The Board of Governors of the Federal Reserve System announced on Sept. 19 that industrial activity increased further in August and the first half of September, and contended that a general business and financial conditions in the United States, based upon statistics for August and the first half of September, the Board also says that distribution of commodities to consumers expanded considerably. The Board's summary continued.

Production
In August, industrial output increased somewhat more than seasonally and the Board's adjusted index advanced from 160 to 161½ of the 1923-29 average. There were sizeable advances in activity in the machinery, aircraft, shipbuilding, and railroad equipment industries, while output generally increased, while furniture production, which had been temporarily shut down, was temporarily reduced considerably. In the first half of September automobile assembly sales increased as production of new models was begun but from now on, government restriction on passenger car production will have to be considered considerably below that during the war.

In most nondurable goods industries production in August was considerably above the high levels reached earlier this year. At cotton mills activity declined slightly from the record levels reached in July. At the mills in many mills there was some increase. Rates of production were at peak levels. In the silk industry operations were curtailed sharply, as the Government requisitioned all supplies of raw silk and deliveries of silk to mills declined from 26,000 bales in August to 5,000 in August. Rubber consumption also decreased, owing to a Government establishment program. Shoe production, which had been unusually large increased, but less than seasonally in August and output of manufactured food products and chemicals showed seasonal increases from the high levels prevailing in July.

At coal mines production in August, as in other recent months, was larger than usual for the season, and output of crude petroleum reached an all-time high level of 4,000,000 barrels daily in the latter part of the month. Iron ore shipments down last month amounted to 11,500,000 tons, the largest monthly output on record.

Value of construction contracts awarded showed a further sharp increase in August and was about one-fourth larger than a year ago.

(Continued on Page 296)

From Washington Ahead of the News

One of Washington's most interesting fea¬tures is appar¬ently by way of being turned out as there develops enough power to be spread out all over the Bureaucracy. The Secretary of the Treasury Henry Morgenthau and Marriner S. Eccles, governor of the Federal Reserve Board, whose running fight over the past eight years, has frequently made the financial community nervous, seem to be getting together.

The feeling is that it is likely that Eccles may get legislation from Congress in the next few months to increase reserves requirements which may call for from banks. By the time this is printed he probably will already have increased them; but what is new is how he is now authorized to do it. But what is probably more important is that since last January he has been trying to get legislation empowering him to make the requirements even higher. Morgenthau has checked him, and furthermore has threatened to use his stabilization fund as a lever against Eccles' operations to make interest rates higher. Eccles has been insisting that interest rates had to be kept down to prevent inflation. He started on this tack last January in his annual message to Congress. In this message he

(Continued on Page 296)

N.Y. Saves. Loan Assets Soar To Record High
Total assets of all savings and loan associations in New York State and the Federal Home Loan Bank System amounted to $909,000 during the first half of 1941 and the financial association in the face of a strong flush of thrift to the savings and loan movement. According to Zebulon W. Wood¬ward, President and Vice-President of the New York State League of Savings and Loan Associations, the figures received from the Bank¬ing Department and the Federal Home Loan Bank of New York. The 360 savings and loan assoca¬tions in the State on June 30, 1941, had total assets of $462,535,000, or 21% above the 1940 level of $387,296 for the first six months of 1940. This 21% increase was on record. The previous high mark was reached in 1940, when the large amount of thrift came into the saving and loan associations of the State which reported assets of $467,752,364 at that time.

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Purchasing and Operating Costs

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Wage-Hour Work Regulations

Binder for the Convenience of Our Subscribers

Arrangements have been made with the "Expandita" Binder to supply temporary binders in which to file current issues of the Financial Chronicle, and it will facilitate the use of the Chronicle and will protect against mutila¬ tion and damage. The cost is $2.50 per binder. The "Expandita" binders which have been designed to hold one month's issues of the Financial Chronicle. Orders for binders should be sent to "Expandita" Binder, 25 Spruce Street, New York City. Delivery will be made in about three weeks.

The September 23rd Issue Delayed---

The September 23rd issue of the Financial Chronicle is being held up to give precedence to the September 25th issue, containing special features. The delay of any issue of the Chronicle is unfortunate, but publication of the news seems more important than absolute promptness in publication of statistical material. Our difficulty in meeting the unreasonable demands of dictatorial labor unions has been in part the result of this delay. In spite of this, we are gradually catching up with our publishing sched¬ ule, and will presently resume the publication of the September 23rd issue, which has been long delayed and is now ready. We have been forced to give up what was long useful and which has been temporarily crowded out. However, we must ask our readers to continue to be patient with us just a little while longer.

In the course of testimony yesterday before the House Banking Committee, the Secretary of the Treasury inserted an obiter dictum to the effect that "if a corporation earns 6% per cent on its capital, it is not worth enough." He had previously this opinion with an assertion that "if we are going to ask anybody else to be patriotic and make sacrifices, the owners of corporations will have to do likewise.

The President from the first has repeatedly evinced an almost morbid dread of any one making a penny from the armament effort. He has not hesitated to make use of this more or less popular doctrine to support tax proposals which are only in part related to our effort to become an arsenal of democracy. He has never been satisfied with the rate at which corporations are being taxed, and his dissatisfaction has not in any way been confined to those enterprises which might in the natural course of events earn substantial sums from the defense program. He has not, however, so far as we can recall, had the hardihood to suggest that all corporate profits from whatever source derived be taken away save an amount equal to 6 per cent of capital invested. One is obliged to wonder if what the Secretary of the Treasury now suggests is to be regarded as a "trial balloon" of Rooseveltian design.

But whatever its origin or purpose the suggestion is now more or less officially before the public, and must be re¬ garded seriously. Thoughtful people need not, of course, be reminded that the suggestion is not that profits be fixed at 6 per cent, but that a 6 per cent "ceiling" be placed upon "profits of corporations that arevirtual enterprises."

The risk of much smaller earnings, no earnings at all, or

In this Section

Petroleum and its by-products...E. R. seen continued rationing on East Coast...F.O. moves to averD..-j. short¬age...Davies criticizes indurtrics's "silence"...October crude oil demand above 94...In average crude hit record height...Petroleum stocks off...Refined products...October gas demand 11 P.C. above 1940...Readjust allotments of motor fuel in east...Small drop in gas inventories...Gas production up sharply...Increased output of aviation gas asked...

October lead allocations set. Move to raise zinc prices abandoned for present.

Defense savings stamps sales for May-August total $12,317,890.

Labor Bureau's wholesale price index up 6.7% further in week ended Sept. 12.

Living costs increased further by 0.8% from mid-July to mid-August.

Annual report of FDIC proposes supervisory contact by Corporation with each insured bank — Income of Corp since beginning 274,514.

Car loadings in week ended Sept. 13, totaled 913,952 cars, an gain of 12.6%, over year ago.

(Continued on Page 306)

