In 2 Sections — Section 2

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Final Approval Of Tax Bill . . Expect $3,553,400,000 Yield

The compromise tax bill, as agreed on Sept. 15 by a joint Senate-House conference committee to yield an estimated $3,553,400,000 in new revenue, was approved by the House on Sept. 16 and by the Senate on Sept. 17 (by a voice vote in both instances) and is now before President Roosevelt awaiting his signature. The final version of the record-breaking defense tax bill will impose heavier income levies on both individuals and corporations and increase capital stock, estate and gift taxes and also raise the existing schedule of manufacturers and retailers excise taxes. The estimated yield of the bill of $3,553,400,000, as revised in conference, compares with a $3,216,000,000 measure passed by the House on Aug. 4 and with a $3,583,900,000 bill approved by the Senate on Sept. 5. On the basis of Treasury estimates the legislation is expected to yield (said Washington advices Sept. 16 to the New York "Journal of Commerce") $1,382,100,000 additional revenue from corporations, $1,144,600,000 more from individuals and $1,026,700,000 more from miscellaneous internal revenue.

In reporting the adoption of the conference report by the Senate, Associated Press accounts from Washington Sept. 17 said:

Preceding the vote, Senator George, Democrat, of Georgia, Chairman of the Finance Committee, declared in debate that Senate members of a joint Senate-House conference committee had strongly insisted that an amendment exempting strategic metals industries from the excess profits tax be retained in the compromise legislation. He added, however, that the House conferees declined to accept the amendment, and it finally was knocked out.

Senator Thomas, Democrat, of Utah, objected to the elimination of the exemption, saying it had been allowed in the past, and that a change in policy now might bring chaotic conditions.

In adopting, the conference report on Sept. 16, The House appoved with but little debate the Senate's action in lowering personal income tax exemptions from $2,000 to $1,500 for married persons and from $800 to $750 for single persons.

It was explained by Chairman Doughton (Dem.-N. C.) of the House Ways and Means Committee that since the House had reduced its own version by over $300,000,000, when it eliminated the mandatory joint income tax returns provision for married persons, this would have to be made up from other sources. With the lowered exemptions it is estimated that an additional

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New York State Factory Employment Rose Over Three Per Cent From July To August

The factories of New York State employed 3.2% more workers in August than in July and payrolls rose 5.9% in the month. All eleven industrial groups participated in these gains said Industrial Commissioner Frieda S. Miller, who released this report on Sept. 11, and described these increases as the best of the year thus far. Not only did plants with defense orders continue to expand their operations this month, the commissioner said but firms making civilian goods reported abnormally large increases in forces and payrolls. As yet, there has been no marked curtailment in non-defense production at reporting factories in this State due to the priorities of material program or to shortages of labor. The effect of the summer vacation period, which usually results in reduced operation at many factories in the State during August, was not as pronounced this year as in former years according to the statement. Workers either sacrificed or delayed their vacations in order to speed the defense effort. Miss Miller's statement further said:

Compared with August 1940, there were 30.9% more workers employed this August on a payroll that was 56.8% higher. Average weekly earnings, at $34.27, have risen 19.8% in the year. Wage rate increases were reported this month by airplane, firearms, brass, agricultural implement and rug concerns. Indexes of factory employment and payrolls, based on the 1925-27 average as 100, were 122.1 and 144.5 respectively.

Preliminary tabulations, covering the reports of 2,332 representative factories throughout the State, form the basis for the statements made in this analysis. These firms employed 553,510 workers during the middle week of August on a payroll of $18,969,838. The Division of Statistics and Information, under the direction of Dr. E. B. Patton, is responsible for the collection, tabulation and analysis of these data.

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To Our Readers:

Dictatorial labor union officials have continued to harass us with unreasonable demands, with the result that we have not caught up fully as yet with our publishing schedule. This issue of the Financial Chronicle, the news issue, is being mailed on time. To do this, however, meant a little additional delay in sending out Tuesday's issue which is largely devoted to stock and bond quotations. We felt that this would inconvenience our readers less than would a delay in the news issue. Within the very near future, we expect that every issue will be mailed right on schedule.

Meanwhile we seek the continued indulgence of our subscribers, to whom we are already so greatly indebted.

Token Taxes

We have now a tax measure which is expected to yield something over $3,500,000,000, but which, when considered in comparison with the almost countless billions we are spending and are planning to spend during the next few years, can hardly be regarded as likely to do more than levy token taxes upon the people of this country!

A decade ago when we were endeavoring to collect sums of money owed us by foreign governments which we had saved in the so-called World War No. 1, we in some instances received what was at the time termed token payments, which in ordinary language meant practically no payment at all. For a period after we had avowed the intention of becoming the arsenal of democracy, it was frequently said that we were sending token shipments of arms and what not, which in practice meant we were sending hardly enough to be noticed at all. The close reader of the President's recent report on progress under the lease-lend arrangements will, of course, realize that we have not now really got far past the token shipment stage in this matter —one qualified observer recently remarked that we are still more of a pop-gun arsenal than anything else.

It is difficult, unfortunately, very difficult, for the average man to understand when we talk of a tax law which is expected to take more than $3,500,000,000 from the pockets of the American public that what we are doing is in fact hardly more than demanding that the tax payers contribute a drop to the bucket full of funds which must somehow be

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FROM WASHINGTON AHEAD OF THE NEWS

One of the most interesting scenes on the back-biting, throat-cutting Washington stage these days is the experience of Barney Baruch. From the headlines, one would get the impression, on the one hand, that this financier is kept busy giving Mr. Roosevelt and the Congress advice on the conduct of the Second World War, and on the other hand, that a fairly sizeable part of the country thinks that he has had the experience and that either he or his counterpart should be operating in the defense production job. The point is that there is considerable agitation about this man. His comings and goings at the White House are fully reported by the daily press; his utterances given full play. Also, harassed editors seeking to explain the great need in the capital, have a way of saying "What we need is another Barney Baruch." Or maybe, they leave out the "another," and say bluntly that this particular man is needed.

It is an interesting commentary on the situation that not only are the chances very slim of his being called upon to serve, but that his advice is not likely to be followed by the President.

It is such a strange situation, in fact, that Mr. Baruch militates against the proper kind of price fixing bill, for example, or the proper kind of defense set-up, because he advocates it. Woodrow Wilson would not stand for the crossing of a "T" by Cabot Lodge in his League of Nations plan. Anything that Barney Baruch works out, one may almost rest assured, Mr. Roosevelt will insist upon the crossing of so many "T's" that it can't be recognized as a Baruch plan.

There is one of the strangest feuds in history on between these two men. It is one of those smil-

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GENERAL CONTENTS

Final Approval Of Big Tax Bill

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4,930,000 persons will be called upon to file income tax returns but only about 2,275,000 persons will be taxable. The new taxpayers will contribute about $47,000,000, with the balance of the additional revenue coming from persons taxable under present law.

In addition to the normal tax rate of 4% the bill imposes surtaxes starting at 6% for the first $2,000 of taxable net income and progressing to 77% for incomes of $5,000,000 or over.

With respect to the conference committee action on Sept. 16, the Associated Press reported:

> Besides the key amendment cutting exemptions, Senate members of the joint committee, appointed to adjust differences between Senate and House bills, won out on 135 of the 164 amendments written in by the Senate. These included provisions eliminating House-approved levies on radio-time sales, billboards, soft drinks and corporations not earning sufficient income to fall under the schedule of excess-profits taxes. The levies were estimated to yield an aggregate of $104,500,000.
>
> More than offsetting that loss, however, the conference group accepted a Senate amendment, estimated to raise $120,500,000, which would raise corporation surtaxes from 5 to 6% on the first $25,000 of net income and from 6 to 7% on income over that amount.
>
> Another Senate amendment approved would permit persons with net income of $3,000 and less to make out their income-tax returns on a simplified form. Another would incorporate the special 10% defense super-tax in the surtax structure, and a third would create a special fourteen-man committee to study methods of curtailing non-defense expenditures. The committee would be composed of the Secretary of the Treasury, the Budget Director and twelve members of the Senate and House taxing and appropriations committees.
>
> Most of these increases in "nuisance" taxes are effective Oct. 1.

Senate passage of the tax bill was reported in these columns Sept. 11, page 113.

Installment Paper

Comptroller of the Currency Preston Delano announced on Sept. 12 that national banks in the United States and possessions on June 30, 1941, had outstanding $1,008,170,000 in personal and retail installment paper, including F.H.A. Title I loans, which was 13% of the total of their loans to customers, excluding real estate loans, loans for purchasing or carrying securities, open-market paper, and loans to banks. More than 89%, or 4,586 of the banks were engaged in making loans of the type indicated. Included in the aggregate of such loans were retail installment paper of $610,356,000, F.H.A. Title I loans of $166,037,000, and personal installment cash loans of $231,777,000. The Comptroller's announcement also said:

> Personal and retail installment loans were reported by banks in all sections of the country. The ratios of such loans to total loans to customers, exclusive of real estate loans, loans for purchasing or carrying securities, open-market paper, and loans to banks, ranged from 28% in the Pacific States to 9% in the New England States.

On The Propagation Of Fear.

During the year 1904 there resided, in the Bohemian quarter of Chicago, in modest contentment and prosperity, an industrious immigrant who had succeeded in establishing himself among his own people and their neighbors as a dealer in milk. His name was Martin Vzral and he had a wife and seven children. He had accumulated a small property, including the capital employed in his little business, then netting from $75.00 to $100.00, weekly; the simple home which he owned; and bank deposits aggregating more than $2,000.00. It was this small fortune, and the lust of possession which it inspired in a low and unscrupulous intelligence, which wrought the undoing of this worthy family. Within two years all their property had been filched away, six of the nine had fallen victims to arsenic poisoning, and the vile creature who had preyed upon their simplicity was on his way to punishment.

The method used by the swindler, who became murderer as well, was simply the inculcation of unreasoning, baseless, and consuming fear, supplemented by trust in himself supporting reliance upon him as the unique and indispensable potential savior from undefined but imminent calamity. Herman Billik, their fellow-countryman, almost equally ignorant but handsome and with an imposing presence and ingratiating ways, was a fortune-teller in Cleveland, a seller of love-potions and an all-around charlatan, when he learned of the Vzrals and their attractive prosperity, and immediately his unscrupulous mind determined that they should become his victims. To accomplish his aims, he removed to Chicago, settled in a small house near his prey, and hung out a sign reading "The Great Billik, Card-Reader and Seer." Moving mysteriously and waiting a few days, he strode into the presence of the head of the Vzral family and, with introductory gibberish, abruptly announced, "You have an enemy. I see him. He is trying to destroy you." A few days later, the charlatan, having allowed time for consternation to develop and mount, reappeared and indicated, as the enemy, another milk-dealer in the same neighborhood, at the same time offering his own services, as a necromancer, to repel all dangers and to produce prosperity beyond that previously enjoyed. Before all nine of the superstitious Vzrals, Billik brewed an ill-smelling concoction, muttered incautations and sprinkled some of it before the residence of the rival milk-dealer, and assured them that all danger had been averted. From that moment, all their immunity from dangers that did not exist at all, and all the results of their continued industry, the Vzrals attributed to Billik. They were all gratitude and humble anxiety to reward their benefactor, but nobly he rejected compensation and only, after persuasion, consented to accept loans, beginning with $20.00, followed rapidly by other loans and more loans, in continuing series, not any of them ever repaid, until the current profits of the milk business were consumed, the bank account was exhausted, the little home had been mortgaged to the last penny it could support, in short, until the robbery was complete and entire ruin had been effected. One by one, during this process, members of the victimized family dimly saw or suspected the truth and, as fast as their suspicions were realized by the murderer, they were poisoned with arsenic and died. This is but the barest outline of the cruel tragedy. The curious can find the entire narrative, which is a true one, in Herbert Asbury's recent chronicle of Chicago, published under the title "Gem of the Prairie."

This sketch could have no place in these columns were it not that it may prove useful as an illustration of the ease with which simple and unsophisticated minds can be impelled to dread the unknown with unmeasured and cumulative intensity and, under leadership not much superior in competence to themselves, sometimes to take costly, extremely dangerous and completely superfluous measures which they are led to look upon as essential to their own protection against the wholly imaginary perils with which their fearful souls are made to suppose that they are closely surrounded. Even mass production of gratuitous and baseless fear is not, perhaps, beyond the capacity of leadership itself imbued with incomprehensible and increasing terrors and convinced that it must spread equivalent terror among its followers in order to drive them to extremities of sacrifice and endeavor which are disproportionate and excessive in comparison with any actual and known dangers or sources of danger to be found in the facts and capable of definite indication to the masses of those called upon to accept the burdens, to make the sacrifices and to supply the means of enlarged endeavor.

Suppose the existence of a great and independent nation with no foes within the hemisphere in which its strength, in all forms, actual as well as potential, vastly exceeds the strength of any possible competitor, even of all other nations could they be able to achieve the undesired and impracticable and combine for its destruction. It is the richest nation on earth and has been the most fearless and contented. This nation has a large, reasonably enlightened, very energetic, and resourceful population which almost unanimously believes that it enjoys and cherishes the highest degree of liberty and self-government anywhere prevailing. It is largely isolated in its grandeur and protected in its independence by that isolation. Of its four great boundaries, two are washed by wide oceans and half of a third is bordered by a great gulf on the opposite shores of which are much smaller nations whose resources are relatively undeveloped, which are without naval forces of any modern sort and whose armies are small and poorly supplied with arms and equipment. Its only continuous land boundary separates it from a province recognizing a king who inhabits another hemisphere. This adjacent province occupies a vast but scantily inhabited area and is so well disposed that for more than a century the common line of demarcation has been left entirely unguarded by military or naval forces. During the entire national existence of this fortunate people, no foreign foe has ventured upon its soil with hostile intentions, except that over one hundred years ago the country that in the lapse of time has come to rank highest among its international friendships was temporarily its enemy, and in a regrettable invasion held for only a few days its capital and dared to burn the edifices which housed its legislature and its highest executive. Moreover, this isolated, populous, and wealthy people possesses a large and highly efficient navy and the largest army in its history, both amply supplied with arms and munitions. If there could be anywhere immunity from foreign attack, with complete exemption from any reasonable ground for fear of unprovoked invasion or attack, it would seem to be the possession of this so happily situated people.

But the titular leader of this people has vast power, supported by the real authority that is his for a fixed term of years and as long as he can continue to obtain recurrent re-elections, and he is internationally-minded in a very high and even extraordinary degree. From boyhood, he has spent many of his happiest days in a luxurious home located upon a beautiful island belonging to a foreign kingdom and much of the remainder of his life has been spent in transoceanic travel and temporary but extended periods of foreign residence. He has called to his assistance, as daily and confidential advisers, several elderly men who are almost equally disposed to reject the limitations of national boundaries as defining or limiting the interests of the masses of the people whose destinies they believe to be in the keeping of the government of which they are a part. To this happy, free, and independent people, these leaders suddenly proclaim, almost as Billik, with selfish and sinister intention that cannot in any degree be attributed to these leaders, proclaimed to the Vzrals: "You have an enemy; he is scheming your destruction as a nation enjoying freedom and independence; he will endeavor to divert your wealth to his own purposes; he will filch from you your foreign trade; he will force you to abandon your cherished way of life; he will make you the abject slaves of his will and even of his whims, the subservient, ignoble, toil-worn servants of the people who support his authority and his arms."

"But," these leaders add, "we can save you; submit yourselves completely to our direction; surrender to us for awhile your dearest liberties; give us your sons as conscripts to send to fight and suffer, perhaps to die, in whatever foreign and distant land we designate; give us in huge taxes whatever we may ask from the substance of your savings and from the fruits of your daily toil; yield to us your accustomed standards of living and of comfort; and then and not otherwise shall we be able to perform the incantations and achieve the great deeds that in the indefinite lapse of time may destroy your distant enemy and accomplish, at least for the time-being, the restoration of the well-being you have up to now so liberally enjoyed."

And they point out the enemy. It is Reichsfuehrer Hitler, who seems just now to be pretty thoroughly engaged at points much nearer to his national headquarters, whom they declare that all Americans must fear. He plans, they allege, to subject all Europe to his despotic rule, to control all its large area and its teeming millions of inhabitants, most of whom hate and despise him and all Germans who lend themselves to his support, and then, when that not insignificant task is complete, when even Great Britain, with Ireland which a thousand years has not sufficed to rob of the love of freedom, is subject, then will he steal across the Atlantic, perhaps by way of Africa and South America, and reduce all our America to similar enslavement. This is the chief, the commanding fear, not defined but vehemently suggested to pliant and trusting minds.

But there are also subsidiary fears that are sought to be implanted, such as the fear, in the eastern states, of a shortage of gasoline and fuel oil, now shown to have no basis save imagination and a short-lived and partial diminution of reserves said to be normal or desirable. Americans must fear, so they are told, that there are among themselves citizens not enough terrorized, that among their neighbors are theoretical devotees of other forms of government; they must fear "fifth columnists," with a fear the more effective and pervasive because no one knows how to define the terms; they must fear a too high cost of living in general but also too low prices and insufficient wages at sundry points; they must fear debt and installment buying, but not public debt nor installment buying of the evidences of such debt; they must fear impoverished old age, but before old age comes they must give up their potential savings in taxes and send unlimited succor to all the distant countries and peoples whom their leaders select as friends. In fact, Americans are asked to fear about everything and everybody except their own political office-holders, and among these to fear all who are not New Dealers. They must fear regimentation under every remote tyrant whom imagination may transplant across the Atlantic, but never fear any degree of regimentation under the New Deal.

"There is nothing so terrifying as incomprehensible sound," said the late Bourke Cochrane, opening his magnificent refutation of William Jennings Bryan's wordy attack upon so-called trusts, which he called "octopuses," with their owners and managers, at a Conference held many years ago in Chicago. President Roosevelt, Secretary Hull, Secretary Stimpson, Secretary Knox, and all their official coadjutors and followers, seem thoroughly to have learned this lesson and they conduct themselves accordingly. President Roosevelt, however, is authority for another and more reassuring view. In 1933, he desired to insure not mass-production and wide dissemination of terror, but its restriction and diminution. In his first inaugural address, he declared:—

> So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself — nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance.

And that truth, which Mr. Roosevelt then said that it was "preeminently the time to speak," which he insisted was the "whole truth," spoken "frankly and boldly," is the whole, the unanswerable, and the adequate truth today. It is as sufficient in 1941 as it was in 1933 and it leaves no place for the terrors that are now so emotionally preached daily by the frightened and seemingly panic-stricken titular leaders in Washington. The real necessities of national defense cannot be envisaged in proper perspective and with steady poise or reasoned, persistent, and truly patriotic purpose until this truth, so well-spoken in 1933, is generally and fully realized.

For Your Greater Convenience

In its new form, the Financial Chronicle was designed to make bound copies easier to use. Although the new bound volumes will be slightly larger than heretofore, they will be thinner, will open flat and will be easier to handle. For this reason, we want to urge subscribers to save their copies of the Financial Chronicle so that each quarterly bound edition will have a complete record of all important financial developments, just as they were reported in the Financial Chronicle.

Token Taxes

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raised during the next few years if we are to become in any real sense of the term an arsenal for the democracies, to say nothing of the others we are taking under our protective wing. Yet such is plainly the fact.

Naturally no one supposes that all the funds required for this titanic armament program upon which we are now launched will be raised currently through taxation. Even if such a course were theoretically feasible, it is little less than certain that it would be politically out of the question. This circumstance does nothing, however, to alter the fact that some day, somehow, these bills must be paid — paid not in the sense that the bills due from the Government to suppliers and others must be met, but that those who advance the funds for such payments must be reimbursed. And if the Government of the people is to play fair with the people they must be reimbursed in real money, not in flat currency or some other form of money which is such in name only. Unless we are prepared to permit our government to complete the sacrifice of its honor and are, in fact, prepared to sacrifice our own collective honor, the American people even with the present measure in full force will hardly more than get a foretaste of the taxes that they for years to come will have to pay.

This foretaste will, however, for many be both bitter and substantial. It is more than disheartening that the burden will nonetheless fall upon a relative small section of of the population. It remains true that the vast majority of the people of the country will, so far as direct taxes are concerned, continue to go free. This means, of course, that the sobering effect of such a measure will be more or less confined to the same groups which have for a long while past been vainly crying for more reason and prudence in the management of our affairs, non-defense or well as defense.

In some Administration circles there is considerable self gratulation over the lowering of the exemptions. This change is without question a small and faltering step in the right direction, or at least its professed purpose is a good one. What many appear not to realize is that the method chosen for bringing a certain further number of the voters into the income tax brackets also adds further to the crushing burden the groups immediately above them already bear, while it leaves the larger number of the very groups which are guilty of the 1941 style of war profiteering untouched. The higher brackets are already severely burdened, and will continue to be under the new law. How much more cheerfully it would be possible to view the situation if these token taxes —heavy as they unquestionably are—were laid evenly upon the great rank and file in a form easily recognized by the man in the street.

The State Of Trade

Business activity generally presents a favorable picture, with many industries reporting new high levels reached. A pretty good barometer of conditions is the demand for electric power. A new all-time record in production of electric energy for last week of 3,281,290,000 kilowatt hours was today reported by the Edison Electric Institute. Whatever the let-down incidental to the long Labor Day week-end, last week witnessed a better than seasonal rebound.

The previous high of 3,226,141,000 kilowatt hours was attained in the week ended Aug. 2nd, since which time the electric power and light industry's output has been out-running 1940 by 16.5 to 19.4 per cent.

Among other favorable items is crude oil production which sets a record for the week. Crude oil production in the United States reached an all-time peak of 4,033,700 barrels a day in the week ended Sept. 13th, a rise of 218,750 barrels a day from the preceding week, and comparing with daily average production of 3,647,400 barrels for the like 1940 week.

Another favorable item is the report from Washington that eighty-seven Class I railroads had estimated operating revenues of $399,934,906 in August, compared with $310,035,346 in August, 1940, and $381,239,580 in August, 1930, according to the Association of American Railroads.

However, we have the unpleasant side of the picture presented in the steel situation. In addition to the official coal shutdowns that have been slowing the nation's steel plants, the wildcat and unauthorized strikes and slowdowns have cost the steel industry a full month's production, "Iron Age" asserts today.

The steel situation, the publication says, is definitely dangerous to the national defense program and requires immediate action. With demands continually rising, ingot production declined 1½ points to 96 per cent from last week, chiefly because of a five point decline at Pittsburgh and a one point drop to 100 per cent at Chicago.

The strike situation is again becoming a large source of worry to industry and the Government. In spite of the increasingly grave war developments in the East and the immediate threat of hostilities between this country and Germany, we have serious strikes breaking out in areas most vital to national defense. When history is written, the selfishness and lack of cooperation on the part of certain labor organizations in this great emergency will surely loom large.

The unions fully realize how vital the coal and steel industries are in the national defense program. Yet this is the answer of the United Mine Workers to the repeated appeals of the President for national unity and unified support for his policies.

It would seem under these trying conditions the National Defense Mediation Board should reconsider the wisdom of its decision in the Federal Shipbuilding case to recognize the closed shop issue as a proper object of mediation. If the Government does not take a firm stand soon, it is believed there will be an epidemic of "closed shop" disputes.

With the country moving rapidly toward a full war-time economy, restrictions of normal commercial enterprise are getting under way. December production of passenger cars will be limited to 204,848 vehicles, or a reduction of 48.4 per cent from the output of 396,823 cars made in December, 1940, it was announced this week by Leon Henderson, OPM civilian supply director.

The heavy slash in pleasure car output for December was timed, officials said, "to coincide with increased need for automobile workers in aircraft engine and other defense plants." All Government agencies, it was said, together with the industry, labor and local officials, are working together to effect orderly transfer of workers, together with placement of defense contracts in communities threatened with severe dislocation.

Far from abating, defense construction next year will exceed the extremely heavy activity of this year, builders have learned from OPM officials. Equipment and materials manufacturers, as well as builders, therefore expect no letup in the present construction boom during 1942, it was learned recently.

Based on authorizations already made, the OPM has indicated that $1,200,000,000 of defense construction is already scheduled for 1942. Constant broadening of the defense program, however, leads OPM officials to predict that these authorizations will be vastly expanded.

New York State Factory Employment Rises

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Payroll Gains Again Reported by All Industrial Districts

August marked the seventh consecutive month that all seven industrial districts reported payroll increases. These gains have raised the payroll level in all districts to new all-time highs. From July to August, the Utica district was the only one in which a net drop in forces was reported. The losses caused by a strike at a knitting mill, seasonal curtailment at a wood products concern and layoffs at a nonferrous metal firm caused by priorities were sufficient to offset the good gains in forces at most other plants in this area. The large payroll gain at a firearms plant, due to increased activity and a wage rate increase of about 7%, was more than sufficient to offset the wage losses in the above three firms. The largest gains from July to August were, as usual, reported in New York City. Although the major portion of these increases was due to the seasonal expansion at women's apparel factories, the majority of other factories in the City were also busier. Sizeable gains were reported by airplane, ship-building, candy and novelty firms. The great majority of factories in Buffalo, Rochester, Syracuse and Albany-Schenectady-Troy hired additional workers in August. The largest hirings in Buffalo were made by airplane, machinery, nonferrous metal, instrument, clothing and flour milling concerns. The resumption of more normal activity in August after July vacations at several Buffalo metal firms accounts for a good deal of the larger gain in payrolls than in forces. In Rochester, the best gains were at photographic supply, men's furnishings, machinery and canning plants. More than half of the net gain of 661 workers reported by Syracuse factories from July to August was made by one steel concern. Further gains at defense factories in the Albany-Schenectady-Troy area were coupled this month with increases at several consumers' goods plants, noteably at printing, toy, brush and shirt firms. Since the large shoe and business machine firms in the Binghamton-Endicott-Johnson City area maintained their July high level of operation in August, the good gains at the relatively smaller furniture and photogarphic supply firms were sufficient to raise the total employment and payroll levels to new all-time highs.

City	July to Aug. '41 % Change Empl.	July to Aug. '41 % Change Payr.	Aug. '40 to Aug. '41 % Change Empl.	Aug. '40 to Aug. '41 % Change Payr.
New York City ..	+5.7	+8.5	+24.4	+42.5
Buffalo	+3.2	+8.0	+43.4	+69.1
Rochester	+3.1	+2.7	+22.1	+44.7
Syracuse	+2.4	+4.4	+26.0	+50.9
Albany-Schenectady-Troy	+2.0	+1.6	+54.0	+86.9
Binghamton - Endicott-Johnson City	+0.5	+0.5	+15.3	+54.8
Utica	—0.6	+1.9	+38.3	+85.5

Gates Is Sworn In

Artemus L. Gates was sworn in on Sept. 5 as Assistant Secretary of the Navy for Aeronautics, a position which has been vacant since 1932. Mr. Gates has resigned as President of the New York Trust Company in order to serve in the Government post. President Roosevelt appointed Mr. Gates to his new post on Aug. 28 (referred to in these columns of Aug. 30, page 1218) and the Senate confirmed the nomination on Sept. 3. Among those attending the brief swearing in ceremony in Secretary Frank Knox's office were Under Secretary James V. Forrestal; Assistant Secretary Ralph A. Bard and Admiral H. R. Stark, Chief of Naval operations, as President of the New York Trust Company Mr. Gates is succeeded by John E. Bierwirth.

