegedly exploited, both fell victims to Nazi efficiency and production.

In England, always flexible and easy going, yielded to labor's demands again and again, found itself sliding deeper and deeper into that same selfsame grave, and when finally discovering that it not only had not been producing but had very nearly lost the art of doing so.

The times advices

There always has been, there is now, and there always will be so long as private enterprise continues, a legitimate field of competition between those who undertake business for profit and those who undertake business for the public interest. Of course, concerns the division of the products of the joint endeavor. There is and there can be no complaint about the fact, it may likewise be conceded that as over against the large corporation the individual, alone and unasso¬ ciated with his fellow workers is at a disadvantage. The stubborn fact, however, remains that both entrepreneur and labor have the same interests in the effective welfare and efficiency of the production process and the plain fact remains that labor unions, in this country at all events, have never been willing to give more than lip service to the public interest, at least in the public interest. That is often that they formally or informally, with plain intent or otherwise, act to limit the effectiveness and the efficiency of the production process for their own employers use.

So long as organized labor takes the former position that production is the responsibility of management, and the informal or other reasons (but actual none non¬ sense, a fact) that employment in this country, in the course of their present struggles, and as a result of the efforts to secure the benefits of the United States of America and elsewhere.

The force of competitive bidding.

The syndicates that were organized to centralize the bids for public utilities were subsequently enjoined against under Rule U-50 were quite large. The three syndicates of the New York State Electric and Gas Association consisted of 31 and 91 members, respectively. Similar action was taken against the syndicate that conducted the bidding on the Philadelphia Company utilities had 31 and 91 members, respectively. In this experience several banks and other financial institutions that make up the bidders, and none of the banks that are banks. The bidders, and none of the banks that are banks. The bidders on the group tend to provide a check on the ability of the bidding banks. The bidders for larger participations in competitive bidding programs were encouraged to receive in return for their contributions in order to make up for those losses.

It is the view of others, however, that while there may be a financial profit to the syndicates in the bidding on the larger banks, there is a real profit to the nation in the distribution of the larger banks. The banks that would be the beneficiaries of each issue will include a higher proportion of the syndicate of banks that would be willing to accept the sacrifices of the syndicate.

Mr. H. B. O'Brien, new Director of the Public Utilities Division of the SEC also addressed the St. Louis Public Utilities Conference last week. Speaking on the progress in the simplification of electrification bids and the bidding programs for federal and state projects, he said: "We have been studying the bidding programs for the federal and state projects. We have been in contact with the state agencies and the state commissions. We have been in contact with the state agencies and the state commissions. We have been in contact with the state agencies and the state commissions.

He also told the Commissioners that in his opinion the executives of American utilities did not "de¬ sire or expect" to earn excess profits from the public utilities for power running out of the national defense program.

A resolution adopted by the St. Louis Conference in 1940 said: "Whereas it is the duty of the president and his ar¬ rowad to the "Times" advisors:it is the duty of the president and his advisor to the "Times" advisors:...
Uninterrupted Production Of Defense Weapons

(Continued from Page 12)

President Roosevelt, in a Labor Day statement made public at the White House on Aug 20, asserted that labor and management "realize now and I am sure will continue to realize that there must be full and uninterrupted production of the weapons and materials needed for national defense and for the nations resisting aggression. Pointing out that Labor Day this year "should serve to make crystal clear to all Americans and to all the world the importance of a democracy and to emphasize its freedoms," the President added that "God today for these blessings and freedoms, and for the great economic and social gains we have made in the last eight years," "Let us therefore do our utmost," he said, "so that liberty and the heritages we hold dear shall thrive and spread for generation upon genera-
dulations of the earth.