Page 154 Number 3985
New York, N. Y., September 25, 1941
Price 40 Cents a Copy

In 2 Sections — Section 2

With which has been combined the Financial Reporter

Volume 154

Library

With which has been combined the Financial Reporter

Library
Importance of An Independent Legislative Department

On Monday, December 2, 1851, the unwarned people of France, in the shape of a mob, told the President of France that he was no longer citizenized to it. It was the last of several collateral recommendations such as the President of France had already entertained. The value the dollar should be repealed, as well as the silver standard. Morgenstern's recommendations to the President who was already aware of the dangers of the French Revolution being presented to Congress. The President knew he must go to Morgenstern. The result was that Morgenstern was, in fact, to write to settle his recommendations. He himself had been influenced by the fact that when the deck seems cleared for his man, Emil Schram, to be governor of the Chicago Federal Reserve Bank. Schram was an ex officio member of the Banking Committee, and a member of the New York Stock Exchange. The Morgenstern-Eccles bond was, in fact, serving under Morgenstern in the Treasury in the early 1930's. As a general proposition of his chief and since he became governor of the First Federal Reserve Board, he never missed an opportunity to say that he didn't have one of the first things he did, in fact, was to take the time of the French president. Glass in the framing of the Second Republic, where he was removed as an ex officio member of the Board. It is interesting how Morgenstern never forgave him for this, inasmuch as the treasury secretary of the second republic was because his uncle had been president of the New York Stock Exchange. Over the ensuing period of years, the Market's position is difficult to find a single instance of Morgenstern and Eccles agreeing on a single topic. However, Morgenstern had had cause to consider the possible outcomes over standardized bank-examining authority, which had been given to European banks. Eccles went into the bond market to buy U.S. government bonds. But before he went to Morgenstern to know he was doing this, Morgenstern eagerly followed the chronology. The bonds were handy without artificial support of the French Revolution. Morgenstern's snubbing of his recommendations to Congress, the country was to witness the unusual spectacle of an American Government official, Eccles, opposing in many policy features, the Treasury's tax recommendations. The recommendations of the Treasury were those of Morgenstern. The venerable chairman of the House Ways and Means Committee, Robert L. Doughty of North Carolina, complained about Morgenstern in a letter to the President. "The President is no telling how much grief the feud of these two money men has caused this community. Their two agencies, supposed to sympathize with each other, are, Morgenstern is said not to be aware of letting Eccles have the money. The independence of the reserve bank requirements with which Morgenstern is supposed, and the independence of Morgenstern is not in favor of high or money. The President will be in favor of. What will this do to the interest which the President has in his independence, when its money is something else. One of Morgenstern's great prices and frequent hosts is the cheapness.

(Continued on Page 303)
Debts And Taxes

Obscured for the time being by the forensic debate of national defense, the questions of debts and taxes are sure to outlive that problem and to plague us for an indefinite time to come. Each of these charges is both the cause and effect of many others, especially in the field of executive action. The tendencies set in motion by such feverish periods as the one we are passing through are likely to be far more disastrous than the things immediately feared and far more dangerous.

In the rush to speed the wheels of national defense, altogether too little attention is being paid to the costs and consequences of the multifaceted and complex problem of mountainous debts and taxes. Chief Justice John Marshall voiced the dictum that the power to tax involves the power to destroy. If the practice of the country with which Washington and John Marshall and limit the powers and outlooks of government sensibly, perhaps, the most vital question we face.

To the degree that defense outlays actually are necessary and advisable, no one will quibble about costs. But the politicians and the military experts appear to be at odds regarding what constitutes defense. To the politicians it is a vast array of American might into every ocean and perhaps onto every continent. Lend-lease no longer is a mere matter of defense for so-called democracies, but an instrument of limitless use. And that policy has cost to date, according to estimates of experts, $13,000,000,000, on the re- vision of earlier estimates.

Whether lend-lease constitutes defense or a grand-scale intervention in external affairs is a matter that has not been examined closely. Surely, every experience necessarily involved in mountainous debts and taxes, Chief Justice John Marshall voiced the dictum that the power to tax involves the power to destroy. If the practice of the country with which Washington and John Marshall and limit the powers and outlooks of government sensibly, perhaps, the most vital question we face.

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President Roosevelt on Sept 16 appointed Edward R. Stettinius, Jr, as special assistant and deputy chairman of the new joint Carnegie-Roosevelt-Industrial military advisory board to succeed Mr. Roosevelt's long-time assistant in the work of the joint program. The President explained that the pur- pose of the new post was to speed up the program. He said his plan was to have the board meet monthly and that it would have to cover all phases of the war effort, and that the board - would have to act on reports of the Allied military services.

As for debts, it would hardly seem appropriate to con- sider current figures as indicative, but they nevertheless give the most accurate picture. The national debt now exceeds $50,000,000,000, and State and local debts are approximately $20,000,000,000. In 1913 the aggregate of Federal, State and local government debt was $5,721,000,000. The Federal budget for the next fiscal year, 1914, was $15,400,000,000, and this sum will probably be increased to $19,000,000,000 in the next fiscal period.

For the time being by the forensic debate of national defense, the questions of debts and taxes are sure to outlive that problem and to plague us for an indefinite time to come. Each of these charges is both the cause and effect of many others, especially in the field of executive action. The tendencies set in motion by such feverish periods as the one we are passing through are likely to be far more disastrous than the things immediately feared and far more dangerous.

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Business Actively Up First Half 1941
(Continued from First Page)

year ago, according to F. W. Dodge Corp. reports. The rise from July was substantial for all product groups, but was most pronounced for published stores and apartments. Awards for residential building continued to increase.

Distribution
Sales of new machinery and equipment were up sharply in August and were at an extremely high level for the year. The year-to-year rate of seasonal adjusted index of de-

production in member banks as compared to December 31, 1940, in the first half of this year. In the early part of the September depart-

Commodity prices
Wholesale prices of most groups of commodities continued to advance in August to the middle of August. The rise in August prices of various commodities was generally larger since last spring, declined.

Agriculture
The outlook for agricultural production in 1941 showed little change. Steady increases in August. Crop prospects were reduced slightly high prices but aggregate crop production is expected to be

United States Government security market
Prices of Treasury bonds inched in the latter part of August but subsequently decli-

The State Of Trade
Business activity, especially in the non-defense areas, is beginning to reflect in a marked way increasingly heavy handi-

Business sales top sales in all new business equaled shipments so that backlogs continued high, "Iron Age" observed to-day.

Rental sales gains over last year are expanding again, several weeks following a week from the consumers' buying rush of August. Department store sales last week, for example, were estimated to have run some 20 per cent above the same week last year. This was a marked widen-

The American Petroleum Institute estimates that the daily aver-

The state of commerce is based on the Bureau of Mines' 'indices of "import" and "exports" put into effect with the publication last week by the Bureau of Mines, which calculates an average of imports as the amount of oil pumped from the various oil-producing areas of the country, which changes amount to an elimination of entered into bonded storage and added to the total of all processed oil pumped. The figure for domestic use, and the placing of its export figures on a true basis of domestic exports, moves which the Institute has made in its report appears to be a shift in the "luting" market. In "sluice" and "in and out" operations generally, the Insti-

The table is based on Bureau of Mines' "indices of "import" and "exports" put into effect with the Bureau of Mines, which calculates an average of imports as the amount of oil pumped from the various oil-producing areas of the country. It is not possible to compare these figures with the figures for the first six months of the year, as the Bureau of Mines has not published data for this period.
Revenue Freight Car Loadings During Week Ended Sept. 13, 1941 Reaches 913,952 Cars

<table>
<thead>
<tr>
<th>Railroad</th>
<th>Total Revenue Freight</th>
<th>Total Freight Car Loadings</th>
<th>Total Revenue Freight Loaded</th>
<th>Total Freight Car Loadings Loaded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northeastern District</td>
<td>23,684</td>
<td>26,504</td>
<td>56,278</td>
<td>63,655</td>
</tr>
<tr>
<td>Chicago &amp; North Western</td>
<td>6,324</td>
<td>7,691</td>
<td>14,015</td>
<td>16,045</td>
</tr>
<tr>
<td>Chicago, Milwaukee, St Paul &amp; Pacific</td>
<td>4,084</td>
<td>4,657</td>
<td>8,741</td>
<td>10,093</td>
</tr>
<tr>
<td>Northern Pacific</td>
<td>3,860</td>
<td>4,190</td>
<td>7,050</td>
<td>8,240</td>
</tr>
<tr>
<td>Northwestern Pacific</td>
<td>2,850</td>
<td>3,250</td>
<td>5,100</td>
<td>6,500</td>
</tr>
<tr>
<td>Southern Pacific</td>
<td>2,300</td>
<td>2,550</td>
<td>4,850</td>
<td>5,800</td>
</tr>
<tr>
<td>Texas &amp; Pacific</td>
<td>900</td>
<td>1,000</td>
<td>1,900</td>
<td>2,000</td>
</tr>
<tr>
<td>Atchison, Topeka &amp; Santa Fe</td>
<td>300</td>
<td>350</td>
<td>650</td>
<td>750</td>
</tr>
<tr>
<td>Denver &amp; Rio Grande Western</td>
<td>200</td>
<td>250</td>
<td>450</td>
<td>500</td>
</tr>
<tr>
<td>Atlantic Coast Line</td>
<td>100</td>
<td>150</td>
<td>250</td>
<td>300</td>
</tr>
<tr>
<td>General</td>
<td>4,564</td>
<td>5,000</td>
<td>9,564</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>124,844</strong></td>
<td><strong>137,063</strong></td>
<td><strong>261,907</strong></td>
<td><strong>285,007</strong></td>
</tr>
</tbody>
</table>

The following table is a summary of the freight loadings for the separate railroads and systems for the week ended Sept. 13, 1941. Figures shown show increases compared with the same week in 1940.