Revenue Freight Car Loadings During Week Ended Sept. 6, 1941 Placed at 797,740 Cars

Loading of revenue freight for the week ended Sept. 6 totaled 797,740 cars, the Association of American Railroads announced on Sept. 11. This was an increase of 102,646 cars or 14.8% above the corresponding week in 1940, and an increase of 135,383 cars or 20.4% above the same week in 1939.

Loading of revenue freight for the week of Sept. 6, which included a holiday, was a decrease of 114,980 cars or 12.6% below the preceding week.

Miscellaneous freight loading totaled 337,592 cars, a decrease of 52,713 cars below the preceding week, but an increase of 62,717 cars above the corresponding week in 1940.

Loading of merchandise less than carload lot freight totaled 138,398 cars a decrease of 19,913 cars below the preceding week, but an increase of 3,819 cars above the corresponding week in 1940.

Coal loading amounted to 150,141 cars, a deacrease of 20,197 cars below the preceding week, but an increase of 31,619 cars above the corresponding week in 1940.

Grain and grain products loading totaled 36,878 cars, a decrease of 6,658 cars below the preceding week, and a decrease of 376 cars below the corresponding week in 1940. In the Western Districts alone, grain and grain products loading for the week of Sept. 6, totaled 24,891 cars, a decrease of 4,710 cars below the preceding week, and a decrease of 212 cars below the corresponding week in 1940.

Live stock loading amounted to 12,617 cars, an increase of 155 cars above the preceding week, but a decrease of 3,259 cars below the corresponding week in 1940. In the Western Districts alone, loading of live stock for the week of Sept. 6 totaled 9,514 cars, an increase of 289 cars above the preceding week, but a decrease of 3,070 cars below the corresponding week in 1940.

Forest products loading totaled 38,686 cars, a decrease of 9,064 cars below the preceding week, but an increase of 4,029 cars above the corresponding week in 1940.

Ore loading amounted to 70,802 cars, a decrease of 5,746 cars below the preceding week but an increase of 1,315 cars above the corresponding week in 1940.

Coke loading amounted to 12,626 cars, a decrease of 844 cars below the preceding week, but an increase of 2,782 cars above the corresponding week in 1940.

All districts reported increases compared with the corresponding weeks in 1940 and 1939.

	1941	1940	1939
4 weeks of January	2,740,095	2,557,735	2,288,730
4 weeks of February	2,824,188	2,488,879	2,282,866
5 weeks of March	3,817,918	3,123,916	2,976,655
4 weeks of April	2,793,563	2,495,212	2,225,188
5 weeks of May	4,160,527	3,351,840	2,926,408
4 weeks of June	3,510,137	2,896,953	2,563,953
4 weeks of July	3,413,427	2,822,450	2,532,236
5 weeks of August	4,464,458	3,717,933	3,387,672
Week of September 6	797,740	695,094	662,357
Total	28,522,053	24,150,012	21,846,065

The following table is a summary of the freight carloadings for the **separate railroads and systems** for the week ended Sept. 6, 1941. During this period 109 roads showed increases when compared with the same week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED SEPT. 6

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1941	1940	1939	1941	1940
Eastern District—					
Ann Arbor	479	503	597	1,415	1,239
Bangor & Aroostook	715	632	747	279	191
Boston & Maine	7,776	6,369	6,774	12,098	9,326
Chicago, Indianapolis & Louisville	1,433	1,232	1,454	2,500	2,149
Central Indiana	17	16	11	61	43
Central Vermont	1,333	1,128	1,201	2,406	1,763
Delaware & Hudson	6,466	4,502	4,369	10,166	7,064
Delaware, Lackawanna & Western	8,780	7,941	8,337	7,801	6,804
Detroit & Mackinac	277	305	359	144	126
Detroit, Toledo & Ironton	2,123	1,735	1,531	1,243	1,145
Detroit & Toledo Shore Line	270	245	254	3,458	2,659
Erie	13,627	11,490	11,117	14,627	12,581
Grand Trunk Western	4,342	2,897	3,819	8,324	7,107
Lehigh & Hudson River	162	134	138	2,328	1,757
Lehigh & New England	2,045	1,795	1,425	1,732	1,219
Lehigh Valley	9,073	7,348	7,756	7,597	6,111
Maine Central	2,634	2,204	2,301	2,266	1,795
Monongahela	5,608	4,543	3,845	359	208
Montour	2,344	2,272	2,092	65	38
New York Central Lines	46,177	39,270	36,327	47,496	37,631
N. Y., N. H. & Hartford	10,378	8,729	8,388	14,558	10,965
New York, Ontario & Western	1,112	1,019	893	2,068	1,558
N. Y., Chicago & St. Louis	6,460	5,344	5,425	12,638	9,816
N. Y., Susquehanna & Western	406	333	368	1,497	1,218
Pittsburgh & Lake Erie	7,694	6,721	4,897	8,261	6,738
Pere Marquette	5,358	5,071	5,078	5,798	4,975
Pittsburgh & Shawmut	519	707	477	39	59
Pittsburgh, Shawmut & North	422	333	353	466	177
Pittsburgh & West Virginia	889	924	857	2,464	1,753
Rutland	562	598	569	1,148	878
Wabash	5,369	4,949	4,796	9,794	8,235
Wheeling & Lake Erie	5,225	4,526	4,287	3,842	3,188
Total	160,075	136,815	130,842	188,938	150,516
Allegheny District—					
Akron, Canton & Youngstown	686	458	402	1,004	821
Baltimore & Ohio	38,225	31,107	28,689	20,593	16,366
Bessemer & Lake Erie	6,665	5,747	4,915	2,071	2,514
Buffalo Creek & Gauley	260	284	303	7	3
Cambria & Indiana	1,840	1,492	1,576	21	21
Central R.R. of New Jersey	7,469	5,988	5,199	14,708	10,416
Cornwall	683	640	611	45	57
Cumberland & Pennsylvania	266	193	200	35	43
Ligonier Valley	119	86	66	32	24
Long Island	867	608	537	2,998	2,533
Penn-Reading Seashore Lines	1,884	1,115	1,305	2,187	1,315
Pennsylvania System	79,857	64,611	57,704	53,381	41,517
Reading Co.	15,783	13,198	11,415	21,811	16,144
Union (Pittsburgh)	19,191	16,953	11,401	6,302	5,718
Western Maryland	3,908	2,959	3,328	8,648	6,210
Total	177,703	145,439	127,651	133,843	103,702
Pocahontas District—					
Chesapeake & Ohio	27,086	22,336	24,290	11,996	10,006
Norfolk & Western	21,971	19,225	19,988	5,441	4,722
Virginian	4,157	4,109	4,191	1,804	1,396
Total	53,214	45,670	48,469	19,241	16,124
Southern District—					
Alabama, Tennessee & Northern	394	244	243	209	158
Atl. & W. P.—W. R.R. of Ala.	942	763	763	1,958	1,498
Atlanta, Birmingham & Coast	883	688	599	950	633
Atlantic Coast Line	10,322	8,825	9,125	6,380	5,069
Central of Georgia	4,319	4,101	3,734	3,481	2,779
Charleston & Western Carolina	442	432	417	1,309	1,112
Clinchfield	1,696	1,252	1,247	2,479	1,900
Columbus & Greenville	298	216	428	359	279
Durham & Southern	200	159	157	605	362
Florida East Coast	416	463	378	858	794
Gainsville Midland	38	30	36	77	124
Georgia	1,312	1,025	931	1,819	1,580
Georgia & Florida	469	276	326	627	429
Gulf, Mobile & Ohio	3,739	2,856	*1,655	3,252	3,025
Illinois Central System	22,979	19,273	21,405	11,656	10,912
Louisville & Nashville	23,358	19,618	21,029	7,720	5,213
Macon, Dublin & Savannah	208	125	98	639	482
Mississippi Central	204	139	208	332	238
Nashville, Chattanooga & St. L.	3,053	2,701	1,641	2,883	2,378
Norfolk Southern	1,472	1,107	2,878	1,523	1,223
Piedmont Northern	495	426	388	1,335	953
Richmond Fred. & Potomac	385	344	304	4,775	3,187
Seaboard Air Line	9,029	8,191	7,588	5,511	4,033
Southern System	22,059	20,255	19,766	17,016	13,817
Tennessee Central	477	432	335	739	620
Winston-Salem Southbound	126	157	139	1,086	879
Total	109,315	94,098	97,081	79,578	63,677
Northwestern District—					
Chicago & North Western	19,739	18,707	17,238	12,790	10,843
Chicago Great Western	2,684	2,397	2,448	3,295	3,043
Chicago, Milw., St. P. & Pac.	20,363	18,453	17,680	8,258	6,733
Chicago, St. P., Minn. & Omaha	3,758	3,914	3,699	4,307	3,820
Duluth, Missabe & Iron Range	23,586	21,454	13,843	327	219
Duluth, South Shore & Atlantic	1,152	1,047	1,131	463	491
Elgin, Joliet & Eastern	9,903	8,000	6,802	9,433	5,978
Ft. Dodge, Des Moines & South	583	458	400	116	150
Great Northern	23,684	24,603	19,263	4,073	2,948
Green Bay & Western	535	473	547	787	576
Lake Superior & Ishpeming	2,467	4,058	3,092	77	71
Minneapolis & St. Louis	1,917	1,968	1,657	2,163	1,800
Minn., St. Paul & S. S. M.	6,794	8,431	6,915	3,348	3,071
Northern Pacific	10,418	10,051	9,564	4,580	3,440
Spokane International	127	288	237	297	273
Spokane, Portland & Seattle	2,157	1,750	1,458	2,276	1,605
Total	129,867	126,052	105,974	56,590	45,061
Central Western District—					
Atch. Top. & Santa Fe System	20,576	18,169	19,089	8,060	5,844
Alton	2,978	2,804	2,745	2,718	2,284
Bingham & Garfield	673	527	266	[illegible]	106
Chicago, Burlington & Quincy	16,873	14,118	14,234	10,7[illegible]4	8,317
Chicago & Illinois Midland	2,630	1,905	1,509	[illegible]55	663
Chicago, Rock Island & Pacific	11,799	11,332	11,022	8,816	8,625
Chicago & Eastern Illinois	2,504	2,308	2,299	2,843	2,517
Colorado & Southern	762	605	817	1,557	1,198
Denver & Rio Grande Western	4,462	3,687	3,353	3,797	3,196
Denver & Salt Lake	714	713	738	25	26
Fort Worth & Denver City	874	935	829	865	874
Illinois Terminal	1,733	1,723	1,698	1,935	1,453
Missouri-Illinois	1,012	837	1,132	686	453
Nevada Northern	1,626	1,332	1,362	139	132
North Western Pacific	1,039	799	568	484	370
Peoria & Pekin Union	8	11	12	0	0
Southern Pacific (Pacific)	26,305	24,102	24,217	6,887	4,445
Toledo, Peoria & Western	299	318	289	1,561	1,175
Union Pacific System	15,946	13,635	14,591	11,753	8,938
Utah	506	331	324	1	2
Western Pacific	1,755	1,845	1,676	3,019	1,957
Total	115,074	102,036	102,770	66,988	52,575
Southwestern District—					
Burlington-Rock Island	137	126	213	172	181
Gulf Coast Lines	2,916	2,459	2,307	1,857	1,415
International-Great Northern	1,824	1,994	2,197	1,939	1,778
Kansas, Oklahoma & Gulf	224	213	313	1,000	805
Kansas City Southern	2,583	1,659	1,676	2,640	1,815
Louisiana & Arkansas	2,164	1,685	1,859	2,592	1,339
Litchfield & Madison	247	330	330	1,206	791
Midland Valley	746	508	632	245	194
Missouri & Arkansas	109	190	243	271	346
Missouri-Kansas-Texas Lines	3,957	3,833	4,638	3,950	2,690
Missouri Pacific	15,300	13,132	14,211	11,742	8,331
Quanah Acme & Pacific	103	71	87	175	92
St. Louis-San Francisco	7,877	6,352	6,816	4,669	3,996
St. Louis Southwestern	2,670	2,097	2,674	3,171	2,007
Texas & New Orleans	7,438	6,972	7,219	4,036	2,728
Texas & Pacific	4,045	3,247	3,942	4,524	3,140
Wichita Falls & Southern	126	101	197	57	82
Weatherford M. W. & N. W.	26	15	16	60	27
Total	52,492	44,984	49,570	44,306	31,757

Note—Previous year's figures revised. * Previous figures. x Gulf Mobile & Northern only.

Petroleum And Its Products

A sharp divergence of opinion between the special Senate investigating committee, headed by Senator Maloney, and Ralph K. Davies, Acting Petroleum Coordinator, developed following the announcement by the Senate group on September 11 that there was no actual shortage of gasoline or other petroleum products in the East and immediate removal of existing restrictions was therefore in order. The announcement followed several days' hearings during which the Senate committee heard testimony of railroad, oil and PCO executives.

Petroleum Coordinator Harold Ickes, who was out-of-town during the Senate hearings, was accused by the Committee of "over-enthusiasm" in creating "unnecessary alarm" among the public. "The shortage," the Committee said, "is a shortage of surplus and not a shortage of products or a lack of facilities to transport them." In making the report to the Senate, Chairman Maloney cautioned, however, that it was preliminary and the Committee would resume public hearings whenever it found them necessary.

"With proper conservation motorists should find it possible to acquire the gasoline and oil that they need," Senator Maloney reported. "We believe that present restrictions should be lifted and the public, with a clearer understanding of conditions, would cooperate in carrying out an effective program of conservation." It will be remembered that the Petroleum Coordinator's office tried voluntary curtailment of gasoline consumption in the East before ordering compulsory curtailment through night closing of service stations and reduced deliveries.

The Committee's report said that the entire matter boiled down to the question of locating sufficient transportation facilities for the movement of oil and refined products to the Atlantic Coast area. In finding that there was "no shortage of transportation facilities," the Committee said that this was based upon the testimony on available tank cars of J. J. Pelley, president of the Association of American Railroads, and Ralph Budd, defense transportation adviser. The testimony of both Mr. Pelley and Mr. Budd was contradicted by a traffic expert from the PCO who said that their figures on "idle" tank cars were out-of-date.

The Committee's report, however, recommended a constant expansion in the construction of tankers, increased use of pipelines now in operation and under construction, more extensive use of motorized oil tankers and the probable construction of barges. Highlight of the opposition to the pipelines which were held forth as the only feasible means of correcting the situation by Mr. Davies was the testimony of Admiral Land, of the Maritime Commission, and Mr. Pelley, both of whom argued that the 750,000 tons of steel required for the pipelines sought could be used to much better advantage in their respective fields.

A statement bluntly disputing the findings of the Maloney committee was issued from the Office of the Petroleum Coordinator following the committee's report, with Mr. Davies stating that there is a gasoline shortage in the East and that conservation measures must continue. The Davies' statement admitted, however, that the East Coast "is materially better off today than had the situation been allowed to drift—had no effort been made to avert what surely would have been an acute shortage in fuel oils and gasoline.

"The problem of whether insufficient surplus comprises a shortage obviously will be determined by how much demand is made upon stocks," Mr. Davies continued. "When the surplus remains consistently below last year, when demands for petroleum products remain consistently higher than last year, when normal means of transportation to replenish surplus are cut off drastically—then in the opinion of the Office of the Coordinator a problem does exist.

"If the Coordinator's office failed to give public notice of the existence of this condition, it would not be performing the duty it was set up to perform. That duty, as enunciated by the President when he said that 'one of the essential requirements of the defense program, which must be made the basis of our petroleum defense policy . . . is the development and utilization with maximum efficiency of our petroleum resources and our facilities, present and future, for making petroleum products available, adequately and continuously, in the proper forms, at the proper places, and at reasonable prices to meet military and civilian needs.'

"In the opinion of the Coordinator's office, maintenance of an inadequate surplus in the face of increased demands does not constitute 'making petroleum and petroleum products available, adequately and continuously . . . to meet military and civilian needs.' To the Coordinator's office, the admittedly low condition of petroleum stocks on the East Coast continues to mean shortage and the necessity for appropriate action."

The controversy between the Senate committee and the Office of the Petroleum Coordinator was followed by the introduction of a resolution in the House by Representative Cannon, Dem. of Missouri, to take the gasoline and petroleum situation out of the control of Secretary of the Interior Ickes and place it in the hands of an independent body. The Cannon measure was similar to that recently introduced in the Senate by Senator Andrews who called for the creation of an independent oil control Federal agency, to be headed by a man with no other Federal office connections or Cabinet standing.

The report of the Senate committee was not received favorably by executives of the oil companies operating in the East Coast area, most of them feeling that it would undo all the good done in impresssing the public with the need for conservation of gasoline and other refined petroleum products. Although naturally enought no official comment was made, it was indicated that the petroleum companies would continue operations in accord with the plans of the PCO, and gasoline deliveries would remain under restrictions as desired by the Federal oil agency.

Support for Mr. Davies, further plea in the closing period of the Maloney committee's public hearings last week for gasoline consumption curtailment came from John A. Brown, president of the Socony-Vacuum Oil Co. and chairman of District No. 1, comprising the 17 Eastern States on September 11 in which he declared that gasoline conservation in the Atlantic Coast States during the coming months is essential if a shortage of petroleum products in the area is to be avoided. "It will surprise many people to know," he pointed out, "that the total demand for petroleum products as a whole in this area is from 40 per cent to 45 per cent greater in December than in July. This means that the industry must transport more petroleum into this region between now and the end of the year than would be required in the summer."

Formal application by the Office of the Petroleum Coordinator on September 16 for a priority rating for steel needed for construction of the Administration-backed New York-To-Texas pipeline before the Supply, Priorities and Allocations Board in Washington met with a formal refusal as had been expected in view of the SPAB's ruling a week earlier on the question. Ralph K. Davies, deputy oil coordinator, was informed by the SPAB that it took a more favorable attitude toward the use of seamless steel tube for the pipeline if production would be adjusted to defense contracts in the mills to prevent disruption of defense requirements. It was indicated in unofficial statements by OPM executives that a seamless steel tube pipeline would be authorized within the near future.

Early announcement of a consent decree in settlement of the anti-trust suits of the Department of Justice against major oil companies on pipeline operating questions was expected following conferences between counsel for the companies involved and the Department of Justice in Washington this week. The suits filed against the companies contended that the pipelines charged excessive prices which were returned in part to the parent oil companies in the form of dividends while independent producers who used the pipelines received no such repayment. This meant, according to the Government, that the lines were guilty of paying rebates to certain users in violation of the Elkins.

At present, there are three test cases pending in District Courts, two in Wilmington and one in South Bend, Ind., charging the oil companies with such violations of the Elkins Act. If an

(Continued no Page 215)

Daily Average Crude Oil Production for Week Ended Sept. 13, 1941, Up 218,750

The American Petroleum Institute estimates that the daily average crude oil production for week ended Sept. 13, 1941 was 4,033,700 barrels. This was a gain of 218,750 barrels from the output of the preceding week and the current week's figures were above the 3,960,000 barrels calculated by the U. S. Department of the Interior to be the total of restrictions imposed by the various oil-producing States during September. Daily average production for the four weeks ended Sept. 13, 1941, is estimated at 3,957,200 barrels. The daily average output for the week ended Sept. 14, 1940, totaled 3,647,400 barrels. Further details as reported by the Institute follow:

Imports of petroleum for domestic use and receipts in bond at principal United States ports, for the week ended Sept. 13, totaled 2,029,000 barrels, a daily average of 289,857 barrels, compared with a daily average of 220,286 barrels for the week ended Sept. 6, and 240,500 barrels daily for the four weeks ended Sept. 13. These figures include all oil imported, whether bonded or for domestic use, but it is impossible to make the separation in weekly statistics.

Receipts of California oil at Atlatnic Coast ports during the week ended Sept. 13, amounted to 214,000 barrels, a daily average of 30,571 barrels, of which 138,000 barrels was Gasoline received at the Port of Philadelphia, and 76,000 barrels was Gas Oil and Distillate Fuel Oil received at Fall River.

Reports received from refining companies owning 86.4% of the 4,538,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 4,010,000 barrels of crude oil daily during the week, and that all companies had in storage at refineries, bulk terminals, in transit and in pipe lines as of the end of the week, 80,555,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 13,406,000 barrels during the week.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	† B. of M. Calculated Requirements (September)	State Allowables	Actual Production: Week Ended Sept. 13 1941	Change from Previous Week	4 Weeks Ended Sept. 13 1941	Week Ended Sept. 14 1940
Oklahoma	489,800	428,000	‡417,100	— 21,350	427,650	409,800
Kansas	239,800	248,800	‡244,050	+ 14,650	245,600	194,600
Nebraska	5,000	-----	‡7,350	+ 50	7,350	200
Panhandle Texas			85,300	-----	81,500	76,500
North Texas			101,400	+ 500	100,800	96,500
West Central Texas			30,800	+ 100	30,700	29,800
West Texas			280,650	+ 54,400	263,600	228,200
East Central Texas			85,250	+ 4,600	83,850	78,200
East Texas			369,750	+ 71,200	351,850	374,900
Southwest Texas			220,250	+ 38,450	210,000	215,450
Coastal Texas			293,200	+ 44,400	280,250	208,600
Total Texas	1,378,600	§1,406,362	1,466,600	+213,650	1,402,550	1,308,150
North Louisiana			80,450	+ 2,000	79,300	65,400
Coastal Louisiana			255,300	— 100	253,400	220,050
Total Louisiana	324,000	328,646	335,750	+ 1,900	332,700	285,450
Arkansas	79,000	76,013	75,600	+ 500	74,900	73,400
Mississippi	33,000		‡53,600	+ 150	51,400	25,950
Illinois	392,500		394,050	— 11,950	394,200	362,100
Indiana	21,400		‡19,700	— 1,350	20,500	18,500
Eastern (not incl. Ill. & Ind.)	99,800		92,900	+ 3,000	92,200	90,450
Michigan	39,500		51,850	+ 2,000	47,750	50,000
Wyoming	85,000		83,500	+ 6,450	82,100	73,650
Montana	20,200		20,550	+ 150	20,400	17,450
Colorado	4,500		4,850	— 200	4,400	3,350
New Mexico	113,200	113,200	113,750	-----	113,750	97,250
Total East of Calif.	3,325,300		3,381,200	+207,650	3,317,450	3,010,300
California	634,700	¶610,000	652,500	+ 11,100	639,750	637,100
Total United States	3,960,000		4,033,700	+218,750	3,957,200	3,647,400

† These are Bureau of Mines' calculations of the requirements of domestic crude oil based upon certain premises outlined in its detailed forecast for the month of September. As requirements may be supplied either from stocks, or from new production, contemplated withdrawals from crude oil inventories must be deducted from the Bureau's estimated requirements to determine the amount of new crude oil to be produced.

‡ Okla. Kans. Neb. Miss. Ind. figures are for week ended 7 a.m. Sept. 10th.

§ This is the net basic 30-day allowable as of September 1st but experience indicates that it will increase as new wells are completed, and if any upward revisions are made. Panhandle shutdown days are September 7, 14, 21 and 28th; with a few exceptions the rest of the state was ordered shut down on September 1, 6, 7, 13, 14, 20, 21, 27, 28 and 30th.

¶ Recommendation of Conservation Committee of California Oil Producers.

NOTE:—The figures indicated above do not include any estimate of any oil which might have been surreptitiously produced.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED SEPT. 13, 1941

(Figures in Thousands of Barrels of 42 Gallons Each)

District	Daily Refining Capacity: Potential Rate	Daily Refining Capacity: P. C. Reporting	Crude Runs to Stills: Daily Aver.	Crude Runs to Stills: P. C. Operated	Gasoline Produc'n at Refineries Incl. Natural Blended	Stocks Finished & Unfinished Gasoline	*Stocks of Gas Oil and Distillates	*Stocks of Residual Fuel Oil	¶¶Stocks Aviation Gasoline
East Coast	673	100.0	599	89.0	1,667	19,238	16,418	10,241	E. Coast
Appalachian	166	83.8	143	102.9	484	3,113	602	569	654
Ind. Ill. Ky.	752	84.4	658	103.6	2,597	14,414	5,578	4,453	Interior
Okla. Kans. Mo.	413	80.7	311	93.4	1,246	6,748	2,039	2,016	1,322
Inland Texas	263	63.2	149	89.8	696	2,233	457	1,355	G. C'st
Texas Gulf	1,097	91.0	1,014	101.5	3,157	11,447	6,142	8,297	3,200
Louisiana Gulf	156	94.2	154	104.1	420	2,977	1,570	2,022	
No. La. & Arkan.	95	49.9	57	121.3	174	397	361	426	Calif.
Rocky Mountain	136	50.1	66	97.1	254	1,019	125	403	1,896
California	787	90.9	508	71.0	1,420	13,569	12,689	64,471	
Reported		86.4	3,659	93.3	12,115	75,155	45,981	94,253	7,072
Unreported			351		1,345	5,400	1,290	1,500	380
†Est. total U. S. Sept. 13, 1941	4,538		4,010		13,460	‡80,555	47,271	95,753	7,452
†Est. total U. S. Sept. 6, 1941	4,538		3,995		13,353	81,571	46,127	95,125	7,184
U. S. B. of M. †Sept. 13, 1940			§3,592		¶11,921	82,983	46,556	107,335	5,875

† Estimated Bureau of Mines basis. * At refineries, bulk terminals, in transit and in pipe lines. ¶¶ Included in finished and unfinished gasoline total. § Sept., 1940, daily average. ¶ This is a week's production based on U. S. Bureau of Mines Sept., 1940, daily average. ‡ Finished, 72,378,000 bbl.; unfinished, 7,677,000 bbl.

Electric Output for Week Ended Sept. 13, 1941, Shows Gain of 18.3% Over Like Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Sept. 13, 1941, was 3,281,290,000 kwh. The current week's output is 18.3% above the output of the corresponding week of 1940, when production totaled 2,773,177,000 kwh. The output for the week ended Sept. 6, 1941, was estimated to be 3,095,746,000 kwh., an increase of 19.4% over the like week a year ago.

