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Congress Completes Record Tax Bill— New Revenue Put At \$8.5 Billion

Final Congressional action on the record-breaking tax bill, which the Treasury estimated will yield over \$8,500,000,000 gross revenue, came on Oct. 20 when the Senate and the House adopted the conference report. The measure was expected to be signed by President Roosevelt yesterday (Oct. 21) in order that the new and increased excise taxes would become effective Nov. 1. The House approval of the conference report was by a vote of 130 to 2 and Senate adoption by a voice vote. The joint conference committee had reached complete agreement on the tax bill on Oct. 17 following five days' work on the several hundred Senate amendments written into the House measure.

It is estimated that the number of individual taxpayers next year will be increased from the present 29,000,000 to 44,000,000, chiefly as a result of the "Victory tax" and lower exemptions. The major provisions of the bill passed by the Senate on Oct. 10, including the 5% Victory tax, freezing of Social Security taxes at 1% and a combined rate of 40% on normal and surtax earnings of corporations, are retained in the completed bill.

The Treasury's estimate of the total revenue yield of the bill, \$6,881,830,000, which does not include about \$1,700,000,000 to be rebated to taxpayers in post-war credits, differs from that of Senator George (Dem., Ga.), Chairman of the Senate Finance Committee. Senator George figures the bill will yield close to \$8,000,000,000 in direct revenue, with an

additional \$1,750,000,000 representing post-war rebates to corporations and individuals. In view of present Federal collections running at the rate of \$17,000,000,000, it appears likely that the collections in 1943 will pass the \$26,000,000,000 mark. Added to this sum will be State and local taxes of about \$10,000,000,000, thus bringing tax payments to one-third of the estimated national income of \$110,000,000,000.

One of the last-minute actions taken by the conference committee was the elimination of the Senate proposal for a Joint Congressional Committee to study the question of compulsory savings and new sources of revenue. It is believed this action was taken because the Treasury has announced its intention of seeking an additional \$6,000,000,000 in new revenue soon and that, therefore, there was not sufficient time for such an inquiry.

Reinstated in the bill was the transportation tax on the cost of freight and express shipments at a rate of 3%, instead of the 5% favored by the House and its

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* These statistics omitted from "Chronicle" at direction of the War Censorship Board. (See notice on first page of Section 2 in Aug. 27, 1942, "Chronicle.")

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THE FINANCIAL SITUATION

Congress has finished its work upon a new tax bill. Like all tax measures for years past it is a miserable product. The Secretary of the Treasury has lately let be known that he will shortly ask for another, which doubtless will be no better and quite possibly worse. At bottom the glaring defects of all these tax measures are those which spring directly from the political philosophy of the day which is at the roots of countless other measures and acts of government which are sucking the very life blood from our economic system. And worst of all, as one astute observer recently remarked, no one, or at most relatively few, seems to "give a damn."

A World-Wide Phenomenon

Evidently there is something terribly awry somewhere, and that something is not confined to this country. In one way or another an almost equally deadly blight is found today in virtually every land on the globe. In this country it is customary to lay responsibility upon the New Deal, upon "pressure groups," upon supine or unintelligent legislators, or upon crafty demagogues who think more of public office than they do of public welfare. There is, of course, weight in all these arguments, but it seems to us that they do not really get to the root of the matter. We sometimes wonder if Lord Macaulay did not foresee and understand our present calamity much better than we ourselves in the midst of it perceive or grasp its nature now.

It was in the course of a letter to a biographer and worshipper of Thomas Jefferson written in 1857 that this great essayist presented his analysis of our system and his forecast of its ultimate course. Here in part is what he said:

The time will come when New England will be as thickly peopled as old England. Wages will be as low, and will fluctuate as much with you as with us. You will have your Manchesters and Birminghams, and in those Manchesters and Birminghams, hundreds of thousands of artisans will assuredly be sometimes out of work. Then your institutions will be fairly brought to the test. Distress every where makes the labourer mutinous and discontented, and inclines him to listen with eagerness to agitators who tell him that it is a monstrous iniquity that one man should have a million while another cannot get a full meal. In bad

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FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

It would be interesting to have some of the candidates for the Senate and the House who are inveighing against dictatorship these days tell just how they propose stopping the tendency in this direction if they are to be elected to office. It isn't that I don't like to see them inveigh against it; it is not, perhaps, that they don't feel very strongly about it.