<table>
<thead>
<tr>
<th>Railroad</th>
<th>Total Revenue Freight</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Allegany District</strong></td>
<td><strong>200,054</strong></td>
<td><strong>206,016</strong></td>
<td><strong>316,124</strong></td>
<td><strong>319,534</strong></td>
</tr>
<tr>
<td><strong>North Central District</strong></td>
<td><strong>54,064</strong></td>
<td><strong>57,628</strong></td>
<td><strong>101,692</strong></td>
<td><strong>105,062</strong></td>
</tr>
<tr>
<td><strong>Western Pacific</strong></td>
<td><strong>11,284</strong></td>
<td><strong>12,000</strong></td>
<td><strong>23,284</strong></td>
<td><strong>25,784</strong></td>
</tr>
<tr>
<td><strong>Pacific Coast</strong></td>
<td><strong>5,720</strong></td>
<td><strong>5,000</strong></td>
<td><strong>11,720</strong></td>
<td><strong>11,000</strong></td>
</tr>
</tbody>
</table>

Petroleum And Its Products

The gasoline shortage still exists on the East Coast and rationing will be continued by the Office of the Petroleum Coordinator, Harold L. Ickes declared in Washington this week. Statistics covering the September 13 period showing that there were no significant declines in stocks are not sufficient to warrant the release of the embargo, Mr. Ickes said.

Despite the refusal of the SPAB to grant a construction of the giant crude oil pipeline from Texas to the midwest, Ickes said he will tell the story. Mr. Ickes declared. The President has authorized the use of all available railroad tank cars for the movement of crude oil and the railroads' estimate that they have plenty of "idle" tank cars for such movements. This will bring about a decision within a short time of the accuracy of the railroads' statements that they had sufficient tank cars it was pointed out.

Week shipments of crude by rail reach the 200,000-barrel daily volume estimates of the statistics remains to be seen, Mr. Ickes said.

The rapid rise in the price of gasoline in the West Coast area, he said, is due to the fact that the cost of crude oil is increasing at a rate of 5.64 cents per gallon, which will bring about a decision within a short time of the accuracy of the railroads' statements that they had sufficient tank cars, it was pointed out.

Note—Previous figures as follows: 1940 figures. * Gulf Mobile & Northern early.
Petroleum And Its Products

(Continued from Page 290)

rolome Co-coordinator Ralph K. Davies criticat that there is no real order during the recent

discues over gasline shortages in the

market that instead of letting the

Office of Petroleum Co-coordinator

do all the talking, oil men

should themselves join in the

and voice their support

of the action taken by the

PCO.

A little more vocal participa-

tion from the industry

would silence would go a long way to

ward ending polemics, disinforma-
tion and suspicion, he said. The abundance of

lack of petroleum has tremendous

repercussion in public opinion. Younger

have an increased gest to the

agitation that has occurred in connection

with the supply situation.

Yet in the midst of this, the

industry has been almost com-

pletely silent.

"With one or two exception-

and after the considerable

from the industry has dropped

the suspicion that it was

the Office of the Petroleum

Coordinator taking this

action. We can tell the facts—and

we have to tell the facts—

and certainly would have made an

impression upon the public if the

industry had assumed some

responsibility in this direction.

During the current season, market

prices for crude oil during October

will pass the $4.00 level for the first time in the industry's history. The regular monthly market

demand last October was 960,000

Barrels of oil was the highest

October since the邹 in 1929.

The Bureau of Mines reports

that in the month of October

estimated, 1,341,635,000 tons

were withdrawn from storage,

and Texas reporting lower totals.

Stocks of domestic and foreign

crude oil went to another

record during the September 15

report, to 246,164,000 barrels Ameri-

can crude stocks were off the high

October 1, 83,000,000 barrels, but this partial

off set by a gain of 300,000 barrels

in stocks reported in Canada.

There were no crude oil price

changes for the week.

Refined Products

The decontrol of the domestic market

for gasoline spurned by the broadened indus-
	rial production stimulus. For two years, labor

effort, will continue in October

for the remainder of the

month set at 57,900,000 barrels in the

last report, and demand forecast

of the United States Bureau

of Mines, which is 11 per cent above

the corresponding period a year ago

and 14 per cent above the

September month of 1929, in which

gasoline in the East Coast to cope

with special needs for gasoline

who need for motor fuel has

either expanded or contracted

sharply. The Office of Petroleum Co-coordinator

that gasoline demand in the

area was reported by the

PCO to shift supplies of motor fuel from one

demand center to another

(Continued on Page 311)

Electric Output for Week Ended Sept. 20, 1941, Shows Gain of 16.7% Over Like Week Last Year

The Edison Electric Institute, in its current weekly report, esti-

mated that the production of electric light and power of the United States for the week ended Sept. 20, 1941, was 2,293,280,000 kw. of electric power, or an increase of 16.7% above the output of the corresponding week of 1940, when production to-

was 1,958,997,000 kw. For the nine months ending Sept. 20, 1941, was estimated to be 2,311,290,000 kw., and increase of 13.8% over the like week a year ago.

The percentage increase from pre-previous year

Major Geographical Area, Week Ended Sept. 20, 1941, 1940 1939 1938 1937

New England 18.4 19.6 21.6 22.5

Northeastern States 18.0 19.7 22.5 23.4

Central Industrial 18.8 20.3 23.9 24.8

Northern States 18.2 20.6 23.6 24.0

Pacific Coast 18.7 20.6 23.7 21.5

Percentage above 1931, New England 18.4 19.6 21.6 22.5

Northeastern States 18.0 19.7 22.5 23.4

Central Industrial 18.8 20.3 22.5 23.4

Northern States 18.2 20.6 23.6 24.0

Pacific Coast 18.7 20.6 23.7 21.5

Percentage should be higher; data under revision.

Data for recent months (Thousands of Kilowatt-Hours)

Week Ending

Kwh.

1941 1940 1939 1938 1937

July 1 2,016,975 2,020,511 2,004,081 2,023,714 2,023,714

July 8 2,005,714 2,014,861 2,005,714 2,023,714 2,023,714

July 15 2,001,714 2,005,714 2,005,714 2,023,714 2,023,714

July 22 2,020,814 2,014,861 2,005,714 2,023,714 2,023,714

July 29 2,003,814 2,005,714 2,005,714 2,023,714 2,023,714

Percentage above 1931, New England 18.4 19.6 21.6 22.5

Northeastern States 18.0 19.7 22.5 23.4

Central Industrial 18.8 20.3 22.5 23.4

Northern States 18.2 20.6 23.6 24.0

Pacific Coast 18.7 20.6 23.7 21.5

Percentage should be higher; data under revision.

The "Iron Age" in its issue of Sept. 25 reported that reflecting

the activity of steel plants, U.S. blast furnace consumption of iron

ore in August reached a new record of 6,830,219 tons, bring-

ing the accumulated consumption for the first seven months of the year to 42,733,285 tons a month a

month. Steel plant operations this week were reported by "Iron Age" to have continued at a rate

point from last week's revised figure of 97.5%. The increase

ate to produce operating schedules in the Pittsburgh, Chi-

cago, Philadelphia and Southern Ohio River areas. Some loss of steel

was reported in a Kansas City plant where production was stopped temporarily because of a strike in that area.