PERCENTAGE INCREASE FROM PREVIOUS YEAR

Major Geographic Regions	Week Ended Sept. 13, '41	Week Ended Sept. 6, '41	Week Ended Aug. 30, '41	Week Ended Aug. 23, '41
New England	19.6	21.6	22.5	20.1
Middle Atlantic	16.1	16.1	16.0	15.1
Central Industrial	19.6	21.9	19.3	20.2
West Central	13.8	17.5	12.1	16.2
Southern States	27.1	27.4	24.8	24.2
Rocky Mountain	7.4	7.7	8.5	4.5
Pacific Coast	x10.8	x10.8	x10.5	x10.3
Total United States	18.3	19.4	17.8	17.7

x Percentage should be higher; data under revision.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended	1941	1940	Percent Change 1941 from 1940	1939	1938	1937
May 3	2,914,882	2,503,899	+16.4	2,224,723	1,992,161	2,225,194
May 10	2,975,024	2,515,515	+18.3	2,238,826	2,019,065	2,242,421
May 17	2,982,715	2,550,071	+17.0	2,234,592	2,023,830	2,249,305
May 24	3,011,754	2,588,821	+16.3	2,277,749	2,030,754	2,251,995
May 31	2,924,460	2,477,689	+18.0	2,186,394	1,936,597	2,176,399
June 7	3,042,128	2,598,812	+17.1	2,328,756	2,056,509	2,266,759
June 14	3,066,047	2,664,853	+15.1	2,340,571	2,051,006	2,260,771
June 21	3,055,841	2,653,788	+15.2	2,362,436	2,082,232	2,287,420
June 28	3,120,780	2,659,825	+17.3	2,395,857	2,074,014	2,285,362
July 5	2,866,865	2,425,229	+18.2	2,145,033	1,937,486	2,139,281
July 12	3,141,158	2,651,626	+18.5	2,402,893	2,154,099	2,358,438
July 19	3,162,586	2,681,071	+18.0	2,377,902	2,152,779	2,321,531
July 26	3,183,925	2,760,935	+15.3	2,426,631	2,159,667	2,312,104
Aug. 2	3,226,141	2,762,240	+16.8	2,399,805	2,193,750	2,341,103
Aug. 9	3,196,009	2,743,284	+16.5	2,413,600	2,198,266	2,360,950
Aug. 16	3,200,818	2,745,697	+16.6	2,453,556	2,206,560	2,365,859
Aug. 23	3,193,404	2,714,193	+17.7	2,434,101	2,202,454	2,351,233
Aug. 30	3,223,609	2,736,224	+17.8	2,442,021	2,216,648	2,380,301
Sept 6	3,095,746	2,591,957	+19.4	2,375,852	2,109,985	2,211,398
Sept 13	3,281,290	2,773,177	+18.3	2,532,014	2,279,233	2,338,370
Sept 20		2,769,346		2,538,118	2,211,059	2,321,277
Sept 27		2,816,358		2,558,538	2,207,942	2,331,415

Steel Production Endangered By Coal Strike

The "Iron Age" in its issue of Sept. 18 reported that calling of the CIO strike in captive mines producing coal for the nation's steel plants at mid-week seemed so dangerous to the natonal defense program that it could not be permitted to continue. In the same classification are union dues drives such as that which on Tuesday (Sept. 16) struck at the heart of steel production in the Pittsburgh area, the vital by-product coke works at Clairton, Pa. The stoppage began when operators of coke oven batteries sat down, refusing to work with non-dues paying men.

Still another danger to continued high steel production lies in unpublicized strikes and slowdowns in various plants. One steel manufacturer this week told "Iron Age" that, since Jan. 1, 1941, the steel industry has lost the equivalent of one month's production from these wildcat strikes which often are called without the approval or knowledge of union leaders.

But the most important developments in the labor situation are likely to come in the current negotiations between the Steel Workers' Organizing Committee and some of the large "little steel" companies such as Bethlehem Steel Co., Republic Steel Corp., Inland Steel Co., and Youngstown Sheet & Tube Co. One demand being made by the SWOC—here is the most vital issue in management-labor dealings in these times—is for the union shop. Opposing the CIO's industrial union of Marine & Shipbuilding Workers in its demand for a union shop at Federal Shipbuilding & Drydock Co.'s Kearny, N. J., shipyards, the Federal company (a U. S. Steel subsidiary) recently lost the management of its shipbuilding business to the Navy. If the National Defense Mediation Board which supported the ship union stands its ground and upholds the CIO's Steel Workers' Organizing Committee in its request for a union shop in the steel industry, a new chapter in union history is opening.

After 15 months of defense effort, the new Supply, Priorities and Allocations Board, headed by Donald M. Nelson, ackowledges that accurate, coordinated knowledge of actual military and civilian needs is still a missing link in the defense picture. To the metal-working industry, this "link" seemed more like an entire chain, but Mr. Nelson's order for the drawing up by the SPAB staff of long-range schedules of both military and civilian requirements was cheering. This step by SPAB was described as an attack against the problems of shortages of essential materials and expansion of productive facilities. It calls for a detailed outline of both civilian and military needs and a breakdown into raw material, machinery and labor classifications.

With demand for steel ever rising, ingot production this week declined 1½ points to 96% from 97½% last week, chiefly because of a five-point decline to 95% at Pittsburgh and a one point drop to 100% at Chicago. The SWOS strike and furnace repairs, plus the pig iron and scrap deficiency, are responsible for the Pittsburgh decline. Steel makers in northern plants are already plagued with fears that cold weather will weaken open hearth schedules by slowing scrap collection. Scrap supplies needed to maintain the continued high steel melting rate are not being built up as is usual at this season.

While September steel shipments covering American and British defense needs are running more than 50% of the total tonnage shipped, recent orders from Washington granting additional priority ratings are likely to push the total of defense rated business in October shipments to from 70 to 75%. When September tentative shipments were analyzed, such business as warehouse requirements, steel drum needs, repair and maintenance specifications and farm equipment did not carry an OPM rating symbol, although many companies considered such steel business as indirect defense effort.

The shortage of steel plates is holding freight car production to 28% of capacity against a backlog of 70,000 cars, and is slowing

(Continued no Page 214)

Steel Production Endangered By Coal Strike

(Continued from Page 213)

ship production, particularly on the West Coast, where four yards report delay due to inability to obtain steel in the proper sequence.

Fabricated structural steel awards, including 7040 tons for a sub-assembly shop at the Brooklyn Navy Yard, dropped to 15,600 tons from 19,850 tons last week. New projects advanced to 27,500 tons.

THE "IRON AGE" COMPOSITE PRICES

Finished Steel

Sept. 16, 1941, 2.30467c. a Lb.

One week ago	2.30467c.
One month ago	2.30467c.
One year ago	2.30467c.

A weighted index based on steel bars, beams, tank plates, wire, rails, black pipe, hot and cold-rolled sheets and strip. These products represent 78% of the United States output.

	High		Low	
1941	2.30467c.	Sep 2	2.30467c.	Sep 2
1940	2.30467c.	Jan 2	2.24107c.	Apr 16
1939	2.35367c.	Jan 3	2.26689c.	May 16
1938	2.58414c.	Jan 4	2.27207c.	Oct 18
1937	2.58414c.	Mar 9	2.32263c.	Jan 4
1936	2.32263c.	Dec 28	2.05200c.	Mar 10
1935	2.07642c.	Oct 1	2.06492c.	Jan 8
1934	2.15367c.	Apr 24	1.95757c.	Jan 2
1933	1.95578c.	Oct 3	1.75836c.	May 2
1932	1.89196c.	Jly 5	1.83901c.	Mar 1
1931	1.99629c.	Jan 13	1.86586c.	Dec 29
1930	2.25488c.	Jan 7	1.97319c.	Dec 9
1929	2.31773c.	May 28	2.26498c.	Oct 29

Pig Iron

Sept. 16, 1941, $23.61 a Gross Ton

One week ago	$23.61
One month ago	23.61
One year ago	22.61

Based on averages for basic iron at Valley furnaces and foundry iron at Chicago, Philadelphia, Buffalo, Valley and Southern iron at Cincinnati.

	High		Low	
1941	$23.61	Mar 20	$23.45	Jan 2
1940	23.45	Dec 23	22.61	Jan 2
1939	22.61	Sep 19	20.61	Sep 12
1938	23.25	Jun 21	19.61	Jly 6
1937	23.25	Mar 9	20.25	Feb 16
1936	19.74	Nov 24	18.73	Aug 17
1935	18.84	Nov 5	17.83	May 14
1934	17.90	May 1	16.90	Jan 27
1933	16.90	Dec 5	13.56	Jan 3
1932	14.81	Jan 5	13.56	Dec 6
1931	15.90	Jan 6	14.79	Dec 15
1930	18.21	Jan 7	15.90	Dec 16
1929	18.71	May 14	18.21	Dec 17

Steel Scrap

Sept. 16, 1941, $19.17 a Gross Ton

One week ago	$19.17
One month ago	19.17
One year ago	20.13

Based on No. 1 heavy melting steel scrap quotations to consumers at Pittsburgh, Philadelphia, and Chicago.

	High		Low	
1941	$22.00	Jan 7	$19.17	Apr 10
1940	21.83	Dec 30	16.04	Apr 9
1939	22.50	Oct 3	14.08	May 16
1938	15.00	Nov 22	11.00	Jun 7
1937	21.92	Mar 30	12.92	Nov 10
1936	17.75	Dec 21	12.67	Jun 9
1935	13.42	Dec 10	10.33	Apr 23
1934	13.00	Mar 13	9.50	Sep 25
1933	12.25	Aug 8	6.75	Jan 3
1932	8.50	Jan 12	6.43	Jly 5
1931	11.33	Jan 6	8.50	Dec 29
1930	15.00	Feb 18	11.25	Dec 9
1929	17.58	Jan 29	14.08	Dec 3

The American Iron and Steel Institute on Sept. 15, announced that telegraphic reports which it had received indicated that operating rate of steel companies having 91% of the steel capacity of the industry will be 96.1% of capacity for the week beginning Sept. 15, compared with figure of 96.9% one week ago, 96.2% one month ago and 92.9% one year ago. This represents a decrease of 0.8 points, or 0.8%, from the preceding week. Weekly indicated rates of steel operations since Sept. 2, 1940, follow:

1940—		Dec 2	96.9%	Mar 3	97.5%	Jun 9	98.6%
Sep 2	82.5%	Dec 9	96.0%	Mar 10	98.8%	Jun 16	99.0%
Sep 9	91.9%	Dec 16	96.8%	Mar 17	99.4%	Jun 23	99.9%
Sep 16	92.9%	Dec 23	80.8%	Mar 24	99.8%	Jun 30	x91.8%
Sep 23	92.5%	Dec 30	95.9%	Mar 31	99.2%	Jly 7	x94.9%
Sep 30	92.6%	1941—		Apr 7	99.3%	Jly 14	x95.2%
Oct 7	94.2%	Jan 6	97.2%	Apr 14	98.3%	Jly 21	x96.0%
Oct 14	94.4%	Jan 13	98.5%	Apr 21	96.0%	Jly 28	x97.6%
Oct 21	94.9%	Jan 20	96.5%	Apr 28	94.3%	Aug 4	x96.3%
Oct 28	95.7%	Jan 27	97.1%	May 5	96.8%	Aug 11	x95.6%
Nov 4	96.0%	Feb 3	96.9%	May 12	99.2%	Aug 18	x96.2%
Nov 11	96.1%	Feb 10	97.1%	May 19	99.9%	Aug 25	x96.5%
Nov 18	96.6%	Feb 17	94.6%	May 26	98.6%	Sep 2	x96.3%
Nov 25	96.6%	Feb 24	96.3%	Jun 2	99.2%	Sep 8	96.3%
						Sep 15	96.1%

x The revisions in the rates published for previous weeks reflect the recently announced increased capacity of the industry, rated as of June 30, 1941.

"Steel" of Cleveland, in its summary of the iron and steel markets on September 15, stated:

While some steel sellers find little change, steel inquiry in general continues light. Mills have more orders than they can handle, attributable to several reasons, including a wave of anticipatory buying in recent weeks and uncertainties confronting numerous companies engaged in nondefense work.

Many commercial companies in late July and early August deluged mills with tonnage despite the fact no delivery promise could be made and probable delivery was months away. Considerable of this tonnage was accepted on this indefinite basis and buyers are awaiting results. It appears futile to attempt placing of further orders. Mandatory priorities have tended to lessen efforts to get steel until the consumer can obtain defense work.

Opinion is growing that application of steel priorities will reveal that defense needs require considerably less proportion of output than has been thought. Filing of priority forms is having the effect of wiping considerable duplicate tonnage off books and existence of some large inventory is revealed, both tending toward better distribution. Some mills with diversified production have completed scheduling September tonnage and find total priority orders will require only 40 to 60% of production. This leaves considerable margin for shipment to nondefense users. Mills producing special steels have a higher proportion of priority tonnage. It is believed later months will bring a better situation as the plan works more smoothly.

New records were made in steel production for August and for the first eight months. August steel ingot output at 7,000,957 net tons, was the largest in history for that month, 13% over the corresponding month in 1940. Production in eight months this year, 41,316,410 tons, was 32% above the comparable period in 1940; 24% over the previous record in 1929, 44,137,164 tons, and exceeded production in the full year 1917 by almost 10%.

Shipments of finished steel by the United States Steel Corp. in August paralleled this record 1,753,665 tons being moved, the largest monthly record in the organization's history. Shipments in eight months were also the largest for that period, 13,473,209 tons, 49.03% over the comparable period last year, and 10.6% over the previous record of 12,187,424 tons in eight months in 1929.

Allocation of September pig iron production by OPM has been completed and melters view the result with mixed feelings. In some cases tonnages asked went through with little change, while in others allowances were cut by 50% or more. In cases where melters had considerable iron on yard allocation was decreased. Some claims have been made of inequitable distribution but for most part the output was divided to give best results.

Scrap continues scarce and melters are seeking larger supplies wherever they are available. Most consumers and suppliers are adhering to ceiling prices but reports are heard of violations, especially in the East. Some observers believe the price maximum will break down again as scarcity continues. More direct dealing is being done between producers and consumers, short circuiting dealers.

Treasury procurement division is placing orders for semi-finished steel for Britain to maintain shipments at 250,000 to 300,000 tons each quarter, and is closing orders for about 80,000 tons of finished steel and 35,000 tons of rails. Tin plate for British colonies is being shipped at the rate of 420,000 tons per year. Some skelp is being placed for shipment to India.

Automobile production last week totaled 53,165 units, a gain of 20,225 from the preceding week, which contained Labor Day. Production in the corresponding week last year was 66,615. Steelworks operations last week regained the ½-point lost the preceding week, returning to 96½% of capacity. Detroit advanced 8 points, to 94%; Pittsburgh, 1 point, to 99 and Youngstown, 2 points to 98. Cleveland lost 3 points, to 92. Rates were unchanged, as follows: Chicago 101, Eastern Pennsylvania 95, Buffalo 90½, Birmingham 95, Cincinnati 89, St. Louis 98, Wheeling 94 and New England 90.

Composites are frozen at $56.60 for finished steel, $38.15 for iron and steel and $19.16 for steelworks scrap.

Steel ingot production for the week ended Sept. 15, is placed at 97% of capacity according to the "Wall Street Journal" of Sept. 18. This compares with 96½% in the two preceding weeks. The "Journal" further reported:

U. S. Steel is estimated at 96½% in the week before and 97% two weeks ago. Leading independents are credited with 97½%, compared with 97% in the previous week and 96% two weeks ago.

The following table gives a comparison of the percentage of production with the nearest corresponding week of previous years, together with the approximate changes, in points, from the week immediately preceding:

	Industry		U. S. Steel		Independents	
1941	97	+ ½	96½	+ ½	97½	+ ½
1940	93	+ 9	95½	+ 16½	92	+ 4
1939	72	+ 12	67½	+ 20	75½	+ 4½
1938	47	+ 2	42½	+ 4½	51	
1937	81	+ 1½	85	+ 6½	78	— 2
1936	73½	+ 2½	70	+ 2	76	+ 2½
1935	51	— 1	40	— 2	60	
1934	23	+ 2	21	+ 1½	24	+ 2
1933	39½	— ½	37	— 1	41½	— ½
1932	17½	+ 2½	17½	+ 3½	17½	+ 2
1931	29	— 1	32	— 1	27½	— ½
1930	60	+ 2	66	+ 1	56	+ 4
1929	82	— 2½	85½	— 2½	79	— 2
1928	85	+ 5	85	+ 6	85	+ 4
1927	64	+ 2	66½	+ 2½	62	+ 2

Moody's Commodity Index Declines

Moody's Daily Commodity Index declined 2.4 points to 217.5 this week. The principal individual losses were in the prices of cotton and hogs.

The movement of the index has been as follows:

Tuesday Sept. 9	219.9
Wednesday Sept. 10	218.6
Thursday Sept. 11	219.3
Friday Sept. 12	218.9
Saturday Sept. 13	218.9
Monday Sept. 15	218.6
Tuesday Sept. 16	217.5
Two weeks ago, Sept. 2	214.2
Month ago, Aug. 15	210.7
Year ago, Sept. 16	156.1
1940 High, Dec. 31	171.8
1940 Low, Aug. 16	149.3
1941 High, Sept. 9	219.9
1941 Low, Feb. 17	171.6

Non-Ferrous Metals — Upward Revision In Joplin Concentrate Starts Talk of Rise in Zinc

"Metal and Mineral Markets" in its issue of Sept. 18 reported that in what appeared to be a stable price situation in major non-ferrous metals, the zinc industry found last week that concentrate produced in the Tri-State area had been advanced 58c. per ton. This modest advance is expected to influence the zinc quotation slightly, and some producers, according to reports in the trade, stand ready to move up the price to 7.325c., St. Louis, early next week. Also, it is almost certain that the Metals Reserve Co. will pay a higher price for Chilean copper under the terms of the new contract. Ferro-chromium will be tract. Ferro-chromium will be raised 2c. a pound on fourth-quarter business. Other ferro-alloys will remain unchanged.

Copper

Unconfirmed reports from Washington indicate that the deal to purchase Chilean copper is being renewed, but at a price higher than 11c. a pound, United States ports. Some of these reports name 11½c. as the price. The former transaction involving large tonnages of Latin American copper was closed at the equivalent of 10c. The Metals Reserve Co. has been releasing foreign copper to domestic consumers on the basis of 12c., Valley. Sales of bonded copper in the New York market were reported during the last week at 11c., f.a.s. basis.

The domestic market for copper was absorbed with arranging for deliveries and taking care of pressing business. The quotation continued at 12c., Valley. Priorities on scrap copper and brass are expected to tighten control of the flow of such material.

Domestic sales for the last week totaled 26,923 tons, making the total for the month so far 59,888 tons.

Domestic deliveries of copper dropped from 143,089 tons in July to 117,262 tons in August. The industry attached no special significance to this reduction. July deliveries were pushed hard in anticipation of full priorities.

The revenue measure passed by the Senate repeals the expiration date of the 1932 excise taxes, which is June 30, 1945. Final enactment of the bill will make the import duty of 4c. a pound on copper a "permanent" fixture.

Lead

Advices from Washington indicate that an order regulating the distribution of lead will probably be announced in a month or so. Demand continues active and larger tonnages will be needed if all requests for the metal are to be taken care of. Call for lead alloys to replace other metals is still growing, according to trade authorities.

Metals Reserve released approximately 30,000 tons of foreign lead to domestic consumers during September. October allocations will be fixed late this month, according to present plans.

The price situation was unchanged, quotations holding at 5.85c., New York, the settling basis of the American Smelting & Refining Company, and 5.70c., St. Louis. Sales of common lead by domestic producers for the week involved 4,933 tons.

Zinc

There was talk in the industry of an upward revision in the price of Prime Western zinc to compensate for an uplift of 58c. per ton in zinc concentrate in the Tri-State market. The figure mentioned most frequently was 7.325c. per pound. All business booked during the last week was at 7.25c., St. Louis. Sales of common zinc for the calendar week ended Sept. 13 amounted to 3,312 tons, with shipments in the same period of 5,990 tons. The backlog dropped to 60,677 tons.

In completing construction of a plant to treat between 300 and 400 tons of slag daily, the International Smelting & Refining Co., Tooele, Utah, Anaconda subsidiary, will add 40 tons of zinc daily to production in this country. Zinc oxide will be recovered at high temperature, nodulized, and shipped to the electrolytic zinc refinery of Anaconda.

Tin

Despite rumors to the effect that the Government is considering taking over the purchase and distribution of tin in this country, the market in the Far East continued firm and operators there showed little interest in the possibility of such a development. Russia has been mentioned as buying tin. Demand for tin during the last week in New York was fair, centering chiefly in October metal. Loss of 1,200 tons of tin on the Dutch vessel "Kota Napon" is generally conceded in trade circles.

Straits tin for future arrival was as follows:

	Sept.	Oct.	Nov.	Dec.
Sept. 11	52,000	52,000	52,000	52,000
Sept. 12	52,000	52,000	52,000	52,000
Sept. 13	52,000	52,000	52,000	52,000
Sept. 15	52,000	52,000	52,000	52,000
Sept. 16	52,000	52,000	52,000	52,000
Sept. 17	52,000	52,000	52,000	52,000

Chinese tin, 99%, spot, was nominally as follows: Sept. 11th, 51.125c.; 12th, 51.125c.; 13th, 51.125c.; 15th, 51.125c.; 16th, 51.125c.; 17th, 51.125c.

DAILY PRICES OF METALS ("E. & M. J." QUOTATIONS)

Sept.	Electrolytic Copper— Dom., Refy.	Electrolytic Copper— Exp., Refy.	Straits Tin, New York	Lead— New York	Lead— St. Louis	Zinc St. Louis
11	11.775	10.950	52.000	5.85	5.70	7.25
12	11.775	10.950	52.000	5.85	5.70	7.25
13	11.775	10.950	52.000	5.85	5.70	7.25
15	11.775	10.950	52.000	5.85	5.70	7.25
16	11.775	10.950	52.000	5.85	5.70	7.25
17	11.775	10.950	52.000	5.85	5.70	7.25
Average	11.775	10.950	52.000	5.85	5.70	7.25

Average prices for calendar week ended Sept. 13 are: Domestic copper f.o.b. refinery, 11.775c.; export copper, f.o.b. refinery 10.950c.; Straits tin, 52.000c.; New York lead, 5.850c.; St. Louis lead, 5.700c.; St. Louis zinc, 7.250c.; and silver, 34.750c.

The above quotations are "M. & M. M's" appraisal of the major United States markets, based on sales reported by producers and agencies. They are reduced to the basis of cash, New York or St. Louis, as noted. All prices are in cents per pound.

Copper, lead and zinc quotations are based on sales for both prompt and future deliveries; tin quotations are for prompt delivery only.

In the trade, domestic copper prices are quoted on a delivered basis; that is, delivered at consumers' plants. As delivery charges vary with the destination, the figures shown above are net prices at refineries on the Atlantic seaboard. Delivered prices in New England average 0.225c. per pound above the refinery basis.

Export quotations for copper are reduced to net at refineries on the Atlantic seaboard. On foreign business, owing to the European War, most sellers are restricting offerings to f.a.s. transactions, dollar basis. Quotations for the present reflect this change in method of doing business. A total of .05c. is deducted from f.a.s. basis (lighterage, etc.) to arrive at the f.o.b. refinery quotation.

Due to the European war the usual table of daily London prices is not available. Prices on standard tin, the only prices given, however, are as follows: Sept. 11, spot, £256½, three months, £259½; Sept. 12, spot, £256¼, three months, £259½; Sept. 15, spot £257, three months, £259¾; Sept. 16, spot, £256¾, three months, £259½, and Sept. 17, spot, £256½, three months, £259½.

Weekly Coal And Coke Production Statistics

The current weekly coal report of the Bituminous Coal Division, U. S. Department of the Interior revealed that the total production of bituminous coal in the week ended Sept. 6 is estimated at 9,600,000 net tons. The decrease from the preceding week, 1,375,000 tons, or 12.5%, was due to the universal observance at the mines of the Labor Day holiday on Monday. Production in the corresponding week of 1940 amounted to 7,954,000 tons.

The U. S. Bureau of Mines, in its report stated that the production of Pennsylvania anthracite for the week ended Sept. 6 was estimated at 1,217,000 tons, a decrease of 16,000 tons from the preceding week. Output in the corresponding week of 1940 amounted to 837,000 tons.

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

(In Thousands of Net Tons)

	Week Ended 1941 Sept. 6	1941 Aug. 30	1940 Sept. 7	Calendar Year to Date		
Bituminous coal—*a*						
Total, incl. mine fuel	9,600	10,975	7,954	328,519	302,437	355,156
Daily average	*d*1,920	1,829	1,591	1,573	1,430	1,670
Crude petroleum—*b*						
Coal equiv. of weekly output	6,111	6,415	5,805	214,249	213,579	158,003

(*a*) Includes for purposes of historical comparison and statistical convenience the production of lignite. (*b*) Total barrels produced during the week converted to equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. (Minerals Yearbook, 1939, page 702.) (*c*) Revised. (*d*) Average based on five working days. (*e*) Sum of 36 weeks ended Sept. 6, 1941 and corresponding 36 weeks in 1940 and 1929.

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

	Week Ended Sept. 6 1941	Aug. 30 1941	Sept. 7 1940	Calendar Year to Date 1941	1940 *a*	1929 *a*
Penn. Anthracite—						
Total, incl. colliery fuel *b*	1,217,000	1,233,000	837,000	37,095,000	34,493,000	47,011,000
Comm'l prod'n *c*	1,156,000	1,171,000	795,000	35,246,000	32,768,000	43,626,000
Beehive Coke—						
U. S. total	136,400	132,600	59,800	4,119,600	1,520,900	4,722,400
Daily average	22,733	22,100	9,967	19,341	7,140	22,174

(*a*) Adjusted to comparable periods in the three years. (*b*) Includes washery and dredge coal, and coal shipped by truck from authorized operations. (*c*) Excludes colliery fuel.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(In Thousands of Net Tons)

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

State	Week Ended Aug. 30, 1941	Aug. 23, 1941	Aug. 31, 1940	Sept. 2, 1939	Aug. 31, 1929	Aug. average 1923 *e*
Alaska	3	2	2	3	*f*	*f*
Alabama	366	343	301	247	345	397
Arkansas and Oklahoma	103	91	89	72	100	81
Colorado	141	122	122	112	176	173
Georgia and North Carolina	1	1	1	*	*f*	*f*
Illinois	1,070	1,122	1,007	862	1,189	1,363
Indiana	472	465	370	264	354	440
Iowa	34	32	50	59	72	100
Kansas and Missouri	143	149	133	118	126	145
Kentucky—Eastern	936	900	787	829	978	765
Western	250	208	166	172	290	217
Maryland	37	36	23	24	45	44
Michigan	8	9	6	16	17	21
Montana	67	62	60	44	74	50
New Mexico	18	20	23	19	50	49
North and South Dakota	28	20	30	22	*f* 16	*f* 20
Ohio	680	663	437	404	498	871
Pennsylvania bituminous	2,710	2,665	2,208	1,844	2,867	3,734
Tennessee	141	143	110	104	106	118
Texas	8	8	12	17	26	24
Utah	93	89	75	59	84	83
Virginia	415	405	299	303	261	248
Washington	31	31	35	30	49	47
West Virginia—Southern *a*	2,256	2,177	2,002	1,994	2,276	1,515
Northern *b*	841	848	614	541	752	875
Wyoming	135	138	110	102	129	154
Other Western States *c*	2	1	*	*	*f* 6	*f* 4
Total bituminous coal	10,975	10,750	9,072	8,211	10,886	11,538
Pennsylvania anthracite *d*	1,233	1,258	864	929	1,613	1,926
Total, all coal	12,208	12,008	9,936	9,140	12,499	13,464

a 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. *b* Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. *c* Includes Arizona, California, Idaho, Nevada, and Oregon. *d* Data for Pennsylvania anthracite from published records of the Bureau of Mines. *e* Average weekly rate for entire month. *f* Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." * Less than 1,000 tons.