But frankly, the American people are applauding dictatorial tactics these days; very likely unwittingly so. It is not a manifestation of the war, either. They have unconsciously been clamoring for it for a long time. I am assuming the editors reflect their mood.

Take any problem we have: What is the solution, what is the clamor? It is not that the Congress work on it. The cry is for a "strong" man, one who will pay no attention to Congress. These strong men have never solved anything. They come to Washington, are assigned a clever publicity man who guides them through the antics of being strong men and as a result they enjoy a headline

favor for a period. Eventually, another clamor breaks out about these strong men, and the result is that another strong man is placed over them.

It is a commentary on our mood that Bill Jeffers, the rubber czar—that word "czar" is becoming more and more popular with us—was applauded by the whole country recently when he bawled out a Senate committee. That's the stuff, the editors all shouted. That's what we need to win the war. Little do the editors and the people generally know what training, what behind-the-scenes work went into this making a strong man of Jeffers. He has

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Notice To Our Readers

Due to the constantly expanding volume of current news of paramount importance to business and industry, we are obliged, owing to space limitations, to divert to Section 1 a considerable amount of material which, under ordinary conditions, is usually contained in this section of the "Chronicle." In bringing this matter to the attention of our readers, we are mindful of our pledge to make every effort to increase the value of the "Chronicle" by reporting, without delay, all of the information essential to a thorough knowledge of the manifold changes in tax and other legislative matters originating in Washington, together with the activities of the many Government agencies whose functions are of increasing importance to the conduct of business in the present emergency.

They Are At It Abroad, Too!

We must plan full employment for all our people. Many of our prime controls have come to stay though their post-war shape may change. Pre-war social inequality must never return. The interest of the community must unquestionably override all sectional interests.

Britain has a lot to learn from the United States and Russia. They displayed far more resilience and enterprise than we did—we were too stiff in the joints, too pot-bound, too conservative even in the Labor party.

Unless all this changes after the present conflict the United Kingdom is doomed to dwindle to the stature of a third rate power.—Hugh Dalton, Minister of Economic Warfare in Great Britain.

The English may in the future learn a good deal more from us, but it is evident from Mr. Dalton's remarks that they have already learned a good deal about high-sounding words—and day dreaming.

The New Deal, too, is "planning" full employment—and much else—for the post-war period.

We can only hope that thereby we shall not "dwindle to the stature of a third rate power."

Dictatorial Methods**Endanger Democracy**

The belief that many people are ignoring "the development of dictatorial methods in this country" was expressed by Mrs. John L. Whitehurst of Baltimore, President of the General Federation of Women's Clubs, at Chicago on Oct. 16. According to Associated Press accounts from Chicago on Oct. 17 Mrs. Whitehurst in a report to the Federation's Board of Directors asserted that too many people think that Germany and Japan are fighting only for more territory, instead of "the real motive—that of dominating the world through an ideology or government which is abhorrent to us." Axis countries "have the will to fight because they are fighting for a positive objective," she told the meeting, it is indicated in the Associated Press advices appearing in the New York "Sun," which further quoted her as follows:

"We are fighting to defend ourselves even though we did not want to do so. The reluctance to fight is causing many of our people to sit back complacently and ignore the development of dictatorial methods in this country."

"You have listened to prominent men advocate world socialism lately, but what is socialism but Government control? Whether control is vested in an individual or in a small political group, it is still control—it is not democracy."

"Many of the underprivileged believe that such a form of Government will provide more of this world's goods for them, so they probably will accept it; others believe that to be patriotic we should do everything we are asked to do, without complaining or without thinking things through, thus permitting our own democracy to slip from us while we are fighting to preserve it."

Mrs. Whitehurst also declared that women's organizations "are taking a secondary place to a newer set-up planned under political direction" and that "there is an attempt, by whose direction no one knows, to decentralize the organizations which have helped to keep America democratic."

President Signs Bill**Preserving Citizenship**

President Roosevelt signed on Oct. 9 the bill amending the Nationality Act of 1940 to preserve the nationality of citizens residing abroad. The measure, designed to protect American nationals living abroad against expatriation, extends from two to four years the time during which citizens must return to this country in order not to be deprived of their citizenship. The extension of time was granted because of the difficulties of travel during wartime.

The legislation passed the House on July 21 and the Senate on Oct. 1.