In September steel orders taken by various producers have

run from 20 to 45% below the volumes booked in August but even at this reduced rate new business has equaled shipments, resulting

in no reductions in backlog. An analysis of incoming business

most of which is either directly or indirectly for defense, shows that steel consumers requiring material for non-essential uses can

be satisfied at least for the moment. The ratings issued by the OPM for steel uses indicates that 'soon all

orders will be "rating 100". Steel plates remain a problem although shipments, both Nava-

and private, have been for the most part cleared of charges that they

were "laid up". A drop in the volume of sales of ingots and,

triple-week, also showed little lining up of material while the Navy Department has

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Weekly Coal and Coke Production Statistics

The U.S. Bureau of Mines reported that the estimated production of Pennsylvania anthracite for the week ended Sept. 13 is 11,000,000 short tons, an increase of 2,136,000 tons over the previous week. From the trend, there is established an increase of 3,927,000 tons for the year to date. The current production report is the result of a survey of the leading anthracite mines, coal companies, and Anthracite Coal Operators' Association. The report is based on a sample of approximately 1,000,000 tons of coal produced by the mines, and the figures are believed to be accurate to within 10 per cent.

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Non-Ferrous Metals—Move to Raise Zinc Price Abandoned—October Lead Allocations Set

"Metal and mineral markets" in its issue of Sept. 25 reported that nothing was done during the last week about raising the price of zinc, but the industry feels that the question should be continued at 27% of production. Lead allocations for October will be announced in the next issue. Reports that the industry is awaiting news on setting the price of lead for next year, now up for renewal. General Metals Order No. 1 was revoked July 28, but its terms remain in force. The order, as explained, does not limit the use of lead in the United States, but control is retained through Priorities Regulations.

Fertilizer Association Commodity Price Index Drops Slightly Below High Level Week Ago

The weekly wholesale commodity price index compiled by The National Fertilizer Association preceded fluctuations in the index for nine weeks, advancing for ten consecutive weeks, it was announced Sept. 22, in the week ended Sept. 29. This index is based on the average daily prices of 39 commodities for the week. As a result of the index January 1941 has been a 16.5 per cent increase in the wholesale price index in the last quarter of 1940.

Decreases in the food and farm product price indexes were responsible for the slight drop in the all-commodity index last week. Although prices of some primary products advanced, some vegetable oils advanced in price, declines principally in livestock products, wool, cotton, tobacco, and some of the foodstuffs were sufficient to cause a drop in the food group average. In the farm production index, cotton was the only item included in the textile index to decline last week, whereas seven other items in the textile group caused a moderate uptrend in the textile average. The building materials group reached a higher price for glass and lead

Lumber Production For Week Ended Sept. 13

Lumber production during the week ended Sept. 13, 1941, was 8,700 more feet than a similar period of last year's holiday week; shipments were 5,120 more feet. Over the year's business, the National Lumber Manufacturers' Association reported that 10,920,000,000 feet of timbers, softwoods and softwood millwork. Shipments reached a new record, according to weekly orders 13% below production. Compared with the corresponding week of last year; 10% greater, shipments 3 percent above and orders 13% below. The industry stood to a 6,700,000,000-feet reduction in the corresponding period of a year ago, 27% of all 1855-39 shipments in the same week.

Year-to-date Comparisons

Reported production for the 27 weeks of 1941 to date was 13% above corresponding weeks of 1940; shipments 14% above the same period last year. Orders for the week were 10% below the 37 weeks of 1941 to date, new business was 9% above, and shipments were 6 percent below of corresponding period.

Supply and Demand Comparisons

The ratio of unfilled orders to government requirements for the week ended Sept. 13, 1941, compared with 31% a comparable period last year. The ratio was 4% greater than a year ago; government orders were more than four times the 1940 level.

Steelworks and Hardwoods

Lumber production for the week ended Sept. 13, 1941, was 1,383,000,000 feet, new business for the corresponding week a year ago, and shipments 13% above 1,079,000,000. In thousand board feet:

Steelworks and Hardwoods

<table>
<thead>
<tr>
<th>Date</th>
<th>Week</th>
<th>Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>1941</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1942</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1943</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

On the Foreign Front

Caution was the prevailing note on European stock markets during the weekly period ended yesterday, with the war news providing the principal motive. Opalescent deals in stocks and bonds. Local developments also played a part, however, and were generally viewed with more favor than had been the case during the bulk of the military campaigns. Deals were modestest.

European Stock Markets

The London Stock Exchange was steady in the week ended yesterday, with the world's market down on the trading floor of the London Exchange. Although the London Stock market was not active, the day was significant in that it marked the end of the national legislature in more senses than one.

International incidents are being exaggerated in every conceivable way, it was reported from London, that the war was reaching its last stage and the British government would no longer continue in office. It was suggested that the war was reaching its last stage and the British government would no longer continue in office. It was suggested that the war was reaching its last stage and the British government would no longer continue in office.

The Berlin Exchange was inactive. At Amsterdam there were more sales than others in the market, but sharp gains were marked in the rates of interest. The London Exchange was virtually a basis of flight from the continent.

Neutrality Act

Administration spokesmen said it clear this week that the Neutrality Act was not going to be amended. The confidence of President Roosevelt in the Act is reflected in the all-out participation of his administration in the support of the neutrality legislation. Of has, of course, been the news of the day. Roosevelt has been outspoken in his opposition to the new legislation and has been among those who have been opposed to it. The policy of arming merchant ships, not only of this nation, but of all ships of registry in the American merchant marine, is also threatened. The measure, now making its way through Congress, has been subject to much discussion in hearings by Cabinet members, much in the fashion that other vast changes in policy have been heralded. Secret of State Cordell Hull said on Monday that the neutrality bill was one of the most important legislation of the year. Indicated, but he also hinted at the possibility of completely overturning the law, which specifically prohibits such action.

The Administration was about to take up changes of the Neutrality Act, which it had previously rejected outright repeat, was made clear by the President's statement by Cabinet members, much in the fashion that other vast changes in policy have been heralded. Secret of State Cordell Hull said on Monday that the neutrality bill was one of the most important legislation of the year. Indicated, but he also hinted at the possibility of completely overturning the law, which specifically prohibits such action.

Added costs and fresh commitments are now proposed in the Neutrality Act. Roosevelt announced his proposal, adopted by Congress early this year on Administration sponsored, would lease foreign countries the use of the neutral ships. The costs were unforeseen at the time of these negotiations. Roosevelt said he had been surprised. As an alternative, the President also called for the extension of the law to include the leasing of ships to countries other than the United States. Roosevelt said that such an extension would mean that the Administration is in a desperate hurry.

To Russia

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The index is built upon 40 basic commodities and the list is the one used for 14 years in St. Louis. The commodities included in the index are a comprehensive list of several groups, including grains, livestock and livestock products, miscellaneous foods (coffee, cocoa, sugar, tea, fish, flax), and a list of other commodities such as dairy products, fruits, and vegetables.

The percentages, which are based on the expressed in the currency of each country, were as follows: Grains, 20; livestock and livestock products, 19; vegetables, 8; other foods, 8; textiles, 12; fuel, 11; metals, 11; miscellaneous, 18.

Bank Debts Up 32% From Last Year

Bank debts as reported by banks in lending centers for the week ending Aug. 13, 1941. Total debts during the "13 weeks ended September 13, 1940" were $1,038,978,000. The increase in the "13 weeks ended September 13, 1941" was $645,461,000, or 32% above the year ago.

<table>
<thead>
<tr>
<th>Week Ended</th>
<th>Federal Reserve Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Boston</td>
</tr>
<tr>
<td></td>
<td>1940</td>
</tr>
<tr>
<td>Federal Reserve District</td>
<td>1940</td>
</tr>
<tr>
<td>Boston</td>
<td>1,038,978,000</td>
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<tr>
<td>New York</td>
<td>1,038,978,000</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>1,038,978,000</td>
</tr>
<tr>
<td>Cleveland</td>
<td>1,038,978,000</td>
</tr>
<tr>
<td>Richmond</td>
<td>1,038,978,000</td>
</tr>
</tbody>
</table>

SUMMARY OF FEDERAL RESERVE DISTRICTS IN MILLIONS OF DOLLARS

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<th>Week Ended</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Boston</td>
</tr>
<tr>
<td></td>
<td>1940</td>
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<td></td>
<td>1,038,978,000</td>
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<td>1,038,978,000</td>
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<tr>
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</tr>
<tr>
<td>Richmond</td>
<td>1,038,978,000</td>
</tr>
</tbody>
</table>

The Germans reported tremendous victories almost every day, but significant battles seemed to run in favor of the Nazis, who issued a long series of special bulletins featuring the capture of the Romanian capital of Bucharest and the destruction of the Soviet forces in the area of the Black Sea. The Soviet forces attacked the Germans fiercely in the advanced sector of the front, and several attacks by the Nazi armies were repelled. The German advance on the Crimea at Sevastopol was also halted.