Lumber Movement For Week Ended Sept. 6

Lumber production during the holiday week ended Sept. 6, 1941, was 15% less than the previous week; shipments were 24% less; new business 19% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 0.1% below production; new orders 21% below production. Compared with the corresponding week of 1940 production was 9% greater, shipments 1% less, and new business 36% less. The industry stood at 116% of the average of production in the corresponding weeks of 1935-39 and 126% of average 1935-39 shipments in the same week.

Year-to-date Comparisons

Reported production for the 36 weeks of 1941 to date was 13% above corresponding weeks of 1940; shipments were 16% above the shipments and new orders were 13% above the orders of the 1940 period. For the 36 weeks of 1941 to date, new business was 6% above production, and shipments were 6% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 40% on Sept. 6, 1941, compared with 30% a year ago. Unfilled orders were 12% greater than a year ago; gross stocks were 16% less.

Softwoods and Hardwoods

Record for the current week ended Sept. 6, 1941, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

	Softwoods and Hardwoods 1941 Week	1940 Week	1941 Prev. Week (Rev.)
Mills	452	452	464
Production	245,023	225,592	287,461
Shipments	244,950	246,919	324,224
Orders	193,785	301,908	239,120

	Softwoods 1941 Week		Hardwoods 1941 Week	
Mills	375		89	
Production	233,708	100%	11,315	100%
Shipments	233,265	100	11,685	103
Orders	184,958	79	8,827	78

Weekly Statistics of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
1940—*Month of*—					
January	528,155	579,739	167,240	72	71
February	420,639	453,518	137,631	70	71
March	429,334	449,221	129,466	69	70
April	520,907	456,942	193,411	70	70
May	682,490	624,184	247,644	76	72
June	508,005	509,781	236,693	79	73
July	544,221	587,339	196,037	72	73
August	452,613	487,127	162,653	74	73
September	468,870	470,228	163,769	72	73
October	670,473	648,611	184,002	79	73
November	488,990	509,945	161,985	77	73
December	464,537	479,099	151,729	71	73
1941—*Month of*—					
January	673,446	629,863	202,417	75	--
February	608,521	548,579	261,650	81	--
March	652,128	571,050	337,022	82	--
April	857,732	726,460	447,525	83	--
May	656,437	602,323	488,993	84	--
June	634,684	608,995	509,231	88	--
July	509,231	807,440	737,420	86	--
August	659,722	649,031	576,529	94	--
Week Ended 1941—					
May 3	165,583	147,188	447,525	83	80
May 10	170,436	148,381	466,064	84	80
May 17	161,295	149,884	472,782	84	80
May 24	168,875	152,410	489,915	85	81
May 31	155,831	151,648	488,993	84	81
June 7	156,188	144,481	500,252	84	81
June 14	158,821	156,439	504,786	88	81
June 21	168,561	153,364	518,755	88	82
June 28	151,114	154,711	509,231	90	82
July 5	149,197	129,019	529,633	74	82
July 12	147,365	131,531	542,738	77	82
July 19	168,431	156,989	550,902	92	81
July 26	182,603	160,609	572,532	92	82
Aug. 2	159,844	159,272	572,635	93	83
Aug. 9	174,815	159,894	587,498	91	83
Aug. 16	169,472	162,889	592,840	92	83
Aug. 23	158,403	162,964	584,484	94	83
Aug. 30	157,032	163,284	576,529	97	84
Sept. 6	147,086	133,031	591,414	80	84
Sept. 13	164,057	166,781	589,770	98	84

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

Treasury Reports Total Gross Public Debt At $50,920,960,233 Outstanding Aug. 31

The Treasury Department made public on Sept. 4 its monthly report showing the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding Aug. 31, 1941, totaled $51,533,762,006 thus leaving the face amount of obligations which may be issued subject to the $65,000,000,000 statutory debt limitation at $13,466,237,994. In another table in the report the Treasury indicates that from the total face amount of outstanding public debt obligations ($51,533,762,006) should be deducted $1,188,402,184 (the unearned discount on savings bonds), reducing the total to $50,345,359,822, and to this figure should be added $575,600,411, the other public debt obligations outstanding, which however, are not subject to the debt limitation. Thus the total gross public debt outstanding on Aug. 31 is shown as $50,920,960,233.

The following is the Treasury's report as of Aug. 31.

Section 21 of te Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act "shall not exceed in the aggregate $65,000,000,000 outstanding at any one time."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount of bonds, savings bonds, certificates, bills, notes, savings certificates, stamps, etc., which may be outstanding at any one time			$65,000,000,000
Outstanding as of Aug. 31, 1941:			
Interest-bearing:			
Bonds—			
Treasury	$30,168,526,350		
Savings (maturity value)*	6,096,191,325		
Depositary	51,649,550		
Adjusted Service	737,595,706	$37,053,962,931	
Treasury Notes	$10,207,015,725		
Certificates of Indebtedness	2,498,000,000		
Treasury bills (maturity value)	1,603,897,000	14,308,912,725	
		$51,362,875,656	
Matured obligations, on which interest has ceased		170,886,350	51,533,762,006
Face amount of obligations issuable under above authority			13,466,237,994

Reconcilement with Daily Statement of the United States Treasury Aug. 31, 1941

Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act, as amended		$51,533,762,006
Deduct, unearned discount on Savings bonds (difference between current redemption value and maturity value)		1,188,402,184
		$50,345,359,822
Add other public debt obligations outstanding but not subject to the statutory limitation:		
Interest-bearing (Pre-War, etc.)	$ 196,046,600	
Matured obligations on which interest has ceased	12,655,400	
Bearing no interest	366,898,411	575,600,411
Total gross debt outstanding as of Aug. 31, 1941		$50,920,960,233

*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement $4,907,789,141.

Petroleum And Its Products

(Continued from Page 213)

agreement can be reached between the pipeline companies and the Government on future policy, the three test cases will be dismissed and a consolidated case filed in the District of Columbia court for the purpose of having a court record of the consent decree. Denial that the consent decree movement was affected in any way by the controversy over the building of new piplines for national defense was made by Justice officials who pointed out that the terms of construction of the new lines removed them from the classification of common carrier.

Aided by an extra day's production in Texas, daily average crude oil output in the United States jumped approximately 220,000 barrels during the week ended September 13 to a new high for the industry of 4,033,700 barrels, against the Bureau of Mines market demand estimate for September of 3,960,000 barrels. The American Petroleum Institute report also disclosed that the new high was 29,000 barrels above the former peak established on August 30 of this year when production hit a daily average of 4,003,700 barrels.

Texas, with a gain of 213,650 barrels over the previous week to 1,466,600 barrels, was the main reason for the record flow of black gold. Kansas, California and Louisiana showed higher totals but Oklahoma and Illinois wells showed sharp curtailment of production during the period. Stocks of American and foreign crude oil were off 1,885,000 barrels during the initial week of September, the Bureau of Mines reported September 14, dropping to 247,528,000 barrels. Holdings of American crude were off 1,576,000 barrels with imported crude stocks down 309,000 barrels.

There were no crude oil price changes posted during the week.

Refined Products

Motor fuel inventories showed a sharp contraction during the September 13 period as better-than-seasonal drains upon holdings cut down stocks materially despite higher production of gasoline and increased refinery operations. On the basis of figures supplied in the mid-week report of the American Petroleum Institute, demand for gasoline throughout the nation as a whole showed a 10 per cent gain over the previous seven-day period.

Holdings of aviation gasoline showed a gain of better than 260,000 barrels during the week but stocks of finished and unfinished gasoline were off 1,016,000 barrels to 80,555,000 barrels. East Coast stocks were off 565,000 barrels, accounting for better than half of the nation's loss in holdings, dropping to 19,238,000 barrels. Production of gasoline during the period gained 107,000 barrels to 13,460,000 barrels.

Daily average runs of crude oil to stills neared the all-time high, showing a spurt of 15,000 barrels during the Septmber 13 week to again pass the 4-Million level at 4,010,000 barrels. Refinery operations were up 0.4 of a point, to 93.3 per cent of capacity from 92.9 per cent of capacity in the previous week. Residual fuel oil stocks were up 528,000 barrels while holdings of gas oil and distillate expanded 1,144,000 as refiners sought to build stocks of these two products in anticipation of heavy winter demand.

Gasoline prices, generally speaking, were stronger throughout the shortage-threatened East Coast area with price schedules, in many sections ignoring the "fair price" listings recently issued by Leon Henderson. What

(Continued on Page 216)

Wholesale Prices Reach Highest Level Since Early 1930 During The Week Ended Sept. 6

Continued advances in prices for agricultural products and cotton and woolen textiles brought the general level of wholesale commodity prices to the highest point since early 1930, Acting Commissioner Hinrichs of the Bureau of Labor Statistics reported on Sept. 11. "The Bureau's weighted index of nearly 900 price series rose to 91.0% of the 1926 average," Mr. Hinrichs said, "and is nearly 17% higher than it was a year ago. Almost 6% of the advance has occurred in the past 3 months."

During the last week in August Mr. Hinrichs reported the Bureau's index advancing 0.7% as a result of marked increases in prices for basic farm products and processed foods. Substantially higher prices were also reported for lumber, for cotton and woolen textiles and clothing and for other industrial groups. During the month of August wholesale commodity prices rose 1.6% to the highest level in 12 years. For the week ended Aug. 30 the Bureau's index was 16.6% above the average for the corresponding week of last year and 20.8% higher than for August, 1939, immediately preceding the outbreak of war in Europe.

With regard to other changes in the latest week for which figures are available (Sept. 6), the Bureau's announcement said:

Each of the 10 major commodity groups except metals and metal products shared in the advance. The increases during the week range from 0.1% for fuel and lighting materials to 0.5% for foods, 0.6% for farm products and 0.8% for textile products. Prices for all groups of commodities are substantially higher than a year ago. During the year period farm product prices have risen over 30%; foods and textile products, more than 20%; and hides and leather products, fuel and lighting materials, building materials, chemicals and allied products and miscellaneous commodities, over 10%. Housefurnishing goods are approximately 8% above a year ago and metals and metal products have advanced about 4% since the corresponding week of last year.

Outstanding price changes during the week in agricultural products were an advance of 5.5% for cattle feed, which has risen 20% since the first of July; 1.7% for grains, led by increases of over 5% for barley, 4% for oats and 3% for rye. Wheat and corn advanced slightly. Quotations were also higher for livestock, eggs, milk, cotton, seeds and potatoes. All dairy products advanced. Most meatas were higher than a week ago, as well as edible fats and oils and cereal products. Fruit and vegetable prices went down 2.3% as a result of seasonal declines for apples, bananas and citrus fruits.

Price advances in industrial commodity markets were fairly widespread. Wholesale prices for woolen and worsted yard goods rose sharply during the week and quotations were also higher for cotton materials, including carded yarns, damask, ticking and toweling. Lumber advanced nearly 1% and it is now 8½% above the early July level. Higher prices were reported for birch, maple and oak flooring and for yellow pine boards and flooring, although quotations were lower for yellow pine finish, lath and timbers. Paint materials continued to advance, led by an increase of over 13% for turpentine. Sharp increases were reported in prices for tartaric acid, cream of tartar, carbon tetrachloride and for certain types of mixed fertilizers.

Inedible fats and oils again advanced 0.7% and are 100% higher than they were at the beginning of the year.

The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for Aug 9, 1941 and for Sept. 7, 1940 and the percentage changes from a week ago, a month ago, and a year ago (2) percentage changes in sub-group indexes from Aug. 30 to Sept. 6, 1941.

(1926 = 100)

	9-6 1941	8-30 1941	8-23 1941	8-9 1941	9-7 1940	Percentage changes to Sept. 6, 1941 from 8-30 1941	8-9 1941	9-7 1940
ALL COMMODITIES	91.0	90.6	90.0	89.6	78.0	+ 0.4	+ 1.6	+16.7
Farm products	89.1	88.6	86.7	87.8	67.6	+ 0.6	+ 1.5	+31.8
Foods	88.6	88.2	87.0	86.2	71.6	+ 0.5	+ 2.8	+23.7
Hides and leather products	111.2	110.9	110.8	107.9	97.8	+ 0.3	+ 1.2	+13.7
Textile products	88.3	87.6	87.3	87.1	71.8	+ 0.8	+ 1.4	+23.0
Fuel and lighting materials	79.9	79.8	79.8	79.6	71.8	+ 0.1	+ 0.4	+11.3
Metals and metal products	98.7	98.7	98.6	98.6	95.0	0	+ 0.1	+ 3.9
Building materials	106.0	105.7	105.2	104.2	94.5	+ 0.3	+ 1.7	+12.2
Chemicals and allied products	86.0	85.8	85.9	85.7	76.8	+ 0.2	+ 0.4	+12.0
Housefurnishing goods	97.1	96.9	96.8	95.9	90.0	+ 0.2	+ 1.3	+ 7.9
Miscellaneous commodities	84.5	84.1	83.6	83.0	76.4	+ 0.5	+ 1.8	+10.6
Raw materials	88.5	88.1	86.9	87.4	70.9	+ 0.5	+ 1.3	+24.8
Semimanufactured articles	90.0	89.7	89.4	88.9	76.8	+ 0.3	+ 1.2	+17.2
Manufactured products	92.6	92.2	91.8	91.0	81.8	+ 0.4	+ 1.8	+13.2
All commodities other than farm products	91.4	91.0	90.7	90.0	80.3	+ 0.4	+ 1.6	+11.1
All commodities other than farm products and foods	91.4	91.1	90.9	90.6	82.3	+ 0.3	+ 0.9	+11.1

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM AUG. 30 to SEPT. 6, 1941

Increases

Cattle feed	5.5	Drugs and pharmaceuticals	0.4
Woolen and worsted goods	2.5	Fertilizer materials	0.4
Grains	1.7	Cereal products	0.4
Cotton goods	1.1	Plumbing and heating	0.3
Meats	1.1	Furnishings	0.3
Dairy products	1.0	Livestock and poultry	0.3
Leather	0.9	Other textile products	0.2
Lumber	0.9	Other miscellaneous	0.2
Oils and fats	0.7	Anthracite	0.1
Hides and skins	0.6	Agricultural implements	0.1
Bituminous coal	0.6	Chemicals	0.1
Other farm products	0.6	Mixed fertilizers	0.1
Other foods	0.6	Furniture	0.1
Paint and paint materials	0.5	Paper and pulp	0.1

Decreases

Fruits and vegetables........ 2.3

Fertilizer Association Commodity Price Index Rises To Highest Level Since April 1930

The general level of wholesale commodity prices rose still further last week, according to the index compiled by The National Fertilizer Association and issued Sept. 15. In the week ended September 13 this index rose to 116.8 from 115.8 in the preceding week. It is now at the highest point registered since April 1930 and is only 8 per cent under the 1929 high point of 126.7. The index was 113.7 a month ago and 96.7 a year ago, based on the 1935-1939 average as 100.

The all-commodity index went still higher last week as eight of the eleven principal group indexes advanced and none declined. The food price index continued its upward trend, with 14 items included in the group advancing and only rice and beef declining. The prices of cattle and lambs were sufficiently lower than the increases in hogs and poultry to cause a decline in the livestock index. Cotton and grain prices moved upward more than offsetting the effect of the decrease in livestock on the farm product price index; the net result was another upturn in the farm product group average. The largest gain from the preceding week was recorded by the building material index, reflecting higher prices for lumber and brick. The textile average was again higher last week. A sharp advance in the price of glycerine was responsible for the increase in the chemical and drug index. Gasoline quotations were higher resulting in a fractional advance in the fuel average. The fertilizer material index rose last week; an advance in the price of nitrate of soda was due to higher burlap bag quotations. The index of miscellaneous commodities also advanced.

During the week 40 price series included in the index advanced and 6 declined; in the preceding week there were 34 advances and 8 declines; in the second preceding week there were likewise 34 advances and 8 declines.

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

% Each Group Bears to the Total Index	GROUP	Latest Week Sep. 13, 1941	Preceding Week Sep. 6, 1941	Month Ago Aug. 9, 1941	Year Ago Sep. 14, 1940
25.3	Foods	113.3	112.6	108.2	91.3
	Fats and Oils	130.6	125.5	119.2	64.8
	Cottonseed Oil	159.6	150.7	136.8	63.0
23.0	Farm Products	120.8	119.6	116.0	85.5
	Cotton	168.0	162.3	155.2	87.9
	Grains	112.0	108.5	103.3	79.1
	Livestock	113.9	114.2	111.6	85.6
17.3	Fuels	110.8	110.6	110.4	101.9
10.8	Miscellaneous Commodities	126.2	124.6	121.9	109.7
8.2	Textiles	138.8	138.0	140.0	102.1
7.1	Metals	103.8	103.8	103.9	101.4
6.1	Building Materials	123.8	119.5	118.5	105.3
1.3	Chemicals and Drugs	107.5	106.3	106.2	103.7
.3	Fertilizer Materials	113.6	112.7	112.6	101.7
.3	Fertilizers	107.1	107.1	106.4	103.0
.3	Farm Machinery	99.3	99.3	99.3	99.3
100.0	All Groups Combined	116.8	115.8	113.7	96.7

* Base period changed January 4 from 1926-1928 average to 1935-1939 average as 100. Indexes on 1926-1928 base were: Sept. 13, 1941, 91.0; Sept. 6, 1941, 90.2; Sept. 14, 1940, 75.3.

World Prices Steady

General Motors Corp. and Cornell University, which prior to the European war had collaborated in the publication of a world commodity price index, have resumed issuance of international price statistics, but on a different basis than before the war. Instead of a composite index of world prices, these organizations now are publishing the information only as individual country indexes.

The index is built upon 40 basic commodities and the list is the same for each country in so far as possible. Each commodity is weighted uniformly for each country, according to its relative importance in *world* production. The actual price data are collected weekly by General Motors overseas operations from sources described as "the most responsible agencies available in each country, usually a government department." The commodities involved include "a comprehensive list of several groups, including grains, livestock and livestock products, miscellaneous foods (coffee, cocoa, tea, sugar, &c.), textiles, fuels, metals and a list of other miscellaneous materials (rubber, hides, lumber, newsprint, linseed 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, 9; textiles, 12; fuel, 11; metals, 11; miscellaneous, 18.

The indexes, which are based on prices expressed in the currency of each country, were reported Sept. 15 as follows:

(August, 1939=100)

	Argentina	*Australia*	*Canada*	*England*	*Java*	*Mexico*	*New Zeal'd*	*Sweden*	*Switzerland*	*United States*
1940—										
May	120	118	120	143	116	113	112	131	132	112
June	118	118	120	144	116	113	114	131	136	109
July	118	118	120	145	115	112	114	132	140	109
August	118	119	120	150	115	111	120	132	144	109
September	116	120	121	145	116	110	122	135	153	111
October	113	123	122	145	117	110	120	139	158	114
November	113	125	124	146	118	111	118	142	164	118
December	113	126	126	149	120	111	119	144	168	118
1941—										
January	114	127	126	150	r120	111	119	144	r172	120
February	114	126	127	150	121	113	119	147	171	120
March	119	122	129	150	123	114	119	154	176	122
April	121	121	131	150	125	115	119	156	180	125
May	126	120	134	r152	129	117	120	156	189	129
June	133	121	137	155	131	119	121	155	193	132
July	136	120	142	158	137	123	123	156	194	137
1941—										
Weeks end.:										
July 5	r133	121	139	r155	134	123	121	154	*194	r135
July 12	133	121	141	r156	134	126	121	156	194	137
July 19	133	121	141	r156	136	126	122	155	194	r136
July 26	133	120	143	r157	r137	r126	124	155	194	137
Aug. 2	r135	120	142	157	138	r127	123	156	194	137
Aug. 9	r135	120	142	r157	137	r126	123	156	*194	r138
Aug. 16	137	120	142	*157	138	127	123	156	---	137
Aug. 23	138	r121	143	*157	139	128	123	156	---	139
Aug. 30	138	121	143	*154	138	127	123	156	---	140
Sept. 6	138	122	144	*153	138	128	123	156	---	141

* Preliminary. r Revised

Petroleum And Its Products

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action, if any, the Government will take to bring prices back into line with those recommended by Mr. Henderson's department is interesting and is awaited by the trade. The outright defiance of the "fair price" table is not expected to continue long without some move by the Government.

During August, the major gasoline markets showed little fluctuation in the price schedule due mainly to the fact that the industry as a whole was watching the Government and its price movements closely. As of September 1, according to reports from 50 key cities compiled by the American Petroleum Institute, average service station prices were 13.94 cents a gallon, against 13.87 a month earlier and 12.33 on the comparable 1940 date. The net dealer price, before taxes, was 10.02 cents a gallon, against 10.04 on August 1 and 8.69 cents on September 1 last year. Including taxes, the consumer price averaged 19.89 cents a gallon, highest since November, 1937, compared with 19.82 a month earlier and 18.23 a year ago.

With colder weather only a question of weeks away, interest in heating oils along the East Coast showed its usual seasonal expansion during the past week. Heavy committments, made earlier in the season by consumers afraid of possible shortages this winter due to the transportation bottleneck affecting movements of crude from Gulf Coast ports to the Atlantic Seaboard, have held down the market somewhat. However, prices are showing a definitely stronger undertone and higher quotations may be expected when movements start at the the time of the first cold spell.

Through the cooperation of the Federal agencies controlling the distribution of petroleum products, restrictions on gasoline consumption were loosened in Maine, North and South Carolina and Florida to aid in crop movements to market this week. The Gulf Coast Refiners' Association this week released an analysis of the work of the Federal Oil Coordinator since Mr. Ickes appointment, which highly praised the work of the Federal agency.

Members Of Moscow Mission Are Named

President Roosevelt announced on Sept. 3 the names of those who will compose the United States mission which will soon go to Moscow to discuss with British and Soviet representatives the Russian supply problem in the latter's war against Germany. As previously announced, W. Averell Harriman, Lease-Lend Expediter in London, will head the mission. The other members are:

Major General James H. Burns, Executive Officer in the Division of Defense Aid Reports.

Major General George H. Brett, Chief of the Army Air Corps.

Admiral William H. Standley, former Chief of Naval Operations, now retired.

William L. Batt, Deputy Director of the Production Division of the Office of Production Management.

In addition the White House announced on Sept. 3 that about nine technicians will accompany the five-man mission.

The White House also disclosed that the British mission will be headed by Lord Beaverbrook, British Supply Minister who recently conferred with defense officials in Washington, after participating in the sea parleys between the President and Prime Minister Winston Churchill.

The White House announcement said:

The mission will join with a similarly constituted British mission under the chairmanship of Lord Beaverbrook for a conference in Moscow with the Russian Government regarding the supplying to Russia by the United States and Great Britain of munitions, raw materials, and other supplies needed by Russia for her defense against German aggression.

The holding of this conference was agreed to between the President and the Prime Minister at their recent meeting at sea.

The appointment of Mr. Harriman was referred to in our issue of Sept. 4, page 11.

On The Foreign Front

European Stock Markets

Excited and in some cases feverish sessions have developed on securities markets in the leading European financial centers. The dealings reflected with some accuracy the varying hopes and beliefs regarding the course of the war, but a curious unanimity nevertheless prevailed. All European markets rose sharply in the latter half of last week, and they moved downward in unison early this week.

Dealings on the London Stock Exchange were active throughout. The sessions to and including last Friday were marked by buying of gilt-edged, industrial, rail and other stocks. Some of the South African gold shares especially were in favor. President Roosevelt's "shoot on sight" speech kept the market keyed up for a time. But liquidation finally appeared in the initial dealings this week, and some of the previous gains were wiped out. The gloomy aspects of the Russo-German campaign seemed partly respsonsible for the decline.

Among the Continental markets, Amsterdam gained most attention, owing to a sensational rise in prices last week that could only be attributed to a flight from the currency. Stocks of corporations domiciled in the East Indies, Britain or the United States jumped 5 to 15 points daily, and some issues attained heights that might seem fantastic, were it not for the currency problem. Early this week a reaction set in at Amsterdam, but the movement canceled only a part of the previous advance. The Berlin Boerse was strong up to the end of last week, and also engaged in a decline during the first half of the current week.

Toward Shooting War

Rapid strides toward all-out participation by the United States in the European war were taken by President Roosevelt and his associates in various ways, during the last few days, and almost any hour is apt to bring the news that the shooting has begun. In a radio speech late on Sept. 11, the President summed up a number of incidents at sea involving American warships and merchant vessels and proceeded to throw the protecting mantle of American forces not only over all ships of the United States flag, but ships of "any flag." Such action was proclaimed as applicable in whatever waters are deemed necessary for our defense.

In quick succession, Secretary of State Cordell Hull implied that all the seven seas are to be regarded as vital for the defense of America, and Secretary of the Navy Frank Knox intimated that specific protection of merchant shipping at least to Iceland will be the order of the day. Axis submarines and raiders are to be destroyed wherever encountered, under orders given by Mr. Knox, Monday, to the Atlantic Fleet. The Attorney General, Francis Biddle, ruled on the same day that the neutrality laws will not prevent American merchant ships from entering belligerent ports unless they are specifically named in the legislation, and unless martial activities actually are in progress in such areas. Secretary of Agriculture Claude Wickard stated flatly on Monday that "this is our war—not somebody else's."