Returns From Vatican

Myron C. Taylor, President Roosevelt's personal representative to the Vatican, arrived in New York on Oct. 12 aboard a trans-Atlantic clipper from Europe. Mr. Taylor will report to the President regarding his conversations with Pope Pius XII, held on Sept. 19 and 22. He arrived in Rome on Sept. 17 after being away from Vatican City for nearly a year due to illness. Before returning to this country, Mr. Taylor made a brief visit to London but declined to comment regarding his activities in either Rome or London.

His return to the Vatican was mentioned in these columns Sept. 24, page 1093.

Editorial—

Excessive Delegation of Powers

In war-time, efficient and fast-moving administration requires a great delegation of power by the legislative to the executive. At present, however, the need for delegation in certain directions is being accompanied by careless and excessive delegation in others, and a delegation that hampers rather than helps the war effort. Two outstanding examples of such careless, unnecessary, and harmful delegation may be cited.

The first of these is the war contracts re-negotiation statute, hastily rushed through by Congress as a rider to a routine appropriation bill last April. In that statute, Congress casually instructed the chief contracting departments to re-negotiate contracts wherever and whenever they thought profits were excessive. And that is just about the law.

At no time did the Congress state just what it considered excess profits. It did not stipulate whether the profits were to be considered on each contract separately or whether a firm's entire earnings from war production were to be considered. It didn't specify any method whatsoever for calculating excess profits—whether they were to be figured as a certain percentage of sales, or as a percentage return on investment. Most important, it did not specify what percentage constituted a criterion of excessive or unreasonable earnings.

So completely vague and baffling was this statute that it created an outcry from almost every company producing for the war effort. This outcry forced the adoption of numerous amendments before the statute was six months old. The new tax bill just being completed contains a series of amendments which eliminate some of uncertainties from the law. For example, they legalize the right of the re-negotiators to consider a firm's entire earnings from war production rather than merely from a single contract, they limit the number of re-negotiations that may be demanded of a contractor and they effect certain other technical improvements.

But as valuable as these amendments are, that were rushed through before the law was six months old, they do not rectify the chief fault of which we are talking. They do not provide any standard or criterion by which to judge when earnings are excessive, nor do they contain any formula or definition of the proper method of calculating profits.

Small wonder under such a law granting the contracting departments carte blanche that those departments themselves have in no wise attempted to clarify the principal problem. In recent hearings on the tax bill, a representative of the War Department was pressed for a definition of what percentage of profits was being allowed in re-negotiation proceedings. Although he reported on dozens of proceedings, he stated that the range was too wide to permit of any generalization as to an allowable, or "fair" figure for profits.

The re-negotiation boards have stated that they were considering only profits before taxes and were not concerned with profits after taxes. In addition, they have stated that in general they were concerned with profits in relation to sales and that usually they attempted to calculate whether a contractor's profits represented a fair percentage or an excess percentage on sales. These statements would materially reduce the amount of uncertainty about the law if they had the force of law, but one must note that they are mere expressions of official opinion, they are not even formalized policies, and of course can be changed upon a moment's notice.

And even these loose working rules are not as definite as the above description may have made them sound. For example, while the Board's protest that they consider only profits before taxes, in actual negotiations they are always quick to point out that a suggested refund will mostly come out of excess profits taxes, that it will not too sharply reduce the firm's profits after taxes.

No, even after the incorporation of the amendments now being completed, the re-negotiation law will remain a vague, uncertain statute, which delegates virtually unlimited power over the life and death of all war contractors. And so uncertain is the law's effect that it will continue to occupy with accounting and profit worries executives' time which should be spent upon war production. The tendency of the re-negotiators to point out that most of the refunds they demand come out of taxes is a wry reminder of the uselessness of the law. Why re-negotiate if the excess profits tax will do the job of the re-negotiators?

Then turn to the National War Labor Board for another example of delegation run wild. Here is an agency set up by executive decree, never authorized in any fashion

by Congress. Not having authorized the creation of this tremendously-powerful agency, naturally our national legislature could not set up standards or criteria by which it was to be guided. Yet this is the agency that determines the labor costs for every war contractor, the agency that is to determine when and where inflationary wage increases may continue and when they may stop.

Here is delegation really run riot. Who can forecast when the WLB will allow and when it will disallow a wage increase, even under the new stabilization program headed by former Supreme Court Justice Byrnes? The Executive Order delegating power over the nation's wages stipulates that the War Labor Board shall not approve wage increases except to correct "maladjustments," "inequities" or "inequalities" in the wage structures, or where necessary to "aid in the effective prosecution of the war." Obviously, these vague, meaningless terms can mean almost anything.