Apart from this move in the center of the 1,000-mile front, all significant battles seemed to run in favor of the Nazis, who issued a long series of special bulletins featuring the capture of the Romanian capital of Bucharest and the destruction of the Soviet forces in the area of the Black Sea. The Soviet forces attacked the Germans fiercely in the advanced sector of the front, and several attacks by the Nazi armies were repelled. The German advance on the Crimea at Sevastopol was also halted.
Living Cost Shows Sharp Rise in Large Cities.
Up 0.8% From Mid-July to Mid-August
Living costs in large cities increased by 0.8% from the mid-July to mid-August period reported to the Federal Reserve Bank of St. Louis by Labor Perkins on Sept. 17. "The cost of living index of the Bureau of Labor Statistics for Aug. 15, at 100.0% of the 1935-39 period, was higher than the previous reading out in Europe two years ago," she said. "Of this increase, over 5% has come since the beginning of the month, and food and clothing costs showed the greatest rise. Fuel and light, rent, coal, house furnishings, automobile tires and tubes have also been advanced in all parts of the country."

The Labor Department's announcement further said:

**Food**
Retail food prices went up 1.2% between July 15 and Aug. 12, to the highest level in the year. The rise has continued in the last half of August, according to preliminary reports from 10 cities.

Country-wide advances from mid-July to mid-August were reported for bread, fresh milk, canned goods, canned fruit, coffee, cereals, vegetables, meats, meats, coffee, cereals, sugar, flour, molasses, and sugar, rose 20% above the March figure. In Kansas City, Boston and Pittsburgh, poultry prices increased; cotton, wool, clothing, underwear, shoes, and for women.

August Defense Stamp
Sale Is Highest Yet
The Treasury Department announced on Sept. 17 that the estimated value of stamps sold was $4,504,000,000 in August. Phillips stamps sold during the four-month period May-August, the number of units sold aggregated 43,444. According to the Treasury figures, the value of stamps sold in August rose to $4,193,000,000 and numbering 4,280,000,000. It was the largest since the campaign started last May. The value of stamps sold in July totaled $3,888,000,000, in June $2,845,000,000 and in May $3,891,000.

The most popular stamp is the 25-cent denomination, of which there has been a sale of 1,592,000,000, followed by 12,000,000,000 in popularity as follows: 10-cent, 50-cent, $1 and $.50.

Earnings of the third quarter of the companies, as reported by the sales follow:

---

Corporate Profits Show 2nd Quarter Decline
Despite the record level of industrial production, profits of large industrial corporations, as reported to the Federal Reserve Bank of New York for the 2nd quarter of 1941, declined 14.7% from the 1st quarter. The decline was 14.1% in the first 157 companies which report profits to the Federal Reserve Bank of New York, as reported in its "Monthly Review" of Sept. 17. The decline in the 1st quarter was 18.3%, reported to the Federal Reserve Bank of New York for the 1st quarter of 1941, as reported in its "Monthly Review" of Oct. 17.

The second quarter net earnings for all 157 companies were $4,000,000,000. The increase was $17,000,000,000 from the 1st quarter of 1941, as reported to the Federal Reserve Bank of New York for the 1st quarter of 1941, as reported in its "Monthly Review" of Oct. 17. The increase was $17,000,000,000 from the 1st quarter of 1941, as reported to the Federal Reserve Bank of New York for the 1st quarter of 1941, as reported in its "Monthly Review" of Oct. 17.

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Condition of National Banks

The statement of condition of the National Banks under the Comptroller’s call of June 30, 1940 has been summarized below. For purposes of comparison, like details for previous calls to and including June 29, are included.

### CONDITION OF NATIONAL BANKS IN THE UNITED STATES ON JUNE 29 AND DEC. 31, 1939, APR. 30, 1940, AND JUNE 30, 1941

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and discounts, including overdrafts</td>
<td>9,379,272</td>
<td>9,037,773</td>
<td>8,177,445</td>
</tr>
<tr>
<td>U. S. Government and other government obligations</td>
<td>12,019,146</td>
<td>14,402,114</td>
<td>16,053,329</td>
</tr>
<tr>
<td>Obligations guaranteed by U. S. Government</td>
<td>1,367,558</td>
<td>1,449,415</td>
<td>1,547,074</td>
</tr>
<tr>
<td>Obligations and investments of foreign central banks</td>
<td>1,367,558</td>
<td>1,449,415</td>
<td>1,547,074</td>
</tr>
<tr>
<td>Corporate stocks, including stock of Federal Reserve banks</td>
<td>217,452</td>
<td>212,365</td>
<td>209,698</td>
</tr>
<tr>
<td>Total loans and investments</td>
<td>22,864,478</td>
<td>21,433,513</td>
<td>20,115,472</td>
</tr>
<tr>
<td>Cash</td>
<td>12,686,480</td>
<td>12,746,963</td>
<td>12,757,699</td>
</tr>
<tr>
<td>Cash on hand, other banks including reserves, and cash items</td>
<td>25,556</td>
<td>17,509</td>
<td>18,597</td>
</tr>
<tr>
<td>in process of collection</td>
<td>10,615,472</td>
<td>10,615,472</td>
<td>10,615,472</td>
</tr>
<tr>
<td>Total assets</td>
<td>36,185,072</td>
<td>35,793,022</td>
<td>35,314,354</td>
</tr>
</tbody>
</table>

### LIABILITIES

| Demand deposits of individuals, partnerships, and corporations | 15,797,708 | 15,797,708 | 15,797,708 |
| Time deposits of individuals, partnerships, and corporations | 3,755,104 | 3,755,104 | 3,755,104 |
| Non-investment accounts of individuals, partnerships, and corporations | 1,019,616 | 1,019,616 | 1,019,616 |
| Deposits of State and political subdivisions | 4,084,556 | 4,084,556 | 4,084,556 |
| Other deposits of custodial, fiduciary, and other accounts | 1,019,616 | 1,019,616 | 1,019,616 |
| Total liabilities | 33,443,528 | 33,197,564 | 32,680,655 |

### CAPITAL ACCOUNTS

| Capital stock (see memorandum below) | 3,243,469 | 3,243,469 | 3,243,469 |
| Surplus | 1,284,961 | 1,284,961 | 1,284,961 |
| Reserves (see memorandum below) | 3,243,469 | 3,243,469 | 3,243,469 |
| Total capital accounts | 36,185,072 | 35,793,022 | 35,314,354 |

### MEMORANDUM

**Per value of capital stock:**

- Class A preferred stock: 3,243,469
- Class B preferred stock: 504,064
- Common stock: 3,243,469
- Total: 3,243,469

**Per value of preferred capital stock:**

- Class A preferred stock: 3,243,469
- Class B preferred stock: 504,064
- Common stock: 3,243,469
- Total: 3,243,469

**Deposits held by pledged assets pursuant to requirements of law:**

- Personal deposits: 2,002,261
- Borrowed deposits, including mortgages and savings accounts: 2,595,716
- Other deposits: 2,253,187
- Total: 3,851,154

**Deposits held by pledged assets pursuant to requirements of law (exclusive of special deposits):**

- Personal deposits: 2,002,261
- Borrowed deposits, including mortgages and savings accounts: 2,595,716
- Other deposits: 2,253,187
- Total: 3,851,154

### Securities

**Securities owned and invested in:**

- Government securities, long and short, and guaranteed, pledged to secure deposits and other liabilities: 2,897,797
- Other Government securities held by banks and other securities, including notes and debentures and receivables: 3,020,951
- Corporate bonds: 3,243,469
- Total: 9,156,217

**Securities pledged and sold under blanket lien:**

- Government securities, long and short, and guaranteed, pledged to secure deposits and other liabilities: 2,897,797
- Other Government securities held by banks and other securities, including notes and debentures and receivables: 3,020,951
- Corporate bonds: 3,243,469
- Total: 9,156,217

**Total deposits at Federal Reserve banks**

- April 30, 1940: 30,625,021
- June 30, 1940: 31,341,630

**Supervisory Contact With Each Insured Bank Proposed by FDIC in Its Annual Report**

In its annual report for the year ended Dec. 31, 1940 the Federal Deposit Insurance Corp. states that "the banking situation has improved considerably over the past seven years. The Corporation has resolved 282 out of 3,289 banks (the Corporation Jan. 1, 1934 says the introduction to the report, has been protecting depositors in more than 13,000 banks) and the loans and securities of the banks have improved considerably and are of probably higher average quality than ever before in our history." 1940 marks the end of a long period of severe bank failures and depositors have reached the end of their patience with government bank supervision. The report goes on to say:

Deposit insurance and bank supervision may be described as the two pillars on which the American banking system has rested. Both have been shaken by the banking crisis. Deposit insurance has not been as effective as everyone would like it to be, but the change in the fundamental objective of bank supervision. Protection of creditors of banks has continued to be the chief purpose of supervision. Relatively few depositors, however, now suffer any loss in closed insured banks. Under the deposit insurance system it would be financially possible or even desirable to protect the depositors of one-fourth of the banks. But the deposits of less than 10% of the banks, and the banks and has, therefore, become an attack on the profitability of inurred banks which fail.