The starting point for this new push toward full engagement in the war was the encounter of the U. S. destroyer Greer and a German submarine, in waters southwest of Iceland, Sept. 4. President Roosevelt dilated on that incident in his radio speech, declaring emphatically that the submarine fired first upon the destroyer, without warning and with intent to sink the Greer. Last July, he disclosed, an American

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The Capital Flotations In The United States During The Month Of August And For The Eight Months Of The Calendar Year 1941

With relatively few separate issues, the corporate capital flotations in August achieved the greatest aggregate dollar volume of any month since June 1937. The new capital portion alone was the greatest of any month since January 1931. A single debenture issue of American Telephone & Telegraph Co., however, by itself provided $233,584,900 of last month's corporate total of $401,829,900 and corporate new capital total of $327,402,743. This issue, all the proceeds of which were intended for new capital was offered to stockholders through rights in July but we have placed it in our August compilation as the rights expired in that month. The amount of the issue as shown in our tabulations is the aggregate offered, but to date complete figures on the result of the offering are not available. The final figures will probably show that a small percentage of the total offering was not subscribed, as this company's thousands of stockholders are spread over the entire world.

The month's corporate aggregate of $401,829,900 was about three times the July total of $130,037,550 and more than double August 1940's $180,831,672. The next highest monthly figure recorded this year was January's $324,316,342. In the new capital classification, August's $327,402,743 far overshadowed all recent months, comparing with only $43,569,170 in July and $67,938,134 in August 1940. No month since mid-1937 has even approached the size of August's new capital figure; the next highest monthly amount recorded since then was the $168,943,139 chalked up in November 1940, and A. T. & T. was also responsible for the greater part of that month's new capital volume, having sold a $140,000,000 issue for plant expansion purposes in that month.

American Telephone & Telegraph was not the only company participating heavily in August's capital issue market; two other utilities, Peoples Gas Light & Coke Co. and Wisconsin Power & Light Co. sold $37,000,000 and $32,500,000 securities respectively. Standard Oil Co. of California sold $40,000,000 debentures and notes; Atchison Topeka & Santa Fe Ry. sold $20,000,000 equipment trust certificates; and Safeway Stores, Inc. sold $14,000,000 debentures.

Refunding financing did not participate in the general expansion which took place last month, the volume of issues for this purpose dropping to $74,427,157 from $86,468,380 in July and $112,893,538 in August 1940. It was the smallest month's refunding since September last year.

The greatest part of August's corporation financing was carried out through sales to the public and only $67,040,000 or 16.7% of the total was placed privately. Only two of the larger issues of the month, Peoples Gas Light & Coke Co. bonds and Safeway Stores, Inc. debentures were among the private sales. The month's private placements exceeded July's, which amounted to $56,368,000 but they were not as great as the monthly average of $86,500,000 for the first half year. The August proportion of private to total sales was much lower, however, July's percentage amounting to 43% and the half year's, to 37.7%.

Federal agencies which have entered the capital market on a large scale in recent months, absented themselves from August's market. The Federal Intermediate Credit Banks brought out their customary monthly issue and this was the only one falling into the "Farm loan and government agencies" classification in our compilations. Municipal financing also dropped to a low level in August, the aggregate in this division amounting to only $43,477,722, the smallest of any month since September 1939, the first month of the European War. In July municipal issues totaled $54,844,829 and in August 1940, $75,019,089.

Below we present a tabulation of figures since January, 1939, showing the different monthly amounts of corporate financing as revised to date. Further revisions of the 1941 figures will undoubtedly be necessary from time to time, particularly as additional private financing is brought to light in annual reports and other places.

SUMMARY OF CORPORATE FIGURES BY MONTHS, 1941, 1940 AND 1939

	*1941			*1940			*1939		
	New Capital	Refunding	Total	New Capital	Refunding	Total	New Capital	Refunding	Total
	$	$	$	$	$	$	$	$	$
January	52,928,677	271,387,665	324,316,342	35,469,718	137,994,832	173,464,550	5,926,032	10,386,300	16,312,332
February	31,549,770	227,012,100	258,561,870	46,004,059	211,341,581	257,345,640	23,833,072	136,115,000	159,948,072
March	86,634,370	115,287,655	201,922,025	31,527,491	103,799,050	135,326,541	58,179,191	48,688,660	106,867,851
First quarter	171,112,817	613,687,420	784,800,237	113,001,268	453,135,463	566,136,731	87,938,295	195,189,960	283,128,255
April	39,469,665	107,180,735	146,650,400	59,175,210	192,497,442	251,672,652	78,200,042	181,769,350	259,969,392
May	63,874,177	197,102,123	260,976,300	89,787,130	84,280,300	174,067,430	21,740,443	161,502,000	183,242,443
June	90,466,785	113,390,374	203,857,159	9,771,328	101,476,480	111,247,808	31,241,064	251,798,424	283,039,488
Second quarter	193,810,627	417,673,232	611,483,859	158,733,668	378,254,222	536,987,890	131,181,549	595,069,774	726,251,323
Six months	364,923,444	1,031,360,652	1,396,284,096	271,734,936	831,389,685	1,103,124,621	219,119,844	790,259,734	1,009,379,578
July	43,569,170	86,468,380	130,037,550	49,833,450	242,447,950	292,281,400	49,703,366	180,669,959	230,373,325
August	327,402,743	74,427,157	401,829,900	67,938,134	112,893,538	180,831,672	25,894,844	317,462,641	343,357,485
September	----	----	----	68,006,465	65,594,785	133,601,250	16,019,150	80,195,000	96,214,150
Third quarter	----	----	----	185,778,049	420,936,273	606,714,322	91,617,360	578,327,600	669,944,960
Nine months	----	----	----	457,512,985	1,252,325,958	1,709,838,943	310,737,204	1,368,587,334	1,679,324,538
October	----	----	----	47,728,100	345,346,770	393,074,870	20,297,396	157,474,063	177,771,459
November	----	----	----	168,943,139	93,942,646	262,885,785	21,640,375	90,834,833	112,475,208
December	----	----	----	62,198,558	334,579,682	396,778,240	30,778,057	195,817,158	226,595,215
Fourth quarter	----	----	----	278,869,797	773,869,098	1,052,738,395	72,715,828	444,126,054	516,841,882
Twelve months	----	----	----	736,382,782	2,026,195,056	2,762,577,838	383,453,032	1,812,713,388	2,196,166,420

*Revised.

Treasury Financing in August

The tax anticipation notes, which the Treasury placed on sale last month, became an immediate success, sales for August aggregating $1,037,124,525, series A and B combined. Series A, which are the ones intended, in particular, for smaller taxpayers, represented only about $18,000,000 of the total, the bulk of the purchases being of the series B notes, which would appeal only to payers of heavier taxes. Both issues are dated August 1, 1941 and mature August 1, 1943 and are sold at par and accrued interest, but the series A notes earn approximately 1.92% a year while the series B earn only about 0.48%. The series A are issued in denominations of $25, $50 and $100 and are acceptable in payment of taxes to the amount of $1,200 principal amount, plus accrued interest, in any one tax year; the series B are in denominations of $100 to $1,000,000 and their acceptability in payment of taxes is limited only by the amount of taxes due. The notes of neither series are transferable.

Defense savings bonds sales in August, the fourth month in which they have been offered, dropped to $271,227,566, the smallest of any month so far. The largest single month's sales, $374,777,142, were recorded in May the first month that the bonds were on sale. In succeeding months they totaled $320,732,411 in June and $353,510,582 in July.

The new depositary bonds, first offered in July, when $40,214,000 were sold, had an aggregate sale of $11,435,550 in August. The only other financing undertaken by the Treasury in August consisted of weekly

In the tabulations which follow we outline the sales of bills of about $100,000,000 each, the same as maturities during the month.

Treasury's financing activities in the current year:

UNITED STATES TREASURY FINANCING DURING 1941

Date Offered	Dated	Due	Amount Applied for	Amount Accepted	Price	Yield
			$	$		
First 6 months total				8,675,484,647		
Jun 27	Jly 2	91 days	281,145,000	100,880,000	99.978	*$.087%
Jly 3	Jly 9	91 days	281,732,000	100,048,000	99.976	*$.097%
Jly 11	Jly 16	91 days	306,089,000	100,337,000	99.975	*$.097%
Jly 18	Jly 23	91 days	292,758,000	100,127,000	99.975	*0.098%
Jly 25	Jly 30	91 days	266,617,000	100,015,000	99.976	*0.094%
Jly 1-31	Jly 1	10-12 yrs.	353,510,582	353,510,582	†	†
Jly 1-31	Jun 1	12 years	40,214,000	40,214,000	100	2%
July total				895,131,582		
Aug 1	Aug 6	91 days	293,242,000	100,232,000	99.973	*0.106%
Aug 8	Aug 13	91 days	288,823,000	100,118,000	99.971	*0.114%
Aug 15	Aug 20	91 days	297,444,000	100,227,000	99.971	*0.115%
Aug 22	Aug 27	91 days	327,055,000	100,799,000	99.971	*0.114%
Aug 1-31	Aug 1	10-12 yrs.	271,277,566	271,277,566	†	†
Aug 1-31	Jun 1	12 years	11,435,550	11,435,550	100	2%
Aug 1-31	Aug 1	2 years	1,037,124,525	1,037,124,525	100	‡
August total				1,721,213,641		
Total 8 months				11,291,829,370		

* Average rate on a bank discount basis. † Comprised of three separate series, of which series E have 10-year maturity, are sold on a discount basis at 75, and yield 2.90%; series F have a 12-year maturity, are sold on a discount basis, at 74, and yield 2.53%; and series G have a 12-year maturity, are sold at 100, and bear 2½% interest. ‡ Comprised of two separate issues, designated Treasury notes of tax series A-1943 and tax series B-1943; series A earn about 1.92% a year and series B, about 0.48%.

USE OF FUNDS

Dated	Type of Security	Total Amount Accepted	Refunding	New Indebtedness
		$	$	$
First 6 months total		8,675,484,647	5,325,806,200	3,349,678,447
Jly 2	91-day Treas. bills	100,880,000	100,880,000	----
Jly 9	91-day Treas. bills	100,048,000	100,048,000	----
Jly 16	91-day Treas. bills	100,337,000	100,337,000	----
Jly 23	91-day Treas. bills	100,127,000	100,127,000	----
Jly 30	91-day Treas. bills	100,015,000	100,015,000	----
Jly 1	U. S. savings bonds	353,510,582	----	353,510,582
Jun 1	Depositary bonds	40,214,000	----	40,214,000
July total		895,131,582	501,407,000	393,724,582
Aug 6	91-day Treas. bills	100,232,000	100,232,000	----
Aug 13	91-day Treas. bills	100,118,000	100,118,000	----
Aug 20	91-day Treas. bills	100,227,000	100,227,000	----
Aug 27	91-day Treas. bills	100,799,000	100,799,000	----
Aug 1	U. S. savings bonds	271,277,566	----	271,277,566
Jun 1	Depositary bonds	11,435,550	----	11,435,550
Aug 1	Tax anticipa. notes	1,037,124,525	----	1,037,124,525
August total		1,721,213,641	401,376,000	1,319,837,641
Total 8 months		11,291,829,870	6,228,589,200	5,063,240,670

* INTRAGOVERNMENT FINANCING

1941	Issued	Retired	Net Issued
	$	$	$
First 6 months total	3,497,287,000	2,746,792,000	750,495,000
July—			
Certificates	70,000,000	10,300,000	59,700,000
Notes	155,348,000	11,527,000	143,821,000
July total	225,348,000	21,827,000	203,521,000
August—			
Certificates	146,000,000	----	146,000,000
Notes	17,050,000	17,043,000	7,000
August total	163,050,000	17,043,000	146,007,000
Total 8 months	3,885,685,000	2,785,662,000	1,100,023,000

* Comprises sales of special series certificates and notes; certificates sold to Adjusted Service Certificates Fund and Unemployed Trust Fund, and notes to Federal Old Age and Survivors Insurance Trust Account, Civil Service Retirement Fund, Foreign Service Retirement Fund, Canal Zone Retirement Fund, Alaska Railroad Retirement Fund, Postal Savings System, Government Life Insurance Fund. National Service Life Insurance Fund, Federal Deposit Insurance Corporation, and Federal Savings & Loan Insurance Corporation.

In the comprehensive tables on the succeeding pages we compare the August and the eight months' figures with those for the corresponding periods in the four years preceding, thus affording a five-year comparison.

Following the full-page tables, we give complete details of the capital flotations during August including every issue of any kind brought out in that month.

Foreign Front

(Cntinued from Page 217)

battleship was followed for some time by a submarine which endeavored to maneuver into position for an attack. Turning to merchant shipping incidents, Mr. Roosevelt referred to the Robin Moor sinking, last May, and to the sinking without warning of the Panamanian ship Sessa, with considerable loss of life. The aerial bombing and sinking of the U. S. flag vessel Steel Seafarer, in the Red Sea likewise was noted in the address.

Disclaiming any intention of exaggerating single incidents, the President saw in all these matters together an intention by the German Nazis to dominate the oceans. To be ultimately successful in world mastery, said the President, Hitler knows that he must get control of the seas. "He must first destroy the bridge of ships which we are building across the Atlantic and over which we shall continue to roll the implements of war to help destroy him, to destroy all his works in the end," Mr. Roosevelt declared. "He must wipe out our patrol on sea and in the air if he is to do it. He must silence the British Navy." If Hitler wins in Europe, according to the President, the Nazi will have two to three times the shipbuilding facilities and potentialities of all the Americas.

Proclaiming again the traditional American policy of the freedom of the seas, Mr. Roosevelt warned that the Americas will not be able to live happily in a Nazi-dominated world. Unrestricted submarine warfare constitutes an act of aggression against our historic policy, the President asserted. No shooting war is sought by this country with Hitler, but the time has come, it was indicated, to halt the international outlaws who sink our ships and kill our citizens.

"When you see a rattlesnake poised to strike, you do not wait until he has struck before you crush him," said the President, in emphasizing again the determination to keep all Axis raiders and submarines away. The very presence of such ships in waters which America deems vital to its defense constitutes an attack, it was announced, and American forces hereafter will strike first. "Our patrolling vessels and planes will protect all merchant ships—not only American ships but ships of any flag — engaged in commerce in our defensive waters," Mr. Roosevelt said. "They will protect them from submarines; they will protect them from surface raiders." But it is no act of war on our part when we decide to protect the seas that are vital to American defense, Mr. Roosevelt added. Placing the responsibility solely upon Germany, he warned German and Italian ships not to enter waters the protection of which is necessary for American defense.

Within the United States, this pronouncement was applauded by some and denounced by others, much in accordance with interventionist and isolationist viewpoints. The question promptly was posed as to where the limits of waters vital to our defense may be, but no specific limitation has been forthcoming. Instead, Mr. Hull remarked at a press conference that the warning was intended for the Nazis everywhere. In an address at Milwaukee, Monday. Mr. Knox said that protection by the U. S. Navy would begin the following day of all lend-lease cargoes on the seas "between the American continent and the waters adjacent to Iceland."

The impression made by the Presidential address was deepened by the news, last Friday, that the Panamanian freighter Montana had been torpedoed off Iceland, and by the disclosure last Saturday that the U. S. ship Ar-

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SUMMARY OF CORPORATE, FOREIGN GOVERNMENT, FARM LOAN AND MUNICIPAL FINANCING FOR THE MONTH OF AUGUST FOR FIVE YEARS

Month of August	1941 New Capital	1941 Refunding	1941 Total	1940 New Capital	1940 Refunding	1940 Total	1939 New Capital	1939 Refunding	1939 Total	1938 New Capital	1938 Refunding	1938 Total	1937 New Capital	1937 Refunding	1937 Total
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Corporate—															
Domestic—															
Long-term bonds and notes	323,824,900	72,530,000	396,354,900	52,612,000	108,447,000	161,059,000	21,403,447	291,676,553	313,080,000	123,304,070	211,140,930	334,445,000	34,292,385	34,897,615	69,190,000
Short-term	----	----	----	----	----	----	1,460,000	500,000	1,960,000	----	----	----	----	16,000,000	16,000,000
Preferred stocks	1,602,843	1,897,157	3,500,000	13,426,862	4,420,938	17,847,800	2,010,000	8,730,000	10,740,000	3,142,500	----	3,142,500	3,101,942	3,380,558	6,482,500
Common stocks	1,975,000	----	1,975,000	1,899,272	25,600	1,924,872	1,021,397	56,088	1,077,485	1,817,000	----	1,817,000	13,478,509	2,915,899	16,394,408
Canadian—															
Long-term bonds and notes	----	----	----	----	----	----	----	16,500,000	16,500,000	----	----	----	----	----	----
Short-term	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Preferred stocks	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Common stocks	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Other foreign—															
Long-term bonds and notes	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Short-term	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Preferred stocks	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Common stocks	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Total corporate	327,402,743	74,427,157	401,829,900	67,938,134	112,893,538	180,831,672	25,894,844	317,462,641	343,357,485	128,263,570	211,140,930	339,404,500	50,872,836	57,194,072	108,066,908
Canadian Government	----	----	----	----	----	----	30,000,000	----	30,000,000	----	----	----	----	----	----
Other foreign government	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Farm Loan and Govt. agencies	----	25,420,000	25,420,000	----	27,525,000	27,525,000	----	18,250,000	18,250,000	----	13,500,000	13,500,000	----	27,400,000	27,400,000
*Municipal—States, cities, etc.	32,880,990	10,596,732	43,477,722	60,753,178	14,265,911	75,019,089	56,734,069	12,922,963	69,657,032	54,822,093	11,009,258	65,831,351	27,684,444	25,036,100	52,720,544
United States Possessions	----	----	----	500,000	----	500,000	----	----	----	450,000	----	450,000	----	----	----
Grand total	360,283,733	110,443,889	470,727,622	129,191,312	154,684,449	283,875,761	112,628,913	348,635,604	461,264,517	183,535,663	235,650,188	419,185,851	78,557,280	109,630,172	188,187,452

* These figures do not include funds obtained by States and municipalities from any agency of the Federal Government.

CHARACTER AND GROUPING OF NEW CORPORATE ISSUES IN THE UNITED STATES FOR THE MONTH OF AUGUST FOR FIVE YEARS

Month of August	1941 New Capital	1941 Refunding	1941 Total	1940 New Capital	1940 Refunding	1940 Total	1939 New Capital	1939 Refunding	1939 Total	1938 New Capital	1938 Refunding	1938 Total	1937 New Capital	1937 Refunding	1937 Total
Long-Term Bonds and Notes—	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Railroads	23,300,000	----	23,300,000	14,292,000	25,300,000	39,592,000	400,000	7,000,000	7,400,000	3,148,000	----	3,148,000	3,103,000	2,936,000	6,039,000
Public utilities	238,084,900	71,625,000	309,709,900	17,230,000	22,320,000	39,550,000	470,000	241,605,000	242,075,000	49,965,300	169,381,700	219,347,000	3,764,385	29,761,615	33,526,000
Iron, steel, coal, copper, etc.	----	----	----	3,000,000	12,000,000	15,000,000	----	----	----	5,455,000	4,545,000	10,000,000	----	----	----
Equipment manufacturers	3,440,000	----	3,440,000	----	----	----	----	----	----	----	----	----	----	----	----
Motors and accessories	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Other industrial and manufacturing	5,000,000	600,000	5,600,000	18,000,000	13,250,000	31,250,000	3,500,000	----	3,500,000	22,075,075	4,424,925	26,500,000	15,000,000	----	15,000,000
Oil	40,000,000	----	40,000,000	----	35,500,000	35,500,000	12,033,447	20,066,553	32,100,000	38,310,695	32,689,305	71,000,000	----	----	----
Land, buildings, etc.	----	245,000	245,000	90,000	77,000	167,000	250,000	2,505,000	2,755,000	1,350,000	100,000	1,450,000	425,000	2,200,000	2,625,000
Rubber	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Shipping	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Inv. trusts, trading, holding, etc.	----	----	----	----	----	----	500,000	----	500,000	3,000,000	----	3,000,000	----	----	----
Miscellaneous	14,000,000	60,000	14,060,000	----	----	----	4,250,000	37,000,000	41,250,000	----	----	----	12,000,000	----	12,000,000
Total	323,824,900	72,530,000	396,354,900	52,612,000	108,447,000	161,059,000	21,403,447	308,176,553	329,580,000	123,304,070	211,140,930	334,445,000	34,292,385	34,897,615	69,190,000
Short-Term Bonds and Notes—															
Railroads	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Public utilities	----	----	----	----	----	----	1,460,000	500,000	1,960,000	----	----	----	----	16,000,000	16,000,000
Iron, steel, coal, copper, etc.	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Equipment manufacturers	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Motors and accessories	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Other industrial and manufacturing	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Oil	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Land, buildings, etc.	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Rubber	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Shipping	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Inv. trusts, trading, holding, etc.	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Miscellaneous	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Total	----	----	----	----	----	----	1,460,000	500,000	1,960,000	----	----	----	----	16,000,000	16,000,000
Stocks—															
Railroads	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Public utilities	----	----	----	13,001,862	2,890,938	15,892,800	----	8,730,000	8,730,000	----	----	----	595,442	1,504,558	2,100,000
Iron, steel, coal, copper, etc.	----	----	----	----	----	----	----	----	----	318,000	----	318,000	592,750	1,876,000	2,468,750
Equipment manufacturers	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Motors and accessories	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Other industrial and manufacturing	3,577,843	1,897,157	5,475,000	2,124,272	25,600	2,149,872	1,511,397	56,088	1,567,485	3,391,500	----	3,391,500	7,464,456	2,915,899	10,380,355
Oil	----	----	----	----	----	----	----	----	----	----	----	----	574,164	----	574,164
Land, buildings, etc.	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Rubber	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Shipping	----	----	----	----	1,530,000	1,530,000	----	----	----	----	----	----	----	----	----
Inv. trusts, trading, holding, etc.	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Miscellaneous	----	----	----	200,000	----	200,000	1,520,000	----	1,520,000	1,250,000	----	1,250,000	7,353,639	----	7,353,639
Total	3,577,843	1,897,157	[illegible]	15,326,134	4,446,538	19,772,672	3,031,397	8,786,088	11,817,485	4,959,500	----	4,959,500	16,580,451	6,296,457	22,876,908
Total—															
Railroads	23,300,000	----	23,300,000	14,292,000	25,300,000	39,592,000	400,000	7,000,000	7,400,000	3,148,000	----	3,148,000	3,103,000	2,936,000	6,039,000
Public utilities	238,084,900	71,625,000	309,709,900	30,231,862	25,210,938	55,442,800	1,930,000	250,835,000	252,765,000	49,965,300	169,381,700	219,347,000	4,359,827	47,266,173	51,626,000
Iron, steel, coal, copper, etc.	----	----	----	3,000,000	12,000,000	15,000,000	----	----	----	5,773,000	4,545,000	10,318,000	592,750	1,876,000	2,468,750
Equipment manufacturers	3,440,000	----	3,440,000	----	----	----	----	----	----	----	----	----	----	----	----
Motors and accessories	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Other industrial and manufacturing	8,577,843	2,497,157	11,075,000	20,124,272	13,275,600	33,399,872	5,011,397	56,088	5,067,485	25,466,575	4,424,925	29,891,500	22,464,456	2,915,899	25,380,355
Oil	40,000,000	----	40,000,000	----	35,500,000	35,500,000	12,033,447	20,066,553	32,100,000	38,310,695	32,689,305	71,000,000	574,164	----	574,164
Land, buildings, etc.	----	245,000	245,000	90,000	77,000	167,000	250,000	2,505,000	2,755,000	1,350,000	100,000	1,450,000	425,000	2,200,000	2,625,000
Rubber	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
Shipping	----	----	----	----	1,530,000	1,530,000	----	----	----	----	----	----	----	----	----
Inv. trusts, trading, holding, etc.	----	----	----	----	----	----	500,000	----	500,000	3,000,000	----	3,000,000	----	----	----
Miscellaneous	14,000,000	60,000	14,060,000	200,000	----	200,000	5,770,000	37,000,000	42,770,000	1,250,000	----	1,250,000	19,353,639	----	19,353,639
Total corporate securities	327,402,743	74,427,157	401,829,900	67,938,134	112,893,538	180,831,672	25,894,844	317,462,641	343,357,485	128,263,570	211,140,930	339,404,500	50,872,836	57,194,072	108,066,908

SUMMARY OF CORPORATE, FOREIGN GOVERNMENT, FARM LOAN AND MUNICIPAL FINANCING FOR THE EIGHT MONTHS ENDED AUG. 31 FOR FIVE YEARS

Eight Mos. Ended Aug. 31	1941 New Capital	1941 Refunding	1941 Total	1940 New Capital	1940 Refunding	1940 Total	1939 New Capital	1939 Refunding	1939 Total	1938 New Capital	1938 Refunding	1938 Total	1937 New Capital	1937 Refunding	1937 Total
Corporate—	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Domestic—															
Long-term bonds and notes	649,390,288	1,069,122,412	1,718,512,700	293,012,565	1,053,775,735	1,346,788,300	217,007,721	1,059,843,779	1,276,851,500	577,137,600	579,147,095	1,156,284,695	577,528,149	726,228,351	1,303,756,500
Short-term	3,672,535	18,081,965	21,754,500	11,010,000	23,725,000	34,735,000	4,510,000	21,000,000	25,510,000	3,242,000	2,758,000	6,000,000	45,276,080	36,823,920	82,100,000
Preferred stocks	63,513,093	104,361,432	167,874,525	38,014,594	106,008,196	144,022,790	17,906,073	127,683,367	145,589,440	32,082,425	1,022,800	33,105,225	159,620,797	225,148,430	384,769,227
Common stocks	19,319,441	690,380	20,009,821	47,469,361	3,222,242	50,691,603	55,294,260	365,188	55,659,448	8,800,426	—	8,800,426	179,158,535	87,568,840	266,727,375
Canadian—															
Long-term bonds and notes	—	—	—	—	—	—	—	79,500,000	79,500,000	—	—	—	—	—	—
Short-term	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Preferred stocks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Common stocks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other foreign—															
Long-term bonds and notes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short-term	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Preferred stocks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Common stocks	—	—	—	—	—	—	—	—	—	62,500	—	62,500	—	—	—
Total corporate	735,895,357	1,192,256,189	1,928,151,546	389,506,520	1,186,731,173	1,576,237,693	294,718,054	1,288,392,334	1,583,110,388	621,324,951	582,927,895	1,204,252,846	961,583,561	1,075,769,541	2,037,353,102
Canadian Government	—	—	—	—	—	—	59,250,000	8,250,000	67,500,000	—	—	—	—	85,000,000	85,000,000
Other foreign government	—	4,000,000	4,000,000	—	—	—	—	—	—	—	—	—	—	134,000,000	134,000,000
Farm Loan and Govt. agencies	1,252,600,000	578,358,000	1,830,958,000	306,608,000	215,782,000	522,390,000	638,614,000	1,206,737,325	1,845,351,325	417,450,000	294,785,000	712,235,000	132,000,000	176,714,000	308,714,000
*Municipal—States, cities, etc.	396,511,262	308,551,733	705,062,995	428,546,044	278,587,366	707,133,410	741,289,369	139,440,743	880,730,112	536,101,646	85,038,486	621,140,132	530,850,925	162,395,265	693,246,190
United States Possessions	1,500,000	—	1,500,000	2,125,000	—	2,125,000	450,000	—	450,000	5,236,000	—	5,236,000	—	—	—
Grand total	2,386,506,619	2,083,165,922	4,469,672,541	1,126,785,564	1,681,100,539	2,807,886,103	1,734,321,423	2,642,820,402	4,377,141,825	1,580,112,597	962,751,381	2,542,863,978	1,624,434,486	1,633,878,806	3,258,313,292

*These figures do not include funds obtained by States and municipalities from any agency of the Federal Government.