The task of President Roosevelt's message was as follows: We are called upon to observe Labor Day this year with a thoughtful and serious spirit. This is the 54th year of the holiday established in recog-
nition of the nation's wage-
ers and their work in help-
ing to build our country into a
great democracy. The labor and

The Speech That Was Not Made

(Continued from Page 27)

dertakes an economic venture must accept union dictated terms or risk its loss. The legislation is being

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(Continued from Page 27)

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(Continued from Page 27)

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MOBILIZING FOR ECONOMY

World Tin Production Drops Below Last Year

According to the recent issue of the "Statistical Bulletin," published by the Tin Research Institute, London, world production of tin in July 1941, is estimated at 18,100 long tons as compared with 16,080 long tons in July 1940. Production for the first seven months of 1941, according to the institute, was 123,120 tons as compared with 143,727 tons of the same seven months of 1940.

Experts from the countries signatory to the International Tin Agreement, and the position at the end of July 1941 include the following in long tons of tin:

<table>
<thead>
<tr>
<th>Country</th>
<th>July 1941</th>
<th>July 1940</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>1,496</td>
<td>1,446</td>
</tr>
<tr>
<td>Canada</td>
<td>1,252</td>
<td>1,164</td>
</tr>
<tr>
<td>China</td>
<td>1,463</td>
<td>1,704</td>
</tr>
<tr>
<td>Dutch East Indies</td>
<td>1,174</td>
<td>1,425</td>
</tr>
<tr>
<td>France</td>
<td>1,809</td>
<td>1,784</td>
</tr>
<tr>
<td>Germany</td>
<td>2,464</td>
<td>2,063</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1,099</td>
<td>1,377</td>
</tr>
<tr>
<td>Italy</td>
<td>894</td>
<td>1,858</td>
</tr>
<tr>
<td>Japan</td>
<td>8,857</td>
<td>10,587</td>
</tr>
<tr>
<td>Mexico</td>
<td>1,174</td>
<td>1,480</td>
</tr>
<tr>
<td>Nigeria</td>
<td>1,099</td>
<td>1,377</td>
</tr>
<tr>
<td>United States</td>
<td>5,268</td>
<td>7,785</td>
</tr>
<tr>
<td>World total</td>
<td>18,100</td>
<td>16,080</td>
</tr>
</tbody>
</table>

The U.S. share of world production in July 1941, accounted for 29 percent of the total.

The institute announcement further stated:

United States deliveries totaled 12,575 tons in July 1941, against 14,826 in July 1940, for which period the first seven months of the current year saw 99,947 tons delivered. United States deliveries totaled 93,947 tons compared with 57,031 tons in the current year; of which 41,320 were sold during the first six months of 1941. World stocks of tin, including smelters' stocks and carry-overs increased by 327 tons between July 1941 and 56,302 tons at the end of June. Stocks at a total mill of greater than 1940. The average cash price for standard tin in London was £258.45 per ton in July, 1941, compared with £283 in the previous month.

The average price for Straits in New York was 53.66 cents lb. in July 1941, as against 52.96 cents in June. The average price in July 1940, was 51.58 cents per lb.

THE STATE OF TRADE

(Continued from Page 18)

The keynote of 1941, according to the institute, has been the almost unbelievable fact that non-defense expenditures, as a proportion of the gross national product, have not fallen below 50 percent since the United States took a step toward the development of a war economy.

The average cost price for tin in London was £258.45 per ton in July, 1941, compared with £283 in the previous month. The average price for tin in New York was 53.66 cents lb. in July 1941, as against 52.96 cents in June. The average price in July 1940, was 51.58 cents per lb.

U.S. FOOTED OUTLAYS, 1939-1940

Federal Reserve Bank of St. Louis
Digitized for FRASER
http://fraser.stlouisfed.org.proxy.wlu.ca/
Our Reporter On "Government" (Continued from Page 25) 

From a crucial standpoint, therefore, wouldn't it be better to hand over the outlook facing each enterprise—so diverse are the effects of current developments upon each corporate likely to be. The other concerns the attitude and probable policy of the Administration. The situation of the large group of corporations before taxes as compared with last year, although before such taxes they show a gain of around 12%. 

Another, as before, is the question of the new central banks' policies, whether or not the outlook is for a more strictly centralised and banked restrictions of credit. 