The Corporation alone of the supervisory agencies has the responsibility for the financial responsibility of banks. The Corporation is more than one-half of the Corporation’s business is the protection of depositors, and it has inquired in connection with losses from the lack of deposits in the larger banks that have been paid by the protection of depositors has occurred in connection with large losses. The Corporation is not in the position, however, to hold any losses from the entire two-thirds of the Corporation’s expenses lost to date are in those deposits.

The Corporation should have direct relationship with each insured bank, with the fact that the insurance coverage is nominal. This is because there are only a few losses from the amount of its deposits, which it has protection on insured banks, that there is coverage, and that it is much more likely to be the case that those losses would be covered by the government than by the government.

### Supervisory Contact With Each Insured Bank Proposed by FDIC in Its Annual Report

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### Income and expenses total

The data for the entire period of its existence through December 31, 1940 of the Federal Reserve Board, the National Association of Federal Reserve Banks, and the Federal Reserve Banks, the amount of which $211.1 million was paid to creditors of insured banks and $63.4 million to creditors of uninsured banks, and the amount of profits on investments. Administrative expenses of the Corporation were $20.6 million and the amount of Federal Reserve in December 31, 1940, was $200.7 million.

(Continued on Page 238)
Supervisory Contact With Each Insured Bank Proposed by FDIC in Its Annual Report

(Continued from Page 321)

INCOME AND EXPENSES OF THE CORPORATION BEGINNING

| Semester—total | 1914 1915 1916 1917 1918 1919 1920 1921 1922 1923 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Treasury income | 4,257,311.80 4,278,900.50 4,145,973.41 4,155,755.67 4,142,987.58 4,251,086.48 4,248,951.13 4,171,397.94 4,118,028.81 4,112,093.26 |
| Total revenue | 211,116.03 401,424.10 307,854.03 315,106.84 360,084.08 354,446.61 343,952.44 324,211.41 316,211.97 316,275.64 |
| Total revenue, benefits, and profits | 422,264.03 401,424.10 307,854.03 315,106.84 360,084.08 354,446.61 343,952.44 324,211.41 316,211.97 316,275.64 |
| Total expenses | 421,116.03 401,424.10 307,854.03 315,106.84 360,084.08 354,446.61 343,952.44 324,211.41 316,211.97 316,275.64 |
| Net income | 10,147.90 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 |
| Net income added to surplus | 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 |
| Net income added to surplus or capital | 10,147.90 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 |

Earnings of Commercial Banks

The earnings reported by insured commercial banks in 1940 reflected the influence of increasing interest rates and the continued low volume of money available for the conduct of business. As a result, the income derived from interest activities is revealed in the character of increases in income and expenses. The influence of rising interest rates is more apparent in the results of 1940 than in the previous year.

Income and expenses are presented in the table on page 322. Income in the form of bank charges and fees has been included in the income for the year for the first time in several years.

Income and expenses in the form of bank charges and fees have been included in the income for the year for the first time in several years. The volume of income from these activities is revealed in the character of increases in income and expenses. The influence of rising interest rates is more apparent in the results of 1940 than in the previous year.

Foreign Front

(Continued from Page 321)

In the battle of bullion, 10,000 prisoners who were captured in the Baltic Sea...
Foreign Trade In July

Exports of the United States in July, under the stimulus of the invasion of France and Belgium, were $316,606,000, the highest monthly figure on record and more than $100,000,000 in excess of the June imports amounting at $272,97,000,000 in June and $232,933,000 in July. These figures indicate a tremendous export balance of trade in all three periods, amounting to $815,602,000 in July, $59,201,000 in June and $84,278,000 in July 1940. Both figures indicate a slightly unfavorable balance in the case of petroleum products, other than refined, and iron and steel products, with the exception of exported scrap iron. The former item is being imported in very large quantities, largely for reexports, and the latter is being imported in increasing quantities. These imports are of a temporary nature and are not affecting the country for the relief of Russia, if London can see anything but black disaster in such maneuvers. But the British Government also re¬frains from experiments of this nature. This mutual abstention is highly instructive.

British tin refiners were able to report that 44 tons of tin in the form of ingots were shipped to the United States. This amount was small, but it was the first tin ingots now available for export to the United States since August 27, 1944, when 3,765,000 pounds were shipped to New York by the International Tin Council. The tin was contained in 120 500-pound ingots of 99.3% tin purity. About 22 tons of tin were also reported shipped to the United States after August 27, 1944, but it was shipped in the form of oxide and not ingots as is the case of the recent shipment.

Invasion aspects of the conflict furnish the negative news of the week, both in the trade and in the war for the time being. It has been in the air for several days, but it has been made public in the last few days. The invasion has taken place as the result of the German bombers raiding into France, but the invasion however, has been reported by London authorities as being for the relief of Russia, if London can see anything but black disaster in such maneuvers. But the British Government also refrains from experiments of this nature. This mutual abstention is highly instructive.

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Trading on New York Exchanges

The Securities and Exchange Commission made public on Sept. 19 figures showing daily volume of total round-traded stock transactions account of all members of these exchanges in the week ended Sept. 6, 1941, continuing a series of current figures being published. The figures are shown separately from other sales in the column, the commission explained.

Trading on the New York Stock Exchange for the account of members except odd-lot dealers during the week ended Sept. 6 (in round-traded stock transactions) was 3,249,790 shares, with a volume 16.7% over total transactions of the Exchange, 2,504,730 shares. This compared with a 1% decrease during the previous week total of 3,457,760 shares or 14.8% of total trading of 2,349,990 shares.

On the New York Curb, member trading during the week ended Sept. 6, 1941, reached 100,965 shares, or 16% of the total volume on that Exchange of 987,720 shares; during the preceding week, the Curb members bought 107,190 shares, or 15.7% of the total trading of 669,980 shares.

The following table shows the number and value of transactions of the New York Stock Exchange and the New York Curb Exchange for the week:

<table>
<thead>
<tr>
<th>Exchange</th>
<th>Total Number of Shares</th>
<th>Total Number of Trades</th>
<th>Total Volume of Shares</th>
<th>Total Value of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>NYSE</td>
<td>3,249,790</td>
<td>3,249,790</td>
<td>3,249,790</td>
<td>$48,721,838</td>
</tr>
<tr>
<td>Curb</td>
<td>100,965</td>
<td>100,965</td>
<td>100,965</td>
<td>$3,217,800</td>
</tr>
</tbody>
</table>

Total round-traded stock sales on the New York Stock Exchange and New York Curb Exchange for the account of members except odd-lot dealers during the week ended Sept. 6 (in round-traded stock transactions) were 3,349,750 shares, with a volume 7.9% over total transactions of the Exchange, 2,504,730 shares. This compared with a 1% increase during the previous week total of 3,294,760 shares or 16.7% of total trading of 2,349,990 shares.