CHARACTER AND GROUPING OF NEW CORPORATE ISSUES IN THE UNITED STATES FOR THE EIGHT MONTHS ENDED AUG. 31 FOR FIVE YEARS

Eight Mos. Ended Aug. 31	1941 New Capital	1941 Refunding	1941 Total	1940 New Capital	1940 Refunding	1940 Total	1939 New Capital	1939 Refunding	1939 Total	1938 New Capital	1938 Refunding	1938 Total	1937 New Capital	1937 Refunding	1937 Total
Long-Term Bonds and Notes—	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Railroads	194,727,000	68,868,000	263,595,000	67,752,398	163,045,602	230,798,000	47,170,000	30,438,000	77,608,000	15,253,000	10,000,000	25,253,000	216,195,000	107,268,000	323,463,000
Public utilities	315,457,900	647,346,000	962,803,900	70,748,397	435,043,903	505,792,300	44,741,090	769,008,210	813,749,300	216,917,230	458,906,965	675,824,195	88,547,687	480,281,313	568,829,000
Iron, steel, coal, copper, etc	6,100,000	62,400,000	68,500,000	5,705,000	255,850,000	261,555,000	8,600,000	94,900,000	103,500,000	118,955,000	4,552,000	123,507,000	40,808,950	44,076,050	84,885,000
Equipment manufacturers	3,440,000	3,498,000	6,938,000	6,250,000	—	6,250,000	3,900,000	—	3,900,000	—	—	—	1,100,000	—	1,100,000
Motors and accessories	—	—	—	—	—	—	—	—	—	—	—	—	5,065,400	4,934,600	10,000,000
Other industrial and manufacturing	33,882,283	87,560,517	121,442,800	26,705,000	41,520,000	68,225,000	31,742,184	23,027,016	54,769,200	63,278,175	21,881,825	85,160,000	56,302,112	38,376,888	94,679,000
Oil	50,953,000	74,222,000	125,175,000	11,800,000	105,500,000	117,300,000	55,373,447	161,726,553	217,100,000	153,310,695	32,689,305	186,000,000	122,897,500	27,348,000	150,245,500
Land, buildings, etc.	759,000	23,339,000	24,098,000	819,700	6,648,300	7,468,000	3,631,000	5,264,000	8,895,000	3,523,500	5,227,000	8,750,500	7,327,000	20,743,000	28,070,000
Rubber	5,400,000	44,600,000	50,000,000	—	—	—	—	—	—	—	45,000,000	45,000,000	650,000	—	650,000
Shipping	250,000	—	250,000	—	—	—	—	—	—	—	—	—	—	—	—
Inv. trusts, trading, holding, etc.	—	—	—	1,350,000	—	1,350,000	2,000,000	12,755,000	14,755,000	4,000,000	—	4,000,000	250,000	—	250,000
Miscellaneous	38,421,105	57,288,895	95,710,000	101,882,070	46,167,930	148,050,000	19,850,000	42,225,000	62,075,000	1,900,000	890,000	2,790,000	38,384,500	3,200,500	41,585,000
Total	649,390,288	1,069,122,412	1,718,512,700	293,012,565	1,053,775,735	1,346,788,300	217,007,721	1,139,343,779	1,356,351,500	577,137,600	579,147,095	1,156,284,695	577,528,149	726,228,351	1,303,756,500
Short-Term Bonds and Notes—															
Railroads	—	5,500,000	5,500,000	—	5,000,000	5,000,000	—	9,500,000	9,500,000	—	—	—	4,350,000	1,450,000	5,800,000
Public utilities	1,360,000	190,000	1,550,000	910,000	—	910,000	1,460,000	2,500,000	3,960,000	2,000,000	—	2,000,000	2,776,080	34,573,920	37,350,000
Iron, steel, coal, copper, etc.	—	7,000,000	7,000,000	—	—	—	550,000	—	550,000	—	750,000	750,000	600,000	—	600,000
Equipment manufacturers	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Motors and accessories	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other industrial and manufacturing	54,500	150,000	204,500	100,000	1,725,000	1,825,000	—	—	—	30,000	120,000	150,000	1,600,000	800,000	2,400,000
Oil	—	—	—	—	14,000,000	14,000,000	—	9,000,000	9,000,000	889,000	211,000	1,100,000	—	—	—
Land, buildings, etc.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rubber	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shipping	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Inv. trusts, trading, holding, etc.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous	2,258,035	5,241,965	7,500,000	10,000,000	3,000,000	13,000,000	2,500,000	—	2,500,000	323,000	1,677,000	2,000,000	35,950,000	—	35,950,000
Total	3,672,535	18,081,965	21,754,500	11,010,000	23,725,000	34,735,000	4,510,000	21,000,000	25,510,000	3,242,000	2,758,000	6,000,000	45,276,080	36,823,920	82,100,000
Stocks—															
Railroads	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Public utilities	18,488,540	95,033,655	113,522,195	25,684,591	70,671,919	96,356,510	5,468,304	126,147,796	131,616,100	3,091,425	—	3,091,425	4,978,142	86,310,252	91,288,394
Iron, steel, coal, copper, etc.	—	—	—	1,935,000	—	1,935,000	2,000,000	—	2,000,000	1,366,929	—	1,366,929	40,600,654	54,991,099	95,591,753
Equipment manufacturers	—	—	—	—	—	—	—	—	—	—	—	—	304,650	162,850	467,500
Motors and accessories	—	—	—	4,094,000	1,306,000	5,400,000	2,680,000	—	2,680,000	—	—	—	12,572,053	—	12,572,053
Other industrial and manufacturing	57,116,167	10,018,157	67,134,324	28,038,812	21,470,412	49,509,224	56,707,678	365,188	57,072,866	33,060,277	1,002,500	34,062,777	174,089,505	56,071,945	230,161,450
Oil	—	—	—	—	—	—	1,275,000	—	1,275,000	862,500	—	862,500	35,123,737	88,106,765	123,230,502
Land, buildings, etc.	—	—	—	—	—	—	100,000	—	100,000	—	—	—	—	—	—
Rubber	—	—	—	1,400,000	—	1,400,000	213,900	—	213,900	—	—	—	2,494,490	682,500	3,176,990
Shipping	—	—	—	1,000,000	1,530,000	2,530,000	—	—	—	—	—	—	—	—	—
Inv. trusts, trading, holding, etc.	—	—	—	—	—	—	—	—	—	100,000	—	100,000	—	—	—
Miscellaneous	7,227,827	—	7,227,827	23,331,552	14,252,107	37,583,659	4,755,451	1,535,571	6,291,022	2,464,220	20,300	2,484,520	68,616,101	26,391,859	95,007,960
Total	82,832,534	105,051,812	187,884,346	85,483,955	109,230,438	194,714,393	73,200,333	128,048,555	201,248,888	40,945,351	1,022,800	41,968,151	338,779,332	312,717,270	651,496,602
Total—															
Railroads	194,727,000	74,368,000	269,095,000	67,752,398	168,045,602	235,798,000	47,170,000	39,938,000	87,108,000	15,253,000	10,000,000	25,253,000	220,545,000	108,718,000	329,263,000
Public utilities	335,306,440	742,569,655	1,077,876,095	97,342,988	505,715,822	603,058,810	51,669,394	897,656,006	949,325,400	222,008,655	458,906,965	680,915,620	96,301,909	601,165,485	697,467,394
Iron, steel, coal, copper, etc.	6,100,000	69,400,000	75,500,000	7,640,000	255,850,000	263,490,000	11,150,000	94,900,600	106,050,000	120,321,929	5,302,000	125,623,929	82,009,604	99,067,149	181,076,753
Equipment manufacturers	3,440,000	3,498,000	6,938,000	6,250,000	—	6,250,000	3,900,000	—	3,900,000	—	—	—	1,404,650	162,850	1,567,500
Motors and accessories	—	—	—	4,094,000	1,306,000	5,400,000	2,680,000	—	2,680,000	—	—	—	17,637,453	4,934,600	22,572,053
Other industrial and manufacturing	91,052,950	97,728,674	188,781,624	54,843,812	64,715,412	119,559,224	88,449,862	23,392,204	111,842,066	96,368,452	23,004,325	119,372,777	231,991,617	95,248,833	327,240,450
Oil	50,953,000	74,222,000	125,175,000	11,800,000	119,500,000	131,300,000	56,648,447	170,726,553	227,375,000	155,062,195	32,900,305	187,962,500	158,021,237	115,454,765	273,476,002
Land, buildings, etc.	759,000	23,339,000	24,098,000	819,700	6,648,300	7,468,000	3,731,000	5,264,000	8,995,000	3,523,500	5,227,000	8,750,500	7,327,000	20,743,000	28,070,000
Rubber	5,400,000	44,600,000	50,000,000	1,400,000	—	1,400,000	213,900	—	213,900	—	45,000,000	45,000,000	3,144,490	682,500	3,826,990
Shipping	250,000	—	250,000	1,000,000	1,530,000	2,530,000	—	—	—	—	—	—	—	—	—
Inv. trusts, trading, holding, etc.	—	—	—	1,350,000	—	1,350,000	2,000,000	12,755,000	14,755,000	4,100,000	—	4,100,000	250,000	—	250,000
Miscellaneous	47,906,967	62,530,860	110,437,827	135,213,622	63,420,037	198,633,659	27,105,451	43,760,571	70,866,022	4,687,220	2,587,300	7,274,520	142,950,601	29,592,359	172,542,960
Total corporate securities	735,895,357	1,192,256,189	1,928,151,546	389,506,520	1,186,731,173	1,576,237,693	294,718,054	1,288,392,334	1,583,110,388	621,324,951	582,927,895	1,204,252,846	961,583,561	1,075,769,541	2,037,353,102

Foreign Front

(Continued from Page 218)

kansan had suffered slight damage during a raid on Suez, where the freighter was unloading a cargo of war supplies for British forces, at the time. Reports early this week of the presence of a German raider in the Pacific, on routes to the Panama Canal, also were indicative. In the United Kingdom the speech by Mr. Roosevelt was hailed gleefully, while German and Italian commentators called the President a "war-monger" and accused him of distortions and untruths. The lack of any mention of Japan in the speech was noted everywhere with much interest."

Lend-Lease Aid

Much of the emphasis of the official lend-lease aid of the United States Government to countries which are resisting aggression now has been shifted to Russia, owing to the increasing difficulties of supply which Moscow is experiencing. But lend-lease is proceeding rapidly to Great Britain and all others fighting the Berlin-Rome-Tokio Axis, with allocations of funds on such a scale that an Administration request for fresh Congressional appropriations cannot be long delayed. The ultimate cost to the American taxpayer of this part of the foreign policy pursued at Washington is incalculable.

The complications occassioned by lend-lease assistance gained some illustration, Sept. 10, in a memorandum submitted to the United States Government by the British Foreign Secretary, Anthony Eden. This statement related to repeated charges in the United States that various lend-lease materials were being used by British exporters in competition with American exports. Although Mr. Eden stated flatly that lend-lease materials have not been used by Great Britain for export and that every effort will be made in the future to insure that they will not be so used, he proceeded to qualify the pledge and assurance by confining it to "new markets," or the extension of export trade at the expense of American exporters. But British export trade, as Mr. Eden added, is restricted to the irreducible minimum necessary to obtain or supply materials essential to the war effort, and too much attention need not be lavished upon the incident.

The supply of Russian war requirements is now occupying both British and American authorities. The British Air Ministry announced on Sunday that a complete "Wing" of the British Air Force already has joined the Russians, presumably in the defense of Leningrad. Lord Beaverbrook, Britain's Minister of Supply, dedicated all British tanks produced this week to Russia, and shipment of the tanks will be made, he said Monday, with the utmost rapidity. After extended conferences with President Roosevelt, an American mission headed by W. Averell Harriman left the United States by airplane, Sunday, for a rendezvous in Moscow, where Russian supply problems are to be discussed with British and Russian officials. The American group arrived in London, Monday, and will go on to Moscow soon.

Progress so far made with the lend-lease program was made known to Congress and the country on Monday, when Mr. Roosevelt sent to Congress a communication detailing some of the steps. Reports must be made by the Executive every 90 days, under the terms of the lend-lease measure. Eleven nations now are being aided by the United States, under the Bill, the British Empire having received the bulk of the materials, while China and the Dutch East Indies are receiving ever in-

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Details of New Capital Flotations During August, 1941

LONG-TERM BONDS AND NOTES (ISSUES MATURING LATER THAN FIVE YEARS)

RAILROADS

$ 20,000,000 **Atchison Topeka & Sante Fe Ry.** series E 1⅝% equipment trust certificates due 1942-51. Purpose, purchase of new equipment. Priced to yield from 0.25% to 1.875% according to maturity. Offered by Salomon Bros. & Hutzler, Dick & Merle-Smith and Stroud & Co., Inc.

3,300,000 **Chesapeake & Ohio Ry.** 1⅝% serial equip. trust certificates (third equip. trust of 1941) due Aug. 1, 1942-51. Purpose, purchase of new equipment. Priced to yield from 0.25% to 1.90% according to maturity. Offered by Harris, Hall & Co. (Inc.); Drexed & Co.; Alex Brown & Sons; Tucker, Anthony & Co.; The Illinois Co. of Chicago; Stern, Wampler & Co., Inc. and McMaster Hutchinson & Co.

$ 23,300,000

PUBLIC UTILITIES

$233,584,900 **American Telephone & Telegraph Co.** 15-year 3% convertible debentures due Sept. 1, 1956. Purpose, extensions and improvements to properties, including those of subsidiaries. Price, par. Offered to stockholders in ratio of $100 of debentures for each eight shares held. Not underwritten.

2,125,000 **New York & Richmond Gas Co.** 1st mtge. bonds, 4¼%, series due 1966. Purpose, refunding. Price 106½ and int. Offered by Halsey Stuart & Co., Inc.

*4,500,000 **Oklahoma Natural Gas Co.** 1st mtge 3% bonds, series C due 1956. Purpose, acquisition of properties. Sold privately.

*22,000,000 **Peoples Gas Light & Coke Co.** 1st & ref. mtge 3¼% bonds series E, due 1966. Purpose, refunding. Price, par. Sold privately to John Hancock Mutual Life Ins. Co., Northwestern Mutual Life Ins. Co., Prudential Insurance Co., Massachusetts Mutual Life Ins. Co., and Equitable Life Ins. Co. of Iowa.

*15,000,000 **Peoples Gas Light & Coke Co.** 1st & ref. mtge. 3% bonds, series F due 1956. Purpose, refunding. Price, par. Sold privately to John Hancock Mutual Life Insurance Co., Northwestern Mutual Life Insurance Co., Prudential Insurance Co., Massachusetts Mutual Life Insurance Co. and Equitable Life Insurance Co. of Iowa.

30,000,000 **Wisconsin Power & Light Co.** 1st mtge. series A 3¼% bonds due Aug. 1, 1971. Purpose, refunding. Price 106⅞ and int. Offered by Glore, Forgan & Co., Halsey, Stuart & Co., Inc., A. G. Becker & Co., Inc., Harris, Hall & Co. (Inc.), Bonbright & Co., Inc., W. C. Langley & Co., Lee Higginson Corp., E. H. Rollins & Sons, Inc., The Wisconsin Co., A. C. Allyn & Co., Inc., Hornblower & Weeks, Stern, Wampler & Co., Inc., Whiting, Weeks & Stubbs, Inc., Arthur Perry & Co., Inc., The Milwaukee Co., Blair-Bonner & Co., Bacon, Whipple & Co., Harriman Ripley & Co., Inc. and The Illinois Co. of Chicago.

*2,500,000 **Wisconsin Power & Light Co.** 3% serial notes due 1949-1951. Purpose, refunding. Sold privately to Northwestern Mutual Life Insurance Co. of Milwaukee.

$309,709,900

EQUIPMENT MANUFACTURERS

* $3,400,000 **General American Transportation Corp.** 2% equip. trust certificates, series 33 due 1942-1951. Purpose, purchase of new equipment. Purchased by Kuhn, Loeb & Co. and resold to two life insurance companies.

OTHER INDUSTRIAL AND MANUFACTURING

* $5,000,000 **American Home Products Corp.** 15-year 3½% sinking fund debentures due July 1, 1956. Purpose, pay bank loans, working capital. Price, par. Sold privately to Metropolitan Life Insurance Co.

*600,000 **Conde Nast Publications, Inc.** 1st mtge 10-year 4% serial mtge. bonds due Dec. 1, 1941-Sept. 1, 1951. Purpose, retire existing serial notes. Placed privately with Equitable Life Assurance Society of the U. S. A.

$ 5,600,000

OIL

$ 25,000,000 **Standard Oil Co. of California** 2¾% debentures, due Aug. 1, 1966. Purpose, prepayment of installment notes. Price 102½ and int. Offered by Dillon, Read & Co.; Baker, Watts & Co.; Bankamerica Co.; Blair & Co., Inc.; Blyth & Co., Inc.; Alex. Brown & Sons; Brush, Slocumb & Co.; Davis, Skaggs & Co.; Elworthy & Co.; Ferris & Hardgrove; First Boston Corp.; Glore, Forgan & Co.; Goldman, Sachs & Co.; Hemphill, Fenton & Campbell, Inc.; Hemphill, Noyes & Co.; E. F. Hutton & Co.; Kaiser & Co.; Kidder, Peabody & Co.; Kuhn, Loeb & Co.; W. C. Langley & Co.; Lee Higginson Corp.; Lehman Brothers; Laurence M. Marks & Co.; Mellon Securities Corp.; Mitchum, Tully & Co;. Morgan Stanley & Co., Inc.; F. S. Moseley & Co.; Pacific Co. of Calif.; Riter & Co.; L. F. Rothschild & Co.; Schwabacher & Co.; Shields & Co.; Smith, Barney & Co.; William R. Staats Co.; Tucker, Anthony & Co.; Union Securities Corp.; Weeden & Co. and Dean Witter & Co.

15,000,000 **Standard Oil Co. of California** serial (1.05%—2.20%) notes, due Aug. 1, 1946-1955. Purpose, corporate purposes. Price. 99¾. Offered by same bankers as offered the $25,000,000 2¾% debentures.

$ 40,000,000

LAND, BUILDINGS, ETC.

$ 245,000 **(The) Sisters of Mercy of Council Bluffs, Ia.** 1st ref. mtge. (3, 3½, 4%) serial bonds due Jan. 1, 1942-July 1, 1956. Purpose, refunding. Price, 101 for all maturities except July 1, 1956 which is 100½. Offered by B. C. Ziegler & Co.

MISCELLANEOUS

$ 60,000 **(Fred) Dold & Sons Packing Co.** 1st mtge. 3½% sinking fund bonds, due July 1, 1956. Purpose, refunding. Price, 101 and int. Offered by The Branch-McKinney Co.

*14,000,000 **Safeway Stores, Inc.** 3¼% 20-year debentures, due Aug. 1, 1961. Purpose pay bank loans, working capital. Placed privately with three insurance companies through Merrill Lynch, Pierce, Fenner & Beane.

$ 14,060,000

STOCKS

(Preferred stocks of a stated par value are taken at par, while preferred stocks of no par value and all classes of common stock are computed at their offering prices.)

OTHER INDUSTRIAL AND MANUFACTURING

$ 1,850,000 **Bell Aircraft Corp.** 100,000 shares of common stock (par $1). Purpose, working capital. Price, $18.50 per share. Offered by G. M.-P. Murphy & Co.; Schoellkopf, Hutton & Pomeroy, Inc.; Blyth & Co.; Hayden, Stone & Co.; Eastman, Dillon & Co.; Laurence M. Marks & Co.; Merrill Lynch, E. A. Pierce & Cassatt; Jackson & Curtis; Auchincloss, Parker & Redpath; Emanuel & Co. and Union Securities Corp.

125,000 **W. C. Lipe, Inc.** 25,000 shares of Class A stock (par $1). Purpose, working capital. Price, $5 per share. Offered by Barrett Herrick & Co., Inc.

3,500,000 **Masonite Corp.** 35,000 shs. cumulative preferred stock 4½% series (par $100). Purpose, refunding ($1,397,157), additions, working capital, etc. ($1,602,843). Price, 102 and div. Offered first for subscription to holders of 5% cumulative preferred stock. Unsubscribed portion offered by Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Beane; The Wisconsin Co.; Dean Witter & Co.; Central Republic Co. (Inc.); Wells-Dickey Co. and The Milwaukee Co.

$ 4,475,000

FARM LOAN AND GOVERNMENT AGENCY ISSUES

$ 25,420,000 **Federal Intermediate Credit Banks** ⅝% consolidated debentures dated Sept. 2 due $7,655,000 Mar. 2, 1942; $17,765,000 June 1, 1942. Purpose, refunding. Price, slightly above par. Offered by Charles R. Dunn, New York, fiscal agent.

ISSUES NOT REPRESENTING NEW FINANCING

$ 182,875 **American Machine & Foundry Co.** 15,400 share of common stock (no par). Price, $12⅜ per share. Offered by Merrill Lynch, Pierce, Fenner & Beane.

*175,000 **Arkansas Natural Gas Corp.** 17,500 shares of 6% preferred stock (par $10). Purchased and distributed privately by Allen & Co.

224,000 **Independent Pneumatic Tool Co.** 8,000 shares of capital stock (no par). Price $28 per share. Offered by Hallgarten & Co. and Blyth & Co., Inc.

198,504 **International Machine Tool Corp.** 18,380 shares of common stock (par $1). Price $10.80 per share. Offered by Reynolds & Co.; E. H. Rollins & Sons, Inc.; Alexander & Co., Inc.; Bond & Goodwin, Inc.; Burr & Co., Inc.; Cavanaugh, Morgan & Co.; Cohu & Torrey; J. H. Drass & Co.; Hill Richards & Co.; R. H. Johnson & Co.; Kalman & Co., Inc.; A. M. Kidder & Co.; Lester & Co.; McAlister, Smith & Pate, Inc.; Page, Hubbard & Asche; Henry C. Robinson & Co., Inc.; Wm. C. Roney & Co.; Straus Securities Co.; Stroud & Co., Inc.; Throckmorton & Gillen and Wyeth, Hass & Co.

8,437,500 **Libby, McNeill & Libby** 1,500,000 shares of common stock (par $7). Price, $5⅝ per share. Offered by Glore, Forgan & Co.; Harriman Ripley & Co., Inc.; Blyth & Co., Inc.; Dean Witter & Co.; Stone & Webster and Blodget, Inc.; Hornblower & Weeks; Hemphill, Noyes & Co.; Bankamerica Co.; Ladenburg, Thalmann & Co.; A. C. Allyn & Co., Inc.; Ames, Emerich & Co., Inc.; Bacon, Whipple & Co.; Arnhold & S. Bleichroeder, Inc.; Boettcher & Co.; Bosworth, Chanute, Loughridge & Co.; Brush, Slocumb & Co.; Burr & Co., Inc.; Bywater & Leary; Frank B. Cahn & Co.; E. W. Clark & Co.; Courts & Co.; Crago, Smith & Canavan; Paul H. Davis & Co.; R. S. Dickson & Co., Inc.; Francis I. duPont & Co. and Chisholm & Chapman (a single co-partnership); Elworthy & Co.; Emanuel & Co.; Equitable Securities Corp.; Fahey, Clark & Co.; Fred W. Fairman & Co.; Ferris & Hardgrove; Ferris Exnicios & Co., Inc.; Glenny, Roth & Doolittle; Graham, Parsons & Co.; Granbery, Marache & Lord; Green, Ellis & Anderson; Hallgarten & Co.; Hano & Co.; Carter H. Harrison & Co.; Hill Richard & Co.; W. E. Hutton & Co.; Illinois Co. of Chicago; Indianapolis Bond & Share Corp.; Jackson & Curtis; R. H. Johnson & Co.; Johnson, Lane, Space & Co., Inc.; Robert C. Jones & Co.; Kalman & Co., Inc.; A. M. Kidder & Co.; Kidder, Peabody & Co.; Laird, Bissell & Meeds; Lee Higginson Corp.; W. L. Lyons & Co.; Mahan, Dittmar & Co.; A. E. Masten & Co.; McDonald-Coolidge & Co.; Merrill, Turben & Co.; Metropolitan St. Louis Co.; The Milwaukee Co.; Mitchell, Hutchins & Co.; Mitchum, Tully & Co.; Moore, Leonard & Lynch; M. H. Murch & Co.; G. M.-P. Murphy & Co.; Newhard, Cook & Co.; O'Melveny-Wagenseller & Durst; Otis & Co.; Pacific Co. of Calif. Paine, Webber & Co.; Rauscher, Pierce & Co., Inc.; Reinholdt & Gardner; Reynolds & Co.; Riter & Co.; Salomon Bros. & Hutzler; Schoellkopf, Hutton & Pomeroy, Inc.; Schwabacher & Co.; Shields & Co.; Sills, Troxell & Minton, Inc.; Singer, Deane & Scribner; William R. Staats Co.; Starkweather & Co.; Stern Brothers & Co.; Stern, Wampler & Co., Inc.; Stix & Co.; Straus Securities Co.; Stroud & Co., Inc.; Sullivan & Co.; Tucker, Anthony & Co.; G. H. Walker & Co.; Webber, Darch & Co.; Weil & & Co., Inc.; Wells-Dickey Co. and The Wisconsin Co.

479,425 **W. C. Lipe, Inc.** 95,885 shares of Class A stock (par $1). Price $5 per share. Offered by Barrett Herrick & Co., Inc.

156,262 **Liggett & Myers Tobacco Co.** 1,817 shares common stock (par $25). Price $86 per share. Offered by Stifel, Nicolaus & Co., Inc.

59,850 **Liggett & Myers Tobacco Co.** 700 shares of common stock (par $25). Price, 85½ per share. Offered by Stifel, Nicolaus & Co., Inc.

764,750 **National Biscuit Co.** 46,000 shares of common stock (par $10). Price, $16⅝ per share. Offered by Shields & Co.