True, the employees of Ford Motor Co. have just been denied a wage increase which some may cite as an indication that the Board will not use these terms to cover a new wage-boosting movement. But the Board took the pains to prepare a careful decision pointing out that the Ford workers did not suffer from inequities or maladjustments. One must agree with the Board when he reads that the employees received wage increases of between 25 and 28% from January, 1941, to May, 1942, when the WLB's own formula only required a 15% raise. And he must agree that there were no inequalities when he reads that the Ford basic pay rate was \$1.20 per hour.

But how will the Board interpret these phrases when it deals with employees not enjoying such extremely high pay? Perhaps employees who earn the average rate paid in durable goods industries generally, now approaching \$1.00 an hour, may be suffering an inequity compared with the Ford workers. Certainly there is nothing in the Executive Order creating or specifying the Board's powers that will prevent it from adopting any such interpretation.

Completely uninhibited as it is, the War Labor Board has not hesitated to undertake a complete re-making of the industrial relations of the nation. Obviously, the general imposition of maintenance of membership contracts upon virtually every plant that is haled before it constitutes an industrial revolution of the first magnitude that will affect America's economic and political behaviour for years to come. And this change was wrought, let it be remembered, without Congress ever having declared that union membership should be encouraged, let alone forced, in the nation's war plants.

But still another far-reaching revolution is being wrought by this agency, a revolution that goes almost unnoticed among its more exciting decisions. In its rulings in the steel industry cases, and to a certain extent in the auto industry, the War Labor Board is forcing employers to abandon their traditional method of bargaining individually with unions in their plants. Instead the Board is forcing employers to adopt the industry-wide method of bargaining so often followed in Europe and so hotly urged by the CIO unions in this country.

When the Board handed down its decision in the "Little Steel" case, it first ordered the United States Steel Corporation, and then all of the other units in the industry, to adopt wage and maintenance of membership provisions identical with those ordered in the "Little Steel" case. These rulings in effect constituted the entire steel industry as a single unit for collective bargaining.

Now industry-wide bargaining may be far superior to individual company bargaining. Many employers in the coal and garment industries which long have followed such procedure deem it superior to individual bargaining. Yet, the point is that the matter of industry-wide bargaining has never been debated in Congress. Nor has the President ever instructed the Board to take action that would lead inevitably to industry-wide bargaining. Under the blanket delegation of powers under which it operates this Federal agency can simply do almost anything, and it does.

Its maintenance of membership clauses, and its efforts to force industry-wide bargaining represent changes in industrial relations only slightly less important than the change effected by the Wagner Act. Yet the Wagner Act was debated in Congress for the better part of two years, while these changes have been debated not at all.

In these two cases of delegation run wild, note that Federal agencies set up with few or even no instructions from Congress are legislating on subjects that threaten the very existence of American business. Note, too, that the tendencies here cited which are so threatening are by no means essential to the war effort, indeed they hamper and interfere with the war effort. Yet both represent the insidious type of economic control that cannot be rooted out after this war unless the campaigns waged against them are unceasing.

THE FINANCIAL SITUATION

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years there is plenty of grumbling here, and sometimes a little rioting. But it matters little. For here the sufferers are not the rulers. The supreme power is in the hands of a class, numerous indeed, but select; of an educated class, of a class which is, and knows itself to be, deeply interested in the security of property and the maintenance of order. Accordingly, the malcontents are firmly, yet gently, restrained. The bad time is got over without robbing the wealthy to relieve the indigent. The springs of national prosperity soon begin to flow again; work is plentiful; wages rise; and all is tranquility and cheerfulness. I have seen England pass three or four times through such critical seasons as I have described. Through such seasons the United States will have to pass, in the course of the next century, if not in this. How will you pass through them? I heartily wish you a good deliverance. But my reason and my wishes are at war; and I cannot help foreboding the worst. It is quite plain that your government will never be able to restrain a distressed and discontented majority. For with you the majority is the government, and has the rich, who are always a minority, absolutely at its mercy. The day will come when, in the State of New York, a multitude of people, none of whom has had more than half a breakfast, or expects to have more than half a dinner, will choose a Legislature. Is it possible to doubt what sort of a Legislature will be chosen? On one side is a statesman preaching patience, respect for vested rights, strict observance of public faith. On the other is a demagogue ranting about the tyranny of capitalists and usurers, and asking why anybody should be permitted to drink Champagne and to ride in a carriage, while thousands of honest folks are in want of necessities. Which of the two candidates is likely to be preferred by a working man who hears his children cry for more bread? I seriously apprehend that you will, in some such season of adversity as I have described, do things which will prevent prosperity from returning; that you will act like people who should in a year of scarcity, devour all the seed corn, and thus make the next year a year, not of scarcity, but of absolute famine. There will be, I fear, spoliation. The spoliation will increase the distress. The distress will produce fresh spoliation.