THE FINANCIAL SITUATION 

(Continued from First Page) 

them has primarily to do with corporate earnings, not merely the prospect for profit in American industry in general, but the question of how far or during the next year the outlook facing each enterprise—so diverse are the effects of current developments upon each corporate likely to be. The other concerns the attitude and probable policy of the Administration. The situation of the large group of corporations before taxes as compared with last year, although before such taxes they show a gain of around 12%. 

Another, as before, is the question of the new central banks' policies, whether or not the outlook is for a more strictly centralised and banked restrictions of credit. 

Entering A New Period 

Clearly we are now upon the threshold of a period when the course of corporate earnings will differ quite materially from that of the past year, though the rapid increase in earnings which corporations are permitted to retain. For a considerable period after our armament program was launched, indeed, until rather recently, that is to say, in the last quarter of 1941, the federal government's demand for supporting its demands for higher wages and other social benefits. First half results have, it may be supposed, been forgotten, for the fiscal year has now been completed, so that the enlarged burden of taxation is taken into account. Competent students of such matters have, of course, been fully aware of the large number of new and old enterprises showing some satisfaction with earnings, particularly when they have been compared with the prices of securities of the companies in question.

But to speak of this may be, it is plain that we are now reaching a new stage as regards corporate earnings. Higher taxes and costs, especially labor costs, have now even begun to unbalance the previous record. The next few months will, of course, be critical. 

Other Refundings 

On November 15, the U.S. has completed a new refunding of $500,000,000. . . . The recent large purchases of new bonds by the public have helped to keep interest rates down, but these purchases are now being used up. 

On November 15, the CCC has refunded 1.8 million of 1% notes due. A refunding and cash borrowing is contemplated for the future. And that just about covers the refundings for the moment. 

Considering the fact that Morgenthau couldn't possibly have known about the war back in the mid-30's, he isn't doing a damnable bad job of getting us out of a depression.

Dealer Opinions 

Six dealers checked: 

1. Prices remain fairly steady. 

2. No extraordinary buying or selling. 

3. In general, the markets are quiet. 

4. Only one dealer felt the market would be in a bull market for the year. 

5. The market is in a range, but with the help of bank support, should be growing. 

6. The market is in a range, but will be buoyant, with the help of bank support and higher earnings. 

From the above figures, it is evident that the future will be a period of trend and bond prices. 

Stamp Program Food 

List for September 

The Department of Agriculture announced Aug. 27 the foods which will normally be available during September for purchase with blue stamps by families taking part in the Food Stamp program. These foods are available in local stores throughout the month of September.

SEASONAL FOODS 

Apple, banana, cantaloupe, melon, orange, pear, peach, pineapple, plum, tomato, watermelon. 

OTHER FOODS 

Beans, macaroni, peanuts, rice, salt, sugar, tea, flour, cheese, milk. 

FRESH VEGETABLES 

Onion, potato, carrot, squash, zucchini, including potatoes, corn meal, salt, flour, tea, sugar. 

WHEAT FLOUR 

White flour, self-rising flour, enriched self-rising flour, and whole wheat flour. 

Would Abolish Curb 

The best interest of security dealers, and the public, as well, is preserved by the discontinuance of the Curb Exchange. The New York Stock Exchange, under the leadership of Russell, Balfour, of Oppenheimer, Inc., and the board of the Exchange, have made a survey of the entire market in as many issues, according to Mr. Balfour, and they have found that the curve of the market in the issues surveyed shows no material differences from the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinction between the curve of the market in the issues surveyed and the curve of the entire market in the issues surveyed. In other words, it is impossible to make a distinct
THE FINANCIAL SITUATION

From Washington

(Continued from First Page)

is out to increase the Government's control over business and industry.

Notwithstanding that Henry Wallace is chairman of the Board of Governors of the Federal Reserve System, the Federal Reserve Board is the central bank of the United States, and its members are appointed by the President and confirmed by the Senate. The Federal Reserve Board has the power to regulate the credit and banking system of the United States. It is responsible for setting monetary policy, which includes determining the amount of money in circulation and the interest rates.