115,500 **Norwich Pharmacal Co.** 10,500 shares of common stock (par $2.50). Price, $11 per share. Offered by Merrill Lynch, Pierce, Fennet & Beane.

1,321,925 **Pennsylvania Water & Power Co.** 25,300 shares of common stock (no par). Price, $52¼ per share. Offered by White, Weld & Co.

375,000 **Scott Paper Co.** 10,000 shares of common stock (no par). Price, $37.50 per share. Offered by Drexel & Co., Smith Barney & Co. and Merrill Lynch, E. A. Pierce & Cassatt.

414,000 **(A. E.) Staley Manufacturing Co.** 4,000 shares cum. pref. stock (no par) $5 series. Price $103.50 per share. Offered by Smith Barney & Co.; The First Boston Corp.; Blair & Co., Inc. and Stifel, Nicolaus & Co., Inc.

725,000 **(A. E.) Staley Manufacturing Co.** 50,000 shares of common stock (par $10). Price, $14.50 per share. Offered by Smith Barney & Co.; The First Boston Corp.; Blair & Co., Inc. and Stifel, Nicolaus & Co., Inc.

6,581,250 **Standard Oil Co. (N. J.)** 150,000 shares of capital stock (par $25). Price, $43⅞ per share. Offered by Dillon, Read & Co. and associates.

8,376,682 **Standard Oil Co. (Ohio)** 186,667 shares of common stock (par $25). Price $44⅞ per share. Offered by F. S. Moseley & Co.; Smith, Barney & Co.; Lee Higginson Corp.; BancOhio Securities Co.; Blair & Co., Inc.; Blair, Bonner & Co.; Blyth & Co., Inc.; H. M. Byllesby & Co., Inc.; Coffin & Burr, Inc.; Curtiss, House & Co.; J. M. Dain & Co.; Eastman, Dillon & Co.; Estabrook & Co.; Fahey, Clark & Co.; Field, Richards & Co.; The First Boston Corp.; The First Cleveland Corp.; Goldman, Sachs & Co.; The R. F. Griggs Co.; Harriman Ripley & Co., Inc.; Harris, Hall & Co. (Inc.); Hawley, Shepard & Co.; Hayden, Miller & Co.; Hayden, Stone & Co.; Hornblower & Weeks; W. E. Hutton & Co.; Jackson & Curtis; Kidder, Peabody & Co.; McDonald-Coolidge & Co.; Laurence M. Marks & Co.; Merrill Lynch, E. A. Pierce & Cassatt; Merrill, Turben & Co.; Maynard H. Murch & Co.; Paine, Webber & Co.; Shields & Co.; Spencer Trask & Co.; White, Weld & Co. and Whiting, Weeks & Stubbs, Inc.

875,355 **Standard Stoker Co., Inc.** 44,890 shares of common stock (par $5). Price, $19.50 per share. Offered by Blyth & Co., Inc.; Hornblower & Weeks; H. M. Byllesby & Co., Inc.; Hawley, Shepard & Co.; Otis & Co.; Granbery, Marache & Lord; Minsch, Monell & Co., Inc.; Moore, Leonard & Lynch; Stroud & Co., Inc.; Vietor, Common & Co. and BancOhio Securities Co.

396,000 **Union Premier Food Stores, Inc.** 9,000 shares of $2.50 preferred stock (par $15). Price, $44 per share. Offered by Eastman Dillon & Co.

$ 29,858,878

Foreign Front

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creasing quantities of supplies, the report indicated. The training of Polish troops in Canada is being stimulated, and direct or indirect aid has been provided for the Dutch, Norwegians, Greeks, Belgiums, Icelanders and "the countries of this hemisphere."

President Roosevelt managed, in this report, to convey the sense of a quickening of American production in order to furnish "unstinted material aid to the countries fighting against Nazi aggression and tyranny." Such aid is not being supplied as an act of charity or sympathy, but as a means of defending America, the President said. He described it as an integral part in our great national effort to preserve our national security for generations to come, by crushing the disturbers of our peace.

"This country," Mr. Roosevelt proclaimed, "has evolved the greatest and most efficient industrial system in history. It is our task to turn the workshops of our industry into mighty forges of war — to outbuild the aggressors in every category of modern arms. Only in this way can we build the arsenal of democracy. On this task we are now engaged with ever increasing vigor. Planes, tanks, guns and ships have begun to flow from our factories and yards, and the flow will accelerate from day to day, until the stream becomes a river, and the river a torrent, engulfing this totalitarian tyranny which seeks to dominate the world."

Of the $7,000,000,000 lend-lease appropriation, some $6,250,000,000 has been allocated for specific materials and services, the report stated. More than $3,500,000,000 of legal commitments already have been made, and contracts soon will be placed for the entire $7,000,000,000 appropriation. Up to the end of August, all lend-lease defense articles transferred and services rendered came to $486,721,838. The latter sum comprised $190,447,670 of war supplies, $55,946,701 of articles transferred, some of which still are waiting to be shipped, $78,169,377 of services such as the repairing of naval vessels, and about $162,000,000 of expenditures for articles and services not yet completed.

Washington and Tokio

Progress again was lacking in the last week toward that rapprochement between Japan and the United States which is desired by each country on its own terms, and the difficulties of achieving such an understanding were examined anew. Diplomatic dispatches from the two capitals continue to be colored by cautious optimism. The only really hopeful thing that can be said, however, is that there still appears to be a chance of averting a conflict.

Japanese authorities were much relieved, according to Tokio dispatches, when President Roosevelt failed to mention their country in his radio address excoriating the European Axis Powers and announcing the protection of all merchant shipping in the ocean. This was regarded as an indication that conversations on mutual problems are progressing. No information so far has been made available respecting the communication sent some weeks ago by Premier Prince Fumimaro Konoye to President Roosevelt, and this aspect of Japanese-American relations is esoteric.

The hope obviously prevails in Washington that Japan can be alienated from the connection with the European Axis. It is instructive to note that the strictly controlled Japanese press has been less friendly to Germany and Italy, of late, and apparently more sympathetic toward Britain and the United States. Whether this reflects the real views of Japanese authorities remains to be seen. There is still no adequate explanation for the sudden intervention of Emperor Hirohito in political affairs. This has been assumed in the United States to reflect a trend toward more moderate measures.

But Japan now is so deeply involved in expansionism on the Eastern rim of the Asian continent that retreat seems highly unlikely. Unless the China adventure is given up or modified, agreement between Tokio and Washington is difficult to imagine, and if the Washington attitude were to change in the sense of condoning the aggression in China, then Japan probably would not stop her expansion in any case. There were rumors on Monday, in Bangkok, that Japanese civilians steadily are filtering into Thailand, which may or may not presage a move southward by the eager Japanese militarists. Most Far Eastern experts remain skeptical of a real military move southward, and adhere to the belief that Tokio will move against Siberia in the event of any German defeat of European Russia.

Russo-German Battles

Although the Russians continued in recent days to claim the winning of many battles in the conflict forced upon them by the Nazi aggressors, the course of the conflict suggests that at least a good part of the war is being won by the Germans. The vast struggle remains obscure, for the only clear fact is that both sides put forward reports which they deem suitable for their own propagandistic purposes. Careful study of the official and unofficial reports, and of the fragmentary items from independent sources, suggest that the Nazi have somewhat better support from their armies in this battle of communiques.

Far to the north the grim struggle for Leningrad continues, and it unquestionably presents one of the most sanuinary episodes in all the bloody war. Berlin claimed a slow and methodical advance of the German troops toward the encircled second city of Russia, while admitting that enormous difficulties and the sternest resistance were being encountered. Land mines by the thousands were planted by the defenders, and the Germans admitted that peculiar skill was being exhibited by the Communists in arranging their fortifications and tank defenses. But Berlin also said that the fate of Leningrad already is sealed. Moscow claimed the destruction of numerous Nazi tanks units south of Leningrad.

Two further incidents reflected the course of the battle in northern Russia. Efforts apparently were made by the Germans early this week to land large forces on the Russian-held island of Oesel, in the Baltic Sea. Moscow reported on Tuesday the smashing of the German contingents, and the sinking of at least five German transports and numerous smaller craft. London viewed this as a German attempt to make Oesel another Crete. Finland obviously was subjected to pressure from Washington and elsewhere to entertain peace overtures, now that all territory ceded to Russia last year has been regained. But Vaino Tanner, spokesman for the Finnish Government, denied any intention of seeking a separate peace, while conceding that only a defensive war and the securing of Finnish frontiers is desired.

Some 150 miles south of Leningrad another huge "battle of annihilation" was reported by the German High Command to have ended, Tuesday, in the destruction of nine Russian divisions. Moscow was silent as to this area, but if the German report proves correct, it can only mean a fresh opening wedge in the Nazi drive for positions deep within Soviet territory for the winter stand. Even Moscow would appear to be threatened if, as some military experts now suggest, the vast accumulated stocks of Russian war materials are running low.

Southward of the German salient around Smolensk, the Nazi seem to have countered successfully the Russian thrusts that were reported so hopefully from Moscow, up to a week ago. The Soviet had little to say about fighting in the Gomel-Smolensk area during recent days. But Kiev now appears to be threatened more directly than ever, through an actual or impending encirclement. Chernigov, north of Kiev, admittedly fell to the Germans last Saturday, and across the Dnieper through Kremenchug the Germans launched another attack which Moscow admitted was successful, this week. From these town north and south of Kiev, German Blitzkrieg fingers apparently were extended with lightning rapidity, for there were rumors in London, Tuesday, that the two forces had met and completed the encirclement.

German forces were driving eastward through the Ukraine in the south, as well as in the northern reaches of that Soviet area. That the Reich troops have established a number of bridgeheads across the lower Dnieper seems obvious, for moves were reported toward the Donetz Basin and the Crimean Peninsula. Any sizable German advance toward the Don naturally would endanger much of the Soviet industry still in Russian hands, and make just that much more difficult the continuation of an effective Russian defense. Odessa remained under siege, with all reports emphasizing the desperate nature of the battle for that port on the Black Sea.

Added to these matters was still another threat, this week, of German action against the Soviet defense. This concerns Bulgaria, which turned out in the Balkan episode to be a mere vassal State of the Nazi Reich. Moscow has accused the Bulgarians of permitting the Germans to establish a full scale base for military operations upon their territory. The incident recalled recent conversations at Sofia between Bulgarian authorities and the German Admiral, Erich Raeder. There is at least a possibility that plans are being pushed for a German sea offensive across the Black Sea, from Rumanian and Bulgarian bases. If the conflict continues on its present course, a Nazi assault upon the caucasus during the coming winter would seem feasible.

Battle of the Atlantic

Emphasis in the war between Great Britain and the German Reich tended to shift this week to the Atlantic, notwithstanding fresh raids on a prodigious scale by British fliers against the German-held invasion coast and many cities within the Reich, itself. There was no relaxation of the British effort to bomb the German military concentrations and the industrial establishment of the Nazis. Weather conditions were poor at times, but this merely modified the activities. Raids were conducted from France to Norway, and much damage unquestionably was done the Germans.

But the deadly activities of German submarines, surface raiders and aerial bombers seemed once more to be on the increase in the Atlantic, making it quite possible that even the vast United States Navy will have a trying task on its hands in safeguarding mechant ships in accordance with the policy accounted by President Roosevelt. Submarine activity depends partly upon weather conditions, and the period now is at hand when these vessels can lie on the surface at night and recharge their batteries for daytime assault from under the surface. Indicative is a German claim, last Friday, that 22 ships in a convoy had been sunk in sustained attacks, the figure later being raised to more than 30 ship sinkings, London announced the arrival of an attacked convoy, last Sunday, after a loss of eight ships.

In consequence of President Roosevelt's pronouncement, extensive changes in the shipping arrangements, plainly are indicated, but the possibility also arises of extensive alterations in the Nazi plan of attack against the British life line across the Atlantic. The arrival of numerous British merchant ships in New York, early this week, suggests that trans-shipment at Halifax will be modified, now that American naval vessels are to take up the protection of all shipping. This, however, may be a signal for the Germans to extend their attacks throughout the passage from United States ports to British ports. In such an event, the danger of "incidents" leading to the formal involvement of the United States in the European war will be increased.

Near and Middle East

Together with other factors, cooler weather contributed this week to a heightening of military activities in the vast stretch from the Mediterranean to the Middle Eastern Kingdom of Iran. The portents were not entirely pleasing, for the German-Italian Axis appeared to have the initiative in some important respects. The struggle along this British lifeline to the East is certain to become desperate, if Russia is unable to hold out against the Nazis, and the current events have a corresponding significance.

Despite strenuous efforts by the British Navy in recent weeks to prevent the landing of sizable Axis contingents in northern Africa, it now appears that large forces of Germans and Italians are on hand in Libya. These contingents, moreover, are equipped with Blitzkrieg supplies, for a 35-mile thrust by Axis tank units into Egypt was reported by the British Command in Cairo, Monday. The attack was easily repulsed, it was stated, but the fact that it was attempted is highly important. British forces are known to be sizable in the Western Desert area, and the assumption heretofore has been that they, rather than the Axis forces, would take the offensive.

Airplane bombing in the Mediterranean region is on the increase by both sides. British fliers raided Italian cities and the Libyan ports again and again, in recent days, but the Axis airplanes soared frequently over the Suez waterway and there is no disputing the damage done, since the American ship Steel Wayfarer was sunk in such waters. The possibility of a sharp Axis drive against Egypt and the Suez Canal puts in a better light the British action against the French mandated territory of Syria, which on Tuesday was proclaimed free and independent by the Free French troops who accompanied the British in their invasion.

Farther to the East, the ancient land of Persia, now known as Iran, was in turmoil. British and Russian forces occupied strips of Iran several weeks ago, on the pretext of German influence, but actually to secure the rail line from the head of the Persian Gulf into the Russian Caucasus. Anglo-Russian demands that Iran hand over all Germans in that country were not met with alacrity by the regime at Teheran, and troops of the Allies thereupon were reported to have started a march upon the capital, Tuesday. Shah Riza Khan Pahlavi abdicated the throne in favor of his son, Prince Shaphur Mohammed Riza, as the Anglo-Russian forces began to move. The degree of opposition to be overcome by the Allies thus remains uncertain.

Seething Europe

That all of the conquered and invaded nations of Europe currently are on the verge of revolt against the hated Nazis is suggested by reports from various centers, including Berlin. Opposition to the Germans has become general since the Russian resistance showed the way. It is not clear, however, whether the tendencies have any real military or diplomatic significance. The Germans are rumored to have from 500,000 to 800,000 men stationed in Western Europe, to ward off any British invasion attempt and to control the rebellious populace. This well armed force probably is adequate, as against the unarmed multitudes of discontented people in France, the Low Countries, Norway and elsewhere.

Attacks against Germans in the Paris area caused retaliatory measures by the German militarists, three French hostages being shot last week, while ten more were executed last Tuesday. Extensive strikes were reported in Norway, and martial law prevailed for a time. It was rumored in neighboring Stockholm that several Norwegians were executed by the Nazis before order could be restored. Troubles of a like nature were noted in Holland and Hungary. Serbian guerrillas made life miserable for many of the occupying Germans in the Balkans, and the Greeks are adepts at crossing their conquerors.

There is, unfortunately, no central directing force for these varied and distant revolts against the Nazis. From the strictly military viewpoint, it is easy to exaggerate the importance of the occurrences. In any long-range view, on the other hand, it would be impossible to over-estimate the significance of the gathering hatred for the German Nazis in the hearts of the conquered and occupied countries.

Effects Of Wage Increases

Distributors Group, Inc., 63 Wall Street, New York City, has prepared a study of the railroad industry, analyzing the probable effects of wage increases now pending. Copies of the analysis may be had from Distributors Group upon request.

Items About Banks, Trust Companies

What is claimed to be the world's first airport banking office was officially opened on Sept. 8 by the Empire Trust Company of New York at LaGuardia Airport, New York City, Mayor Fiorello H. LaGuardia was present and made the first deposit. The office was inspected by major airline and city officials and then placed at the service of the public. It is located on the lower rotunda of the Administration Building at LaGuardia Field and is a completely equipped banking office ready to serve the thousands of airport and airline officials and personnel as well as those of the million passengers who stream yearly through this busiest of airline terminals.

In commenting upon the new office Henry C. Brunie, President of Empire Trust Company, said that it was another identification of the bank with the growth and changes which are so constantly a part of the life of Greater New York. The officer in charge will be W. Barton Baldwin, Jr., a well-known private flier who is an Assistant Secretary of Empire Trust Company.

The Board of Trustees of The New York Trust Company on Sept. 9 elected John E. Bierwirth as President to succeed Artemus L. Gates, whose resignation was accepted following Mr. Gates' confirmation by the Senate on Sept. 3 as Assistant Secretary of the Navy for Aeronautics. Mr. Bierwirth has been a Vice-President of the bank for nearly twelve years. Prior to that, he was Vice-President and Director of Thompson-Starrett Co., Inc. of New York, contractors and builders, following his service in the American Expeditionary Force. From the inception of his association with the trust company, Mr. Bierwirth has been a Senior Vice-President, active in all phases of its business, particularly as a commercial banker. Born in Brooklyn, N. Y., in 1895, Mr. Bierwirth was graduated from The Hotchkiss School in 1913 and received his A. B. degree from Yale University with the class of 1917.

Mr. Bierwirth is a Director of the Consolidated Gas and Electric Co. of Baltimore, Pennsylvania-Dixie Cement Co., the Bridgeport Brass Co., and a number of other corporations. The appointment of Mr. Gates as Assistant Secretary of the Navy for Aeronautics was noted in our issue of Aug. 30 page 1218.

At a special meeting of the stockholders of Manufacturers Trust Co., New York City, which was held Sept. 3 approval was given for the merger of The Mortgage Corporation of New York into Manufacturers Trust Co. Regarding this action the bank's announcement said:

The stockholders also authorized an amendment to the certificate of incorporation increasing the authorized capital stock of the company from \$47,606,180 to \$48,116,180 so as to create 15,000 additional shares of the convertible preferred stock for issuance to the stockholders of The Mortgage Corporation of New York pursuant to the merger agreement, and to create 10,500 shares of common capital stock required to be reserved against conversion of such additional shares of convertible preferred stock, such amendment to be executed and filed upon the merger becoming effective.

M. J. Fleming, President of Federal Reserve Bank of Cleveland, announced on Sept. 6 that The Bank of Elmore Company, Elmore, Ohio, has been admitted to membership in the Federal Reserve System. This is the 17th State bank that has been admitted to membership in the Fourth Federal Reserve district within the past year. The bank was organized in 1907, with a capital of \$25,000, and was reorganized following the banking holiday in 1933. Since that time the growth of the bank has been consistent and deposits are now in excess of \$900,000. The officers of the bank are: L. R. Magee, President; and Leo E. Momenee, Cashier and Secretary; R. A. Willett, First Vice-President; C. J. Kuhlman, Second Vice-President; John W. Truman, Assistant Cashier and Assistant Secretary; and Ida E. Weis, Assistant Cashier.

The Federal Reserve Bank of New York has leased from Sixty Wall Tower, Inc., two entire floors in the building at 70 Pine Street, comprising about 50,000 square feet of floor space. It is said that the bank's extra activities, brought about in part by the European war, made necessary the acquisition.

Frederick J. Raskopf has been elected an Assistant Treasurer of the Marine Midland Trust Co., New York City. He has been in the company's department since 1926.

Arthur S. Kleeman, President of the Colonial Trust Co., New York City, announced on Sept. 4 the appointment of John J. Brennan as auditor of the company, a newly created post. Mr. Brennan has been with the bank since its organization.

Jeremiah D. Maguire, President of the Federation Bank and Trust Co., New York City, announces the election of Thomas M. Keresey as a member of the Board of Directors of the bank. Mr. Keresey recently announced his resignation as Vice-President of the advertising firm of Lord & Thomas.

The first annual Flower Show held under auspices of City Bank Club on the ground floor of the City Bank Farmers Trust Company Building closed on Sept. 5, after attracting thousands in the financial district with its 315 exhibits, all entered by officers and employees of The National City Bank of New York and City Bank Farmers Trust Company. Lindsay Bradford, President of City Bank Farmers Trust Co. and National Executive Vice Chairman of the United Service Organizations, opened the Show officially on Sept. 4. The Chairman of the Flower Show Committee, H. Dewey Mohr of the bank's Credit department, is a prominent dahlia grower in Rockville Centre, L. I. and a Vice President of the American Dahlia Society.

Charles F. Nagel has been appointed an Assistant Treasurer of the Provident Trust Company, of Philadelphia. Mr. Nagel has been associated with the institution since 1924. He is a director of the Philadelphia chapter of the American Institute of Banking and a member of the board of governors of the Philadelphia chapter of the Robert Morris Associates.

The New York State Banking Department on Sept. 2 authorized the Lincoln-Alliance Bank and Trust Co., Rochester, N. Y., to open a branch office at 621 Titus Ave., Irondequoit, N. Y. The Department, at the same

(Continued on page 222)

Lease-Lend Materials Will Not Be Used To Compete With American Exporters

Assurance that lease-lend materials have not and will not be used in unfair competition with American exporters in world markets were given to the United States by Great Britain on Sept. 10, according to United Press accounts from Washington which said:

The assurance was contained in a memorandum by British Foreign Minister Anthony Eden, which was transmitted to the State Department by John G. Winant, United States Ambassador to London. Secretary of State Cordell Hull said the document was inspired by misunderstanding about the extent and nature of British exports.

He explained at a press conference that the memorandum represented a written record of what the British and American governments were undertaking to do co-operatively in the field of foreign trade under war conditions.

The advices from which we quote stated that the pledge failed to satisfy Senate critics of the lease-lend program. The United Press further said:

Publication of the memorandum coincided with a statement by Federal Loan Administrator Jesse Jones that the flow of American war materials to Britain may have to be curtailed to permit increased shipments to Russia.

"It is perfectly natural that we will have to spread the butter a little thinner," he told reporters.

"If much more goes to Russia, less will have to go to the British. We should help Russia all we can."

Mr. Jones doubted reports that the British had underbid American steel producers on certain structural materials used in a huge new steel plant in Brazil being built under an American subsidy. He revealed also that securities which the British have put up as security for a $425,000,000 loan from the Reconstruction Finance Corporation would be sold gradually in order to obtain the best possible prices for them.

Meantime, President Roosevelt prepared to send to Congress tomorrow a report on lend-lease shipments during the past 90 days. Such a report is mandatory under the lend-lease law.

Mr. Eden's memorandum struck at two reports usually heard when the aid program is under fire. They are: (1) That Britain is exporting lend-lease materials to South America and other markets to continue a "business-as-usual" policy during the war, and (2) that British exporters are taking advantage of a shortage of certain materials for commercial use by American exporters to consolidate their position in world markets.

The memorandum from Mr. Eden to Mr. Winant made these points, according to Associated Press London advices:

1. All materials the British obtained under lease-lend are required for prosecution of the war effort and the British Government promises to continue to take action to prevent diversions to the furtherance of private interests.

2. Lease-lend material has not been used and will not be used by the British for export.

3. The British "have not and will not apply any materials similar to those supplied under lease-lend in such a way as to enable exporters to enter new markets or extend their export trade" at the expense of United States exporters.

4. From its promise not to re-export lease-lend material, the British Government made an exception of special cases such as parts to complete installations already under construction.

5. The British promised to control distribution of lease-lend goods in the United Kingdom so that there "will be no more than a fair return for services rendered in the work of distribution," and this will be mainly through Government agencies.

6. No food obtained through lease-lend will be sold at uncontrolled prices.

7. Free distribution of such goods as milk products will be adopted in some cases.

The pledge to the United States was announced, it is stated, in a White Paper laid before the British Parliament setting out principles which should govern the use and distribution of lend-lease materials.

Roosevelt Again Orders Employment Discrimination Cease In Gov't Offices

President Roosevelt on Sept. 6 once again took action toward the elimination of employment discrimination in the Federal Government when he instructed the "heads of all departments and independent establishments" of the government to take immediate steps to assure "that in the Federal service the doors of employment are open to all loyal and qualified workers regardless of creed, race or national origin."

The President's action was based upon a recommendation received from Mark Ethridge, chairman of the Fair Employment Practice Committee, which was set up in the Office of Production Management, by executive order on June 25, to investigate the problems of minority groups, particularly discrimination against Negroes. In a letter to Mr. Ethridge, which was made public Sept. 6, the President emphasized "the necessity of impartial administration of the Federal Civil Service" and thanked the committee for its "conscientious work."

In his letter to the heads of departments and agencies he said:

It has come to my attention that there is in the Federal establishment a lack of uniformity and possibly some lack of sympathetic attitude toward the problems of minority groups, particularly those relating to the employment and assignment of Negroes in the Federal civil service.

With a view to improving the situation, it is my desire that all departments and independent establishments in the Federal government make a thorough examination of their personnel policies and practices to the end that they may be able to assure me that in the Federal service the doors of employment are open to all loyal and qualified workers regardless of creed, race or national origin.

It is imperative that we deal with this problem speedily and effectively. I shall look for immediate steps to be taken by all departments and independent establishments of the government to facilitate and put into effect this policy of non-discrimination in Federal employment.

Creation of the Fair Employment Practice Committee to prevent discrimination in defense work was reported in our issue of June 28, page 4050.

Items About Banks, Trust Companies

(Continued from page 221)

time, issued a certificate authorizing this branch to operate a personnel loan department.

The Montrose Industrial Bank, Brooklyn, N. Y., received permission from the New York State Banking Department on Sept. 2 to increase its capital stock from $150,000, consisting of 7,500 shares of the par value of $20 each, to $175,000, consisting of 17,500 shares of the par value of $10 each, it is learned from the Department's "Weekly Bulletin" issued Sept. 5.

The Pennsylvania Company for Insurances on Lives & Granting Annuities, of Philadelphia, announced on Sept. 3 that a special meeting would be held on Nov. 3 at which stockholders will be asked to approve a capital increase and an offering of stock to shareholders.

A letter to stockholders from William Fulton Kurtz, President of the institution, said approval will be asked for an increase in authorized capitalization from 840,000 to 1,000,000 shares.

The letter said:

"It is the present intention of the board of directors, as and when conditions appear favorable, to offer all of these additional shares to the shareholders for subscription pro rata at a price at or about the then current market price, any shares not subscribed by shareholders to be taken up by prearrangement with other responsible purchasers."

In his letter, Mr. Kurtz also advised stockholders:

"Our capital surplus and undivided profits (excluding reserves) presently aggregate $22,000,000, and you may ask why it is desirable to add to these funds through the sale of additional shares.

"The reason is that during the several years before and after the nation-wide banking crisis of 1933, our capital funds were substantially reduced by losses on loans and by depreciation of other assets, and since then, the current growth of our business and the increasing demand for our services warrant a more substantial addition to capital funds than can reasonably be expected from recoveries and from undistributed earnings and profits except over a period of years."