Such words, of course, now fall strangely upon American ears. A great many citizens in this country upon learning that Lord Macaulay held such beliefs will count him anathema forever after. In some details history has not supported his prophecy. He evidently had no misgivings that "old England" would accompany, if indeed it did not precede, New England upon this strange and destructive course. He is certainly naive in his supposition that the remedy or defense for the calamity could permanently be found in a ruling minority class, such as then existed in his country. Yet it must be said in all candor that he was in the main almost incredibly accurate in his vision of what would at one time or another occur in the United States, and as clear-sighted in pointing to the forces which would bring about the condition which we now suffer.

Where We Must Not Fail

Where he fails is where we in our time must not fail—in finding a solution. He apparently believed that our salvation lay in following the doctrines of Washington and Hamilton rather than those of Jefferson, but obviously this is no solution of the underlying problem, however much wiser such a course might have been or might today be, since our problem is not so much to determine what the wise course is as to discover how to get it adopted. It would be idle to suggest a ruling minority group or class, whatever one might think of that type of political system. The trend of popular thought for the past century or more has been directly in the opposite direction, and the poor, the relatively uneducated, the politically unfit are always in the majority, and hence cannot be denied whatever system they insist upon. No way is at hand for wresting power from them and placing it in the hands of some "select" group, assuming that such a group or class could be identified for the purpose, save of course by means such as those employed by Hitler and Stalin, which doubtless in the long run produce evils worse than those we now suffer.

Our problem is, and of necessity must be, that of finding or developing some effective means of leading precisely those groups which Lord Macaulay so deeply distrusted to see the light. In fine, we must make "democracy work"—but in a sense vastly different from that in which these words are employed by the demagogues who are so busily engaged in making certain that it will work

The State Of Trade

Business activity continues to expand, with almost all leading industries showing gains for the week. The outstanding development in retail trade activity last week was the growing inclination to buy less conservatively than in recent weeks.

The steel industry will operate at a new high record of 101% of capacity this week on the basis of reports received by the American Iron & Steel Institute.

This would indicate production of 1,727,800 tons of steel for the period, compared with 1,714,100 tons last week, when mills turned at 100.2% of capacity. A month ago the operating schedule was 96.2% and output stood at 1,645,700 tons.

Results of the scrap drive cannot be evaluated for another week, but a large quantity of miscellaneous scrap is being uncovered, a great deal of which has not yet been picked up from its concentration points and carried to yards.

New steel orders continue to pile up in the offices of the manufacturers in spite of the recent rise in production, according to reports from various centers. Little or no headway has been made on backlogs and fresh business in the last two weeks has been somewhat greater than in the same period of last month.

Production of electricity increased to 3,702,299,000 kilowatt hours in the week ended Oct. 10, from 3,682,794,000 in the preceding period, according to the Edison Electric Institute. This represents an increase of 10.3% over the year-ago total of 3,355,440,000 kilowatt hours.

The Pacific Coast area showed a rise of 30.8% over last year, and the Southern States a gain of 15.6%. The gain in New England was only 1%.

For the week ending Oct. 10, carloadings of revenue freight were 909,957 cars, according to the Association of American Railroads.

This was an increase of 2,350 cars compared with the preceding week, an increase of 6,080 cars, or 0.7%, compared with a year ago, and an increase of 98,051 cars, or 12.1%, compared with 1940.

Freight revenues of all Class I railroads in the United States totaled \$2,788,332,721 in the first six months of this year compared with \$2,080,087,890 in the 1941 period, according to the Interstate Commerce Commission.

The railroads are reported to be near the peak of service. Authorities state that the enormous productive effort in which the nation is now engaged has raised the traffic volume of both commodities and persons to heights never before reached, and the peak is still to come. It is stated that difficult transportation problems overcome since Dec. 7, are small compared to those still to be faced.