Round-Lot Trade on the New York Stock Exchange and New York Curb Exchange for the account of members except odd-lot dealers during the week ended Sept. 6 (in round-traded stock transactions) was 3,249,790 shares, with a volume 16.7% over total transactions of the Exchange, 2,504,730 shares. This compared with a 1% decrease during the previous week total of 3,457,760 shares or 14.8% of total trading of 2,349,990 shares.

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President Makes Second Lend-Lease Report, Reveals Allocation of Funds to Congress

President Roosevelt, in submitting his second report to Congress covering operations under the Lend-Lease Act, disclosed that to the end of July, $7,000,000,000 had been made available to the Allied governments for the program, more than $26,000,000,000 has been allocated to the agencies primarily charged with the actual shipping arrangements. Contracts have been let for over $3,500,000,000, the President said, adding that contracts will be let for over $8,000,000,000 in the near future.

The exact amount of allocations up to Aug. 31 was shown by the President’s report to be $6,281,006,000, $23,000,000 of which have been transferred to the United Kingdom, $2,360,000,000 to Russia, and $95,000,000 to other countries.

Total expenditures of the program up to Aug. 31 were reported at $6,345,740,750, with $634,000,000 having been transferred to the United Kingdom, $3,745,000,000 to Russia, and $95,000,000 to other countries.

Actual shipments of lend-lease cargoes amounted to $196,000,000 in the last week of Aug. for a total of $2,349,990,000 for the fiscal year to date, the President said.

The total value of lend-lease shipments, when they are completed and delivered, will be approximately $8,000,000,000, the President said.

Food and steel and machinery are spent and guns and planes have been supplied to Russia and other countries. Agricultural commodities worth about $200,000,000 have been transferred to the United Kingdom, $2,300,000,000 to Russia, and $95,000,000 to other countries.

In a report to Congress, President Roosevelt pointed out that 333,000,000 articles, including 95,000,000 for shipping, have been transferred to the United Kingdom, 1,156,000,000 to Russia, and $95,000,000 to other countries.

In his letter to Congress, the President declared that the amount of lend-lease purchases has been increased from the original estimate of $1,100,000,000 to $2,349,990,000 for the fiscal year to date.

A substantial number of cargo ships and ‘tankers’ have been chartered to the United Kingdom, Russia, and other countries, with the result that its cargo capacity has been increased from the original estimate of $1,100,000,000 to $2,349,990,000 for the fiscal year to date.

The British Empire has received the bulk of our aid, the President pointed out, but the Soviet Empire has also been extended to the Middle East, the Dutch East Indies, the United States, and the Netherlands, Norway, Greece, Belgium, and Italy.

The President also pointed out that agreements for the purchase of lend-lease equipment have been made in the past month and the amount of lend-lease equipment has been increased from the original estimate of $1,100,000,000 to $2,349,990,000 for the fiscal year to date.

Dealing that aid is not being furnished, as an act of charity or sympathy, but as a means of economic assistance, the President further said:

"We offer our reason because we know that piecemeal resistance to aggression is doomed to failure; because the war machine which now bestrode the Continent was unable to be combated by the combined efforts of its own nations; and because at all strategie points the aggressor may strike.

Calculating these percentages, the total of members’ transactions is compared with the total of round-traded stock volume on the Exchange for the reason that the total of members’ transactions is essentially that of the individual traders, as they are the only ones who have the stocks with which to make transactions. The members’ transactions are included in the “other sales” category.
Wage-Hour Records Regulations Revised
And Simplified, Dept. of Labor Announces

Revision of the record-keeping regulations under which 350,000 employers must keep payroll and other records concerning more than 15,500,000 workers was announced by Philip H. Heimann, Assistant Secretary of Labor and Wage and Hour Division, U.S. Department of Labor. The new regulations in several instances simplify present requirements. They can be obtained for the recording of additional information. They apply to all employers engaged in interstate commerce or in the production of goods for interstate commerce. Gen. Flemming, Director of the Division, said:

"About one-fourth of the 48,000 inspections we made in the last six months showed that employers in technical violation of the Act through failure to keep required records or in the manner of the payroll records. However, we must have accurate information on how many hours employees have worked, whether they have been paid at the correct rate of wage, or any other production hour costs function to realize this. An important part of the work of our men on the field is to make sure the minimum or overtime pay laws are enforced. We are now on a week-by-week basis. Employers must preserve "all records that relate to the original cost, operating and personnel costs, and the nature and amount of work performed by all employees."

The following is a new requirement as of this time:

"Each employer shall . . . preserve for at least two years, all records of wages, hours of work, or any other production hour costs function to realize this. An important part of the work of our men on the field is to make sure the minimum or overtime pay laws are enforced. We are now on a week-by-week basis. Employers must preserve "all records that relate to the original cost, operating and personnel costs, and the nature and amount of work performed by all employees."

There are further extensions of the payroll records for employers with the power to provide for non-union employees, who may have been paid at the minimum wage fixed between the Federal Price Administrator and the Sunset. Section 13 of the act. Such employees include all those of local government, and the original cost, operating and personnel costs, and the nature and amount of work performed by all employees."

The revision of the regulations affecting wage and hour inspectors to determine if an employer is in compliance with the Act applies as of a given date. General Flemming's announcement was made by Assistant Secretary of Labor, Gen. Flemming, who is in charge of the Federal Price Administrator and the Sunset. Section 13 of the act. Such employees include all those of local government, government, or the original cost, operating and personnel costs, and the nature and amount of work performed by all employees."

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Six-Point Program to Curb Inflation
By H. H. Heimann of Credit Men's Association

If the United States hopes to curb inflation, it must accept priorities — not only for defense materials, but also in regard to the demand for credit, Henry H. Heimann, Executive Manager of the Credit Men's Association, declared in his "Monthly Banking Review," released Sept. 15. "Unfortunately," Mr. Heimann pointed out, "in too many a thing a this-is where I came in feeling. Yet if we abandon the principle that we can save by controls, we may be able to avert the worst effects of the state of consumer controlled inflation can bring. To get our way," he says, "is easier than to gain public acceptance and official action. But the responsibility of each of us to be realistic in the realization that the Treasury of the wealthier strata of the people cannot continually draw on reserves past, present or future. Thus it is obvious that as individuals and as a nation we must retrench," he says, in listing the following six-point program:

'First, as another anti-inflationary policy, we must be prepared to do what it takes to control, and perhaps to go beyond, the controls that the Federal Reserve System and its various agencies have already put in force. Second, we should help avoid bank credit inflation by doing all we can to prevent the 400 bank discount rate from rising and by encouraging banks to hold the excess earnings, beyond the amount needed for capital formation, on deposit with the Federal Reserve System. Third, we should hold our investments in government securities and reduce our holdings of such securities to the level at which our investments will be held at such a level as to provide the financing needs of the government. Fourth, we should use the call market and other means to control bank credit, and we should not permit the call rate to rise above the level at which the call rate has been fixed in recent months. Fifth, as another anti-inflationary policy, we must be prepared to do what it takes to control, and perhaps to go beyond, the controls that the Federal Reserve System and its various agencies have already put in force. Sixth, we should hold our investments in government securities and reduce our holdings of such securities to the level at which our investments will be held at such a level as to provide the financing needs of the government. Seventh, we should use the call market and other means to control bank credit, and we should not permit the call rate to rise above the level at which the call rate has been fixed in recent months.'

FDIC Asks Bank Data on Insurance
Deposits Up 36% In Last Three Years

Pointing out that the deposits of insured banks had increased from $24,000,000,000 in 1938 to $34,000,000,000 in 1941, Mr. T. C. Crow- ley, Chairman of the Federal Deposit Insurance Corporation, announced on Sept. 16 that all insured banks will be asked to report the proportion of their deposits that are covered by FDIC's $5,000 individual insurance. By June 17, 1941, when the record closing date for the tests of the insurance coverage investigations, the banks were asked to report the proportion of their deposits that are covered by FDIC's $5,000 individual insurance. By June 17, 1941, when the record closing date for the tests of the insurance coverage investigations, the banks were asked to report the proportion of their deposits that are covered by FDIC's $5,000 individual insurance. By June 17, 1941, when the record closing date for the tests of the insurance coverage investigations, the banks were asked to report the proportion of their deposits that are covered by FDIC's $5,000 individual insurance. By June 17, 1941, when the record closing date for the tests of the insurance coverage investigations, the banks were asked to report the proportion of their deposits that are covered by FDIC's $5,000 individual insurance. By June 17, 1941, when the record closing date for the tests of the insurance coverage investigations, the banks were asked to report the proportion of their deposits that are covered by FDIC's $5,000 individual insurance. By June 17, 1941, when the record closing date for the tests of the insurance coverage investigations, the banks were asked to report the proportion of their deposits that are covered by FDIC's $5,000 individual insurance. By June 17, 1941, when the record closing date for the tests of the insurance coverage investigations, the banks were asked to report the proportion of their deposits that are covered by FDIC's $5,000 individual insurance.