The Federal Reserve Board also has the power to supervise and regulate banks, and to make sure that banks are operating safely and soundly.

The Federal Reserve Board is composed of seven members, who are appointed by the President and confirmed by the Senate. The members of the Federal Reserve Board are not paid salaries, but they receive a fee for each meeting they attend.

The Federal Reserve Board is based in Washington, D.C., and it has its own building in the city.

The Federal Reserve System is a network of banks and branches that are owned and operated by the Federal Reserve Board. The Federal Reserve System is responsible for implementing the monetary policy of the United States, and for regulating the banking system.

The Federal Reserve System is divided into 12 district banks, which are located in various cities across the United States. Each district bank is responsible for carrying out the monetary policy of the Federal Reserve System in its region.

The Federal Reserve System is also responsible for regulating the banking system in the United States. The Federal Reserve System has the power to set eligibility requirements for banks, and to make sure that banks are operating safely and soundly.

The Federal Reserve System is also responsible for regulating the money market, and for making sure that the money supply in the United States is sufficient to meet the needs of the economy.

The Federal Reserve System is also responsible for regulating the foreign exchange market, and for making sure that the exchange rates of the United States dollar are stable.

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Municipal Bond Sales in August

New issues of long-term State and municipal bonds were sold in the aggregate principal amount of $85,477,722 during August. Sales in the previous month were $54,844,685, and in August, 1940, the total sales were $32,440,000.

The feature operation last month was conducted by the City of Toronto, Ont., Canada, which issued $4,000,000 in 2% and 3% light and power revenue bonds to a syndicate headed by John Nuneen & Co. of Chicago. Competition for this bond, according to the underwriters, was exceptionally keen, and as a result, the municipal bond buyers in Toronto were not interested at 1.7488%, while the next best tender was based on a cost of 1.766%. Eight groups entered bids.

Speaking of revenue bonds, it is of interest to note that the recent large sale of bonds issued by the Bridge Authority of the offer of the insurance-companies to settle the Tacoma Narrows Bridge claim for $9,000,000 as a result of the wind and earthquake that occurred on November 7, 1940, at a cost of $4,000,000 was last April. It is believed that the Authority will apply the proceeds of the revenue bonds to the redemption of the outstanding revenue bonds. The relative speed with which the complicated claim was settled is viewed in investment circles as indicating a milestone in the favorable record of bridge revenue bonds.

Financing During August included the following items of $1,000 or more:

<table>
<thead>
<tr>
<th>State</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calif</td>
<td>Sales, 1028...</td>
<td>$1,165,000</td>
</tr>
<tr>
<td>Wash</td>
<td>Sales, 1023.</td>
<td>$1,042,092.065</td>
</tr>
<tr>
<td>Calif</td>
<td>Sales, 1023.</td>
<td>$642,092.065</td>
</tr>
<tr>
<td>Calif</td>
<td>Sales, 1028...</td>
<td>$250,000</td>
</tr>
</tbody>
</table>

New York City

The successful bid of the syndicate of banks led by Bank of New York, 97,777,777, for the 1936-39 and 1940-41 serial bonds of New York City, was $1,165,000. The New York City government, which awarded the bonds, said that $400,000 of it was capital originally saved up or invested in lump sums in the thrift and home mortgage institutions, $400,000 of it represented cash, moderate, then into the association in monthly payments by the bondholders, with $10,000 a year in interest, for about $10 a year. It is added that the $400,000, for which the investors paid, would be either an emergency use or the purpose for which they had originally saved it, had been in a continuous turnover to homeowners to help them buy, build, or construct homes. Then into the association in monthly payments by the bondholders, with $10,000 a year in interest, for about $10 a year. It is added that the $400,000, for which the investors paid, would be either an emergency use or the purpose for which they had originally saved it, had been in a continuous turnover to homeowners to help them buy, build, or construct homes.