The Columbus Trust Co., Newburgh, N. Y., and the Sullivan County Trust Co., Monticello, N. Y., have become members of the Federal Reserve System, it is announced by the Federal Reserve Bank of New York. These new members represent the 31st and 32nd banks in the Second (New York) District to be admitted to membership in the Reserve System thus far this year. The Columbus Trust has assets approximating $4,900,000, while the Sullivan County Trust has assets of about $1,015,000.

Officers of the Columbus institution include James J. Flanagan, President; William K. Jerome, Secretary, and Barclay Van Cleft, Treasurer. W. H. Peters is President of the Sullivan County Trust Co. and J. J. Grubs is Vice-President.

Arthur W. Spolander, Vice-President and Trust Officer of the Peoples National Bank of Brooklyn in New York, was elected a director of the bank at a Meeting of the Board of Directors held on September 9. He fills the vacancy due by the death of the late Dr. Henry L. Schelling.

The retirement of J. Vion Papin as Head of the Statistics and Library Department of the Federal Reserve Bank of St. Louis, effective Sept. 1, was announced on Aug. 29. The announcement said that the retirement is in accordance with the provisions of the Federal Reserve Retirement System. Prior to joining the St. Louis Reserve Bank, Mr. Papin had served the St. Louis "Republic" from 1899 to 1920, the last 15 years as commercial and financial editor. From the announcement of Aug. 29 we also take the following:

Mr. Papin came to the Federal Reserve Bank of St. Louis as Statistician on April 19, 1920. One of his assignments was the preparation of the Monthly Review of Business and Agricultural Conditions in the Eighth District, which is furnished to banks, business men and others. For a time he also served as Acting Assistant Federal Reserve Agent, in addition to his regular duties.

The addition of the Community Bank, Steelville, Mo., and the State Bank of Salem, Salem, Mo., to membership in the Federal Reserve System brings the total membership of the Federal Reserve Bank of St. Louis to 430. Since the beginning of 1941, fourteen State banks in the St. Louis District have joined the Reserve System. The Community Bank, which was admitted to membership on Sept. 8, has a capital of $25,000, surplus of $15,000, and total resources of $478,940. C. M. Fitzgerald is President and Chairman of the Board. The State Bank of Salem, admitted on Sept. 6, has a capital of $100,000, surplus of $25,000, and total resources of $1,252,667. It is headed by Lee L. Persise.

Obituaries

William L. Walz, Michigan banker and Treasurer of the Democratic State Central Committee, died at his home in Ann Arbor, Mich., on Aug. 30, at the age of 67. Mr. Walz was stricken following an attack of indigestion suffered by his wife. Mrs. Walz died on Sept. 1. The following bearing on Mr. Walz's career is from Ann Arbor advices, Aug. 31, appearing in the Toledo (Ohio) "Blade":

Mr. Walz, who on June 2 observed his 50th anniversary in banking, was President of the Michigan State Bankers Association in 1936-37 and in 1936 declined an appointment as State Banking Commissioner. He was Mayor of Ann Arbor from 1909 to 1913.

Mr. Walz worked up from messenger to President of the Ann Arbor Savings Bank and in 1935 became Vice-President of the Ann Arbor Savings and Commercial Bank when three banks were merged here. He also was President of the Ann Arbor Federal Savings and Loan Association. He had been Democratic County Chairman continuously since 1912 except for one two-year period.

Livingston Erringer Jones, President of the First National Bank of Philadelphia, Pa., died on Aug. 30, in a hospital in Jackson, Wyo., following an operation for appendicitis. Mr. Jones, who was 63 years old, was stricken Aug. 19, while visiting a daughter at Cora, Wyo. A native of Germantown, Pa., Mr. Jones was educated at the William Penn Charter School and Princeton University, having graduated from the latter in 1899. In that year he entered business with Reeves, Parvin & Co., a wholesale grocery firm, remaining with them until 1913 when he became President of the Savings Fund Society of Germantown. He was made President of the First National Bank of Philadelphia in 1922. As to other capacities in which Mr. Jones served during his career, we take the following Philadelphia advices, Aug. 30, from the New York "Times" of Aug. 31:

In 1931 Mr. Jones was chosen one of 12 men, one from each Federal Reserve District, to serve on the board of directors of the National Credit Corporation, a huge credit pool formed at the suggestion of President Hoover, to serve financially distressed banks.

Florriman Moulton Howe, President of the Industrial Trust Co., Providence, R. I., died on Sept. 5 at the Jane Brown Hospital, Providence. He was 62 years old. Mr. Howe, a native of Hudson, Mass., spent his entire business career in the banking field. The following account was contained in the Providence "Journal" of Sept. 6:

He entered the employ of the Old Colony Trust Company of Boston in September, 1900, and served that institution in various capacities for 14 years.

On Oct. 29, 1914, he resigned to become Cashier of the Federal Reserve Bank of Boston. In the next several years, he was instrumental in organizing the newly-formed Federal Reserve System and took an active part in the World War Liberty Loan drives which entailed a vast amount of work for Federal Reserve officials.

Mr. Howe came to Providence on Jan. 2, 1918, as Vice-President and Director of the Industrial Trust Company.

Six years later, on Jan. 15, 1924, he was elected President of the institution to succeed the late H. Martin Brown, who had declined re-election.

In addition to his presidency of the trust company, Mr. Howe was President and director of the Industrial Safe Deposit Co. and the Industrial Holdings Co.

He never lost interest in the work of the Federal Reserve system. He was the member from Rhode Island of the Stockholders' Advisory Committee of the Federal Reserve Bank of Boston.

Charles Leo Clune, a Second Vice-President of the Chase National Bank, New York City, died at his home in Yonkers, N. Y., on Sept. 2, at the age of 52. A member of the New York bar for 25 years, Mr. Clune had been associated with the Seaboard National Bank and the Equitable Trust Co. before joining the Chase National Bank.

Harrison H. Riddleberger, an Assistant Cashier of the Bank of the Manhattan Company, New York City, in the personal loan department, died on Sept. 7 at his home in New York City. Mr. Riddleberger was born in Virginia, the son of the late United States Senator H. H. Riddleberger, of Virginia. He was graduated from George Washington University and practiced law in Norfolk, Va., before coming to New York as counsel for the Industrial Finance Company, the parent company of the Morris Plan banks. He later was associated with the Gotham Industrial Bank and the Underwriters Trust Company before joining the Bank of the Manhattan Company in 1936.

Says Greater Diversion To Defense Work Of Productive Effort Is Urgently Needed

"A greater diversion to defense work of the productive effort of the consumers' durable goods industries, including labor, management and machines, is urgently wanted," according to the September "Monthly Bank Letter," of the National City Bank of New York, issued Sept. 2, which in part also says—

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Critics of the defense effort maintain that the boom in automobiles, refrigerators and similar articles has already lasted too long. . . . Everyone agrees that armament production should have full priority, and that diversion of productive capacity to defense work should be pushed to the utmost. However, there is another side to the opinion represented by the above criticism. It will bear repeating that in many cases the adaptation to armament production of existing factories and equipment, which were built to make peace-time goods, was impracticable, or so difficult and costly that it has been more efficient to build new factories and install new machinery especially for armament use.

This being so, it is questionable whether arbitrary curtailment of consumers' durable goods output, during the period while the armament effort was being planned and the defense factories built and tooled, would not have proved premature and unnecessarily depressing. In the main, there was no other employment for the machines or the labor until the defense program was further along.

Now that the defense factories are reaching the production stage, a substantial curtailment of consumer goods output can take place without causing grave unemployment and distress. At the same time consumers are well stocked with these goods. It is agreed in many of the industries affected that there would be a natural falling off in demand during the next 12 months in any case, because buyers have anticipated their wants.

One of the government agencies is said to have predicted that 5,000 to 6,000 factories may be affected by materials shortages, and Mr. Henderson has stated his belief that the number of workers involved, and in part facing temporary unemployment, might exceed 2,000,000. Of course this does not signify that the curtailment will come uniformly or overnight, or that it will necessarily develop more rapidly than the labor, or most of it, can be absorbed in defense work. In many cases manufacturers still have good stocks of materials on hand, accumulated during the past year, and these stocks will cushion the effects of the priorities while the shift to defense work goes on.

In the aggregate, the effect of the materials shortages evidently will be to apply a brake to the expansion of production, and to change the pattern of industrial activity by the shift from civilian to armament work, but the continuous growth of the defense program provides assurance against any general recession.

At the outset of its Comments the bank says:

The developments of the past month have supplied further indications that the business situation is moving into a new phase. Heretofore defense and non-defense production have been rising together, but the uptrend in non-defense activity, which has brought the output of consumers' goods to the highest levels ever reached, evidently is drawing to a close. This is the expected effect of the increase in defense requirements, priorities, ocean transport congestion, and restriction of civilian consumption in order to build up supplies of strategic materials.

Government Cotton Report

Prospects for this year's cotton crop declined by 107,000 bales during August according to the September 1 estimate of the Department of Ariculture, which places the crop at 10,710,000 bales, the smallest since 1935 and more than 2,500,000 bales under the ten year (1930-1939) average of 13,246,000 bales. A somewhat greater decline had been generally expected, as private forecasts issued only a few days before the government's report had averaged only about 10,600,000 bales and one was as low as 10,292,000 bales. The better than anticipated government estimate had however only a momentary depressing influence in the markets, prices rising later the same day to the highest in twelve years.

Considering the huge carryover of the staple at the start of the current season (12,250,000 bales) it would not seem reasonable that a difference of 100,000 or 200,000 bales in the prospective supply should regarded as a consequential factor. As a matter of fact, the question of supply and demand is distinctly secondary as a market consideration to the 85% of parity loan rate, made mandatory by recent legislation. With this law on the books economic factors hardly matter marketwise. Another law passed by Congress last month, but fortunately vetoed by the President, would have gone further to create an artificial value for cotton, as well as wheat, by freezing indefinitely the amounts of these commodities in which the Commodity Credit Corporation has an interest.

More stress is laid in governmental circles upon the maintenance of the cotton farmer's income than in placing his occupation upon a sound economic foundation. Cotton state congressmen seem to believe that the nation's economic welfare is benefitted by a handout to the producer, regardless of whether his product retains its market. Actually such a policy is not even to the producers ultimate advantage. Sound consideration of the problem must necessarily involve keeping American cotton in a competitive position in world markets and within the reach of domestic consumers.

It is a well-known fact that in the past season our exports of cotton have dropped to only 1,083,505 bales from 6,191,712 bales in the preceding season. Responsibility may be laid in large part, of course, to the war prevailing over a large portion of the world. But this factor is not the only one, for our export loss has been much greater than that of the world's exporting nations as a whole. This is evidenced by the fact that in the 1940-41 season we dropped to third position among cotton exporting nations from first in the preceding season. Exports of low priced British Indian and Brazilian cotton last season surpassed American cotton, whereas in the preceding year our shipments were about equal to those of all other exporting nations combined.

From Washington

(Continued from First Page)

ing feuds where the participants always profess the utmost friendship towards the other. In the case of Baruch, he is not in a position, while smiling, to give the President a rapier thrust. But the President does do that frequently to him.

This writer is convinced from long observation that Mr. Roosevelt is just about as determined as he is to defeat Hitler, not to let Barney Baruch get any "honor" or "credit" out of his administration. Baruch, in fact, is one of the President's complexes. He will let him come into lunch; he will sit and talk with him and say "yes, yes," but whenever the suggestion arises that Baruch is helping him he promptly sits on the idea.

We were present at a scene which made a very firm impression upon us at Warm Springs, Ga., in the winter of 1932-33, in the interim of Mr. Roosevelt's election and inauguration. In the morning we newspapermen had met Baruch at the hotel and asked him what brought him to Warm Springs. Immediately there ran through our minds that he was being considered for a cabinet position or some other high post in the Roosevelt administration.

Baruch explained that he had been visiting at his place in South Carolina and had returned East when the President-elect asked him to return to Warm Springs. That afternoon we went to Mr. Roosevelt's cottage for our daily press interview and Baruch was sitting there with Mr. Roosevelt. We asked him if he could say anything about the financier's visit.

Roosevelt looked straight at him and replied, in effect: "Why, Barney was over at his South Carolina place and asked if he might drop by. That's all there is to it."

Baruch grinned.

Subsequently we were told by those who professed to have known the Roosevelt mind for a long time that there was one thing we could depend upon, and that was, that Baruch would never play any real part in the Roosevelt administration. The feeling with which we were given these assurances was marked.

Of course, Baruch had been an anti-Roosevelt man before Chicago 1932. But he had come in and contributed handsomely in the subsequent campaign.

During the past eight years, he has been speculatively mentioned for nearly every important vacancy that has come up in the New Deal. This writer has always been convinced that he would never land anywhere.

His intense efforts now to be of some service in the present crisis recalls the efforts of General Leonard Wood to go to France in the last World War and Wilson's determination that he should not go.

It is just an interesting study of men who do things, that's all.

Leon Henderson's close friends are advising him to back off his efforts to get price fixing legislation through Congress. They contend he is heading for trouble and that if the legislation should be passed, Congress is likely to do everything it can to subordinate him. Henderson, despite his success up-town, has a way of rubbing Congress the wrong way. For one thing, he has expressed his contempt for some of the members, notably Martin Dies who insists he has a lot of Leftists in his set-up. And many members of Congress, chafing over their impotency, are just looking around for someone on whom to vent their spleen.

Mr. Roosevelt needs Congress occasionally. He will need it for his second lend-lease appropriation. It is amazing how little he has come to need it, but then on occasions he does need it. There is quite a bit of feeling at the Capitol to make Leon's scalp the price of any further major legislation.

Henderson could go right ahead as the price czar and by bull dozing and with the tremendous machinery in the hands of the executive branch, probably be just as effective without legislation as with it. Any legislation that comes forth is more likely to check him.

At long last, there are indications that Mr. Roosevelt may make a serious effort to get the Neutrality Act repealed. If it should be, it would relieve one of the most incongruous situations in which this Government has ever been placed. Mr. Roosevelt periodically reaffirms our traditional claim to the freedom of the seas. The Neutrality Act expressly foresakes it for the duration of the war. Yet it is doubtful, so illogical is Washington these days that it can be repealed.

Roosevelt Tells Brazil No Nation Is Safe Against Current Aggression And Conquest

President Roosevelt, in a message congratulating the people of Brazil on the 119th anniversary of their independence, declared on Sept. 7 that "no nation is safe" against aggression and conquest, which "are now grinding hither to great, happy and peaceful nations into the most abject misery and poverty." The President also said that "never was the world more in need of a re-establisnment of the ideals of peace and justice for which Brazil has so constantly stood." The President observed that "Brazil's policies have constantly been based upon continental friendship and solidarity"; he added that "the United States is in accord with Brazil in these principles; it will continue to support them with all its moral and material resources."

Mr. Roosevelt's message was read in Portuguese in his behalf by Carlos Martins Pereira de Souza, the Brazilian Ambassador, on a short-wave broadcast to Brazil.

The text of the message follows:

On this memorable date we in the United States of North America join with you, the government and people of Brazil, in commemorating the "grito de Ypiranga"—that resounding assertion of Brazilian independence which was so eloquently voiced by Dom Pedro.

This spirit of independence makes us kindred peoples who can understand, appreciate and respect each other's feelings and mainsprings of action. The further ties that bind us in friendship and mutual interest are many and strong. They are also ancient and enduring.

Brazil has shown constant devotion to the sentiment of fraternity toward all her sister nations of the Americas, in deed as well as in word. Brazil has steadily rendered service to the cause of peaceful arbitration. Brazil harbors no aggressive designs against any nation. Brazil's policies have constantly been based upon continental friendship and solidarity. The United States is in accord with Brazil in these principles; it will continue to support them with all its moral and material resources.

Because of this fundamental sympathy of spirit and purpose, President Vargas's recent greeting of friendship upon the occasion of our own Independence Day was particularly touching to the hearts of the people of the United States. Because of it, also, it is deeply gratifying to me to return this greeting on behalf of the people of my country on this anniversary of Brazil's emergence as an independent force devoted to the principles of justice and fraternity among independent nations —an emergence which we are proud of having been first to recognize.

Aggression and conquest are now grinding hitherto great, happy and peaceful nations into the most abject misery and poverty. No nation is safe against them. Never was the world more in need of a reestablishment of the ideals of peace and justice for which Brazil has so constantly stood. I know that they will always receive support from a Brazil always growing in prosperity and prestige.

In a radio broadcast from Rio de Janeiro, upon the occasion of the independence anniversary, President Getulio Vargas said on Sept. 7 that nations which wish to remain free must submit to "armed vigilance" and that the armed might of America would be used to repulse aggression "from wherever it may come." This is learned from United Press accounts which likewise quoted President Vargas as follows:

"The arms of America are defensive; they will not be used to attack any one," the President said. "It is not the spirit nor the policy of the Americas to attack any people or to violate the rights of others. But in the hearts of all, from the coast of the Pacific to the Atlantic, there is an unbreakable sentiment of continental patrimony. Any aggression, from wherever it may come, finds us forming the most numerous bloc of nations ever constituted into a defensive alliance.

"We are a pacific nation and our greatest aim is to remain outside the terrible contingencies of war. But we cannot foretell occurrences or under what conditions we will be called upon to participate or what will be demanded from us in the violent reform of the civilized world."

He said that the Brazilian nation "understands and applauds" the attitude so far maintained by the government and that the "same serenity must continue to be observed in this armed vigilance which all countries which wish to remain free and sovereign must submit to."

"We pledge ourselves not to allow anything to disturb the peace of our homes, our order, our work, and our constant drive toward progress," President Vargas said. "These words of confidence to the Brazilians can also be heard by the other peoples of America. National unity is the first step toward continental unity."

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Secretary Wickard Announces Farm Production Program To Meet Domestic, Other Needs

A farm production campaign for 1942 providing for a complete mobilization of American agriculture to adjust production to domestic needs for national defense and to the needs of the nations resisting aggression, was announced on Sept. 8 by Secretary of Agriculture Claude R. Wickard. The campaign will be under the supervision of State and county USDA Defense Boards which are made up of representatives of all Department of Agriculture agencies in the field.

Production goals for 1942 and the part which agriculture will be called upon to play in the defense effort will be discussed with farmers and farm leader in four regional agricultural defense conferences (as noted in these columns Aug. 30, page 1220), scheduled for Salt Lake City Sept. 15 and 16, Chicago Sept. 18 and 19, New York City Sept. 24 and 25, and Memphis Sept. 29 and 30.

"For the first time in the history of agriculture in this country," said Secretary Wickard, "production goals for all essential farm commodities have been established. They have been established on the basis of a thorough canvass of the needs for improved nutrition in this country and the needs of the nations that still stand between this country and Hitler." The Secretary further said:

"Every farmer in the United States will be contacted by local farmer committeemen under the supervision of USDA Defense Boards and will assist with individual farm plans to determine the extent to which each farm can contribute to agriculture's task in national defense. * * *

"The adjustment machinery of the National Farm Program will be applied to the whole range of agricultural commodities to assure plenty of the commodities for which there is increased need while continuing to hold in check the production of commodities of which we already have large reserves.

"The goals for 1942 call for the largest production in the history of American agriculture but we are not going to have to plow up the hills and the plains to get it. We have adequate reserves of feed grains for increased production of livestock products and it will not be necessary materially to increase total crop acreage next year.

"Farm production in general is in good balance but greatly increased supplies of some commodities will be needed. In this emergency I have found it necessary to encourage the expansion of the production of hogs, eggs, evaporated milk, dry skim milk, cheese and chickens, and accordingly I have today made a formal public announcement that the Department of Agriculture will support prices for these commodities until Dec. 31, 1942 at not less than 85% of parity. Increases in the production of other crops in 1942 are also desirable as indicated by the goals."

The British Government expects to need from this country about a fourth of its supply of animal protein foods or the equivalent of enough to feed 10,000,000 people. Total British needs for United States farm products are expected to amount to about 6 to 8% of total United States farm production. Total exports, including Lease-Lend shipments, may amount to as much as 8 to 10% of total production. For the fiscal year 1942-43 it is expected that exports may require the product of 25 to 27,500,000 acres of cropland, which is about the same as the average for the period 1936-37 through 1940-41. For the fiscal year 1940-41 exports required only about half as much acreage as is expected for the fiscal year 1942-43.

LEGAL ODDITIES

THE EXPENSIVE COLLECTION

"The Widow Brown still owes $8.95 on that suit of clothes she bought for her son," a clothing store manager declared.

"I'll call there tomorrow morning," the collector agreed.

"And take some of our 'deadbeat' cards along," the manager suggested.

"Sure — I'll get the money, or I'll placard her house so it'll look like a circus wagon."

That afternoon citizens walking past the Widow Brown's humble home saw upon the gate post a number of cards or placards bearing the name and address of the clothing store company.

"Please take notice," the placards screamed in heavy type, "Our Collector (in still heavier type) was here for payment. We would save you the annoyance of his further calls, if you will pay at the store," in smaller letters, but the citizens aforesaid, quite naturally, read it all.

Whereupon the Widow Brown did not call nor "pay at the store", but she did call on a lawyer, who assured her that she had a good case.

"Sue 'em for libel," the attorney suggested, and the Kentucky Court of Appeals in 203 S.W. 558, ruled that the widow had a legal "right of action."

"Some effect must be given to the studied effort of the collector to give the publication as wide and as effective publicity as the circumstances would permit. Viewing the transaction in the light of this fact, it cannot be doubted that the real purpose was to coerce the payment of the debt by publishing the customer's delinquency, and thus disgracing her in the eyes of the public," said the Court of Appeals (in 203 S.W. 558) in ruling in the widow's favor.

In the same case the Court referred to Wisconsin and Missouri decisions that envelopes sent through the mails, with "For collecting Bad Debts," and "Bad Debt Collecting Agency" printed thereon in heavy type, were libelous.

"In this case the publication was by means of cards so artfully placed as not only to attract the attention of those who were naturally curious, but to lure the gaze of those whose proneness to pry had long since lost its edge. We, therefore, conclude that the words in question were libelous per se," the Kentucky Court concludes.

Our Reporter On "Governments"

The "uncertainty" over the Government bond market's trend—clearly expressed in this column during the past two weeks—has now turned into what comes mighty close to "conviction." . . . The list has been sagging badly in recent sessions. . . . A tremendous short interest has been built up by professional traders, according to informed sources. . . .

And although the pessimism is not obvious to the casual observer, there's no doubt that the bearish contingent in the Government bond crowd has grown markedly in the last few weeks. . .

As this is being written, the market is ending a full week of uninterrupted decline. . . . On that basis alone—on the technical basis, in other words—a rally from the present lows is probable. . . . But a day-to-day reaction or rally is only of minor interest to the institutional investor. . .

The question of prime importance is whether the Government market is establishing an intermediate or long-term downtrend. . . . Little movements don't matter. . .

Playing Safe

It would be fool-hardy for any observer to come out flat-footed for the bearish or the bullish side during a period of such worldwide unsettlement. . . . The news from week to week may make long-term predictions appear ridiculous. . .

But these are points worth serious consideration:

(1) At present, most experts close to the market are playing an exceedingly safe game. . . . They're not building up positions in long-terms. . . . In fact, they're working on the opposite side. . .

(2) The tenor of the news, both domestic and foreign, is scarcely designed to create confidence in the continued stability of the high-grade bond market. . . . Domestically, there is the probability of action soon to slash bank excess reserves. . . . There is Secretary Morgenthau's blunt statement at Boston last week that "we may have to extend general control over bank credit and create controls over selected capital expenditures." . . .

(3) As for the foreign setup, well, it's difficult to "buy the market" when the United States is beginning a "shooting war." . . .

(4) The business boom is diverting the attention of institutions and other investors that until a year ago had no other avenue for investment than the high-grade market. . .

There are other factors in the picture too, of course, factors that every investor is clearly aware of. . . The points mentioned here, though, suggest that:

While conditions remain so confused, the best policy to follow is the conservative one. . .

Don't enter the open market and buy bonds, except on dips. . .

Confine operations now to the short-term lists—the very short—term lists. . .

Be sure your present portfolio is in a position to withstand any month-long reaction. . .

Excess Reserves

Nothing new has come out about the reserve requirement situation since the last writing. . . . Stories about the imminence of a move to cut at least $1,000,000,000 from the present total of $5,110,000,000 are multiplying daily. . . . Every trader is discussing the subject, wondering about the timing of the Federal Reserve Board's move, about its effect upon the price level. . . . But we still don't know anything more definite than we did two weeks ago. . .

What we do know, however, are these angles:

(1) A step to cut excess reserves is in the offing and whether it comes next week or next month or the month after that is not as important as the fact that it is being considered seriously. . .

(2) The Federal Reserve Board won't be satisfied with just using up its present powers to raise reserve requirements and reduce excess reserves. . . . Chairman Eccles wants more authority to deal with inflationary forces. . . . He wants the power to double reserve requirements after the present maximum has been reached. . .

(3) With Secretary Morgenthau and Reserve Chairman Eccles now working together—instead of against each other—the possibility of the board obtaining the authority it wants is greater now than at any time in recent years. . .

Study these points and guide yourself accordingly. . .

Inside The Market

Treasury bill market is suffering because of corporation interest in tax-anticipation notes. . . . Which was exactly what observers expected. . . . But with market acting poorly now, traders look for renewed interest in bill offerings. . . . Institutions probably will buy bills to keep their cash invested while they wait for another buying opportunity in the market. . .

Several big Government bond men telling their clients to buy notes, maturing issues or bills for the next month or so, forego income for safety. . .

One odd story around is that Treasury wants outstanding $2\frac{1}{2}$ per cent bonds to go down so that spread between price on these (the $2\frac{1}{2}$s of 1954/52 are at the 105 level) and price of par on the $2\frac{1}{2}$s designed for public consumption (The Series G bonds, available only at 100) will be smaller. . . . Answer is Morgenthau is embarrassed by 5-point differential. . .

Increased interest being shown—in inquiries anyway—in Federal Land Bank bonds, which are as good as direct Governments, even though they're not even guaranteed. . .

House Bill 5336, proposed recently by Representative Hampton P. Fulmer, Democrat, South Carolina, asks for outright guarantee of Federal Land Bank obligations. . .

For general interest, recent Indiana University School of Business bulletin shows Indiana banks in the last four years have been following a policy of drastic shortening of their Government bond maturities. . .

Sample group of 100 banks at end of 1940 had 15 to 20 per cent in secondary reserve securities; less than 5 per cent in other securities due within three years; 10 to 15 per cent in securities due in three to five; 20 to 25 per cent in securities due in five to ten; 15 to 20 per cent in securities due in ten to 15; 5 to 10 per cent in securities due in 15 to 20 and 5 to 10 per cent in securities due in over 20 years. . .