Fix Hide Differentials

Federal Price Administrator Heimann has ordered all hide buyers to place their bids on the hide price schedule, on Sept. 18, as a preliminary to the fixing of differentials for all grades and classifications of domestic hides graded down according to dress. The new levels of prices established a spread of 2 cents on one top grade and 14 cents on the lowest in the new classes. The 48-hour work-week is the unit of the Wage and Hour Division and its record-keeping regulations had required employers to keep records of labor hours worked each day and total weekly, and to make weekly straight-time compensation for each week. The requirement that employers pay semi-monthly earnings did not mean that the employer had to pay employees each week. However, some large employers petitioned that requirement to be changed to semi-monthly earnings would be a new and expensive phase of bookkeeping. As a result, the Federal Price Administrator issued an order to employers to adopt semi-monthly basis may record up to 100 hours, which would be a new and expensive phase of bookkeeping. As a result, the Federal Price Administrator issued an order to employers to adopt semi-monthly basis may record up to 100 hours, which would be a new and expensive phase of bookkeeping. As a result, the Federal Price Administrator issued an order to employers to adopt semi-monthly basis may record up to 100 hours, which would be a new and expensive phase of bookkeeping. As a result, the Federal Price Administrator issued an order to employers to adopt semi-monthly basis may record up to 100 hours, which would be a new and expensive phase of bookkeeping. As a result, the Federal Price Administrator issued an order to employers to adopt semi-monthly basis may record up to 100 hours, which would be a new and expensive phase of bookkeeping.
Our Reporter On "Governments"

If the purpose of Treasury chief Morgenthau and Re¬serve Chairman Sewell is "to" press the Govern¬ment market for a boost in reserve requirements, they have done their job well—exceedingly well. . . . The probability of a near-term increase, meaning a reduction of $1 billion in the total reserve requirement, is subject of general conver¬sation among bond ex¬ perts. . . . The possible effects of such action, moreover, are thoroughly discussed in the "ahh... aha... that's what the news has been discounted and the market is used to it. . . ." Bank brokers a few weeks ago will not occur on the announcement of steps within the month.

Will reserve requirements be raised—the present legal limit or won't they? . . . Does the Morgenthau agreement on anti-inflationary monetary policies mean stricter or less tight credit or de¬ fault? . . . Has all the preliminary talk been just that—preliminary talk? . . . An alert bond trader and he'll admit he's completely in the dark. No word from Wall Street anyway, is certain, of the banking authorities having informed the bond traders of the time or the extent of action either.

This, however, is, in the dark—prediction, it is. In the absence of definite word, to comp¬ are a market so thoroughly for¬ med to the expectations of bond traders is hard. . . . It simply doesn't sound right, though, to say that money is going to happen after all the pro-and-con considerations.

So this column hereby fore¬ casts—a move within the month. If requirements will be announced shortly—perhaps the first week of this month. (It's possible that the boost will not be in full force until 40 or 48 hours after the announcement of this report.)

And finally, if the announcement of an increase, to go to the market in 40 or 48 hours, overseas, the Treasury will begin studying its next cash findings.

A Cash Borrowing

The speculation in this space that the increase in Federal Reserve September financing would be sizable did not go as far as the increase would be announced and that after the market in an excess of money, the Treasury would borrow some new money—appears as sound now as when it first was written. . . . So getting what will be the exact story, of course, for the Treasury in over or over again that it's on a 24-hour basis as far as policy is concerned.

But the opinion that the situation hasn't come out yet, as some say, is based on raising new cash for many months past. New cash needs of the Treasury's balance with the Reserve Banks was down to $2,100,000,000 in Septem¬ ber, and further down still to $1,300,000,000 two months ago. The evidence is that tax collections plus tax advances now are not going to offset the terrific amounts being spent by the Government at present, at all.

The prices are a cash plus refunding of the Treasury's direct debt. But it is true that $20,000,000,000 to $40,000,000,000 will appear within six weeks or so. . . . Say, re¬ serve requirements are raised soon. . . . And the market's reaction will be very much a function of the announcement of steps within the week.

WHEELS WITHIN WHEELS

A Bank Vows an
Insurance Company

The Union Banking and Trust Co. of New York, and the agent of the Inland Surety Co. of New York, announced this morning that the bank will hereafter maintain a bank premesis the morning after burglars have however stolen the contents.

We hold a $20,000 burglary insurance company's policy on you," the cashier sug¬ gested. "But the policy says that the company shall be limited to no more than 102% of the value when the safe contains an inner chest, while the middle chest stolen from inside the safe but outside the inner chest, the agent pointed out.

"But all the stuff stolen here was in the inner chest," the cashier claimed.

"But there's another steel chest inside the one that the robbers kept out of," the agent insisted.

"Yes," the agent said, "but they didn't break that inside one, did they?" he asked.

"No," that all the money the rob¬ bers got was in the outside steel chest.

"Yes," the agent said. . . .

Any all of the company's limit is for 10%.

The inner steel chest that the policy mentions means the outer one, the cashier argued. . . .

"The insurance company made up the claim of all one of all," the agent maintained.

This claim was presented by the Texas Court of Civil Az¬ zards in a recent case Southwestern Reporter, 303, and the decision was in favor of the claim.

"The evidence, we think, sus¬ tains the bank's contention that the apartment in the safe back of the inner or Middle steel burglary-proof door and in the safe vault proper, and itself in every respect.

"And that is the chest referred to in the policy, that Suppose money was taken, the insurance company could not meet all of the money taken. That inner chest, as shown by the evidence, is a steel chest that must con¬ tinue the instance of the policy and from which no money was taken. In the abs¬ ence of anything in the policy itself, or in the evidence identifying the chest as the inner chest referred to in the policy, we see no good reason for hold¬ ing that the cash box, rather than the larger steel chest, is the one referred to in the policy, said the Court.

statistical analyses. And you'll be impressed by the un¬ disguised appeal for your power opinion.

And all dealers still have not sized small positions outstanding, indicating the weeks past, on the last part of most. . . . No large trans¬ actions have been reported for the week for months. . . . It is questionable on that "watch¬ ful waiting" here. . . .

Talking about debt increases, the Fall budget estimates and the fiscal year 1941 only plus looks pretty good in com¬ parison with the "Foreign Commerce Weekly" story about the German debt increase from $2,864,000,000 in March, 1940, to $40,848,000,000 in June, 1941. . . . And this doesn't include all debt, any mean. . . .

purchases with new found wealth. We shall protect the special weaknesses of the competition of available civil¬ izations. . . . We shall strengthen government—this new degree of responsibility—upon in¬ ternal spending among a broad¬ est, free public. We shall live with our honor right to assist the plain people of America to defend themselves against foreign and success.

The Defense Savings Bond plan has adopted the principle of sound savings banking by making savings available when a slight at less of interest. Therefore, whether we invest for our depositors or help our depositors to invest for themselves, we shall equally as¬ sist them to safeguard their sav¬ es against future contingencies.

Turning attention to the new opportunities of mutual savings banks and banks, we publish our first of business. By adopting this course we shall do the most useful service . . . for our nation. We shall do other im¬ portant things, too. . . .

None of us here doubt the need of full defense measures and the fulling of material aid to the free world," Britain," he said. "Therefore, the defense savings banks will continue to succeed. We of the sav¬ vings banks will do everything to make it succeed." Mr. Bruer went on to say:

"I suggest that for the next months, or years, if need be, we make this the first order of business. By adopting this course we shall do the most for our nation. We shall do other im¬ portant things, too. . . .