Engineering construction volume for the week, \$157,526,000, is 13% above the preceding week and almost four times as great as the \$42,944,000 reported for the holiday-shortened week in 1941, according to "Engineering News-Record." Federal construction makes up 91% of the volume and 18% in public construction, as State and municipal work is 0.2% below a week ago. Private construction declined 55% from last year's total.

Current volume brings 1942's total to \$8,133,308,000, or 60% over

the corresponding period last year, and already 38.5% above the volume reported for the 52 weeks of 1941.

Department store sales on a country-wide basis were up 25% for the week ended Oct. 10, compared with the same week a year ago, according to weekly figures made public by the Board of Governors of the Federal Reserve System.

Department store sales in New York City in the week ended Oct. 10 were 19% larger than in the 1941 week, and in the four weeks ended Oct. 10 were 1% less than in the comparable period a year ago, according to the New York Federal Reserve.

Advices from Washington state that U. S. Department of Agriculture economists are now working out their detailed estimates of farm crop requirements for 1943, while American farmers, handicapped by a shortage of labor, are still harvesting the biggest crops this country has ever produced, yielding a billion more farm income than ever before.

It is pointed out that the weather this year has been perfect from the farmer's standpoint. There have been no floods, no droughts, no dust storms, no insect plagues. It is doubtful if this country will ever have a better growing season. Next year there may be less farm labor, less farm tractors and less farm machinery. Yet the national goals for farm crops in 1943 will probably be set higher than they were in 1942 for all crops except wheat and short staple cotton.

Farm labor is already proving a serious problem in many sections of the country, and this situation is expected to get worse as time goes on. Employment set a new high in August—the fourth consecutive month—at 57,700,000 as industry and the armed forces continued to cut deeply into the nation's labor reserves with the country moving toward a total war economy.

The survey released by the Division of Industrial Economics of the National Industrial Conference Board further disclosed that this figure represented a gain of more than 500,000 over the previous month and of about 4,000,000 over the preceding year.

"At the close of August there were already 2,400,000 more men and women at work or in uniform than in the normal labor force under peacetime conditions," the Board reports. "Official estimates indicate that 62,500,000 people will be employed in industry and the armed forces by December, 1943, and the possibility exists that a labor force of 65,000,000 or more may be needed by that time."

With regard to the agricultural situation, the Board found that "farmers faced their fall harvest with the lowest August total of farm family workers since World War No. 1. Total agricultural employment, including hired workers, has moved steadily downward by about 300,000 monthly since June."

its own destruction. It is a difficult and puzzling problem. It may be that we shall in the end be obliged simply to await the day when the rank and file will learn by experience what history should teach them. We earnestly hope not, but we should be less than candid did we not acknowledge the possibility. But of one thing there can be no doubt: Our future is inextricably bound to and dependent upon the behavior and the basic intelligence of the rank and file—or at least upon their ability and willingness to follow wise leadership. Until we find how to make such leadership effective we shall continue to have bad tax bills and bad government generally.

Brazilian Ambassador Honored At Luncheon

A luncheon in honor of Carlos Martins, Brazilian Ambassador to the United States, was given by the Latin American Section and the New York Board of Trade in the Grand Ballroom of the Waldorf-Astoria Hotel, Oct. 21. Other guests of honor were Mayor F. H. La Guardia, Wayne C. Taylor, Under Secretary of Commerce, and Brigadier General Albert L. Cox, United States Army. About a thousand persons with interests jointly in the United States and South American countries were expected to attend.

The proceedings were broadcast to all of South America over shortwave through the facilities of the Columbia Broadcasting System. Recordings were also made by the Office of the Coordinator of Inter-American Affairs for rebroadcast over South American stations at a future date.

John B. Glenn, President of the Pan American Trust Co. and Chairman of the Latin American Section, acted as master of ceremonies at the luncheon and introduced the honor guests. Mr. Glenn was decorated recently by the President of Mexico with the Mexican Aztec Eagle. The Latin American Consular Corps will be guests of honor at the luncheon.

The Latin American Section, recently formed, now has about 120 members made up mostly of American business men who are vitally concerned with promoting goodwill between North and South America.

The purposes of the Latin American Section generally are: "To bring about a concerted effort on the part of those engaged in Latin American trade to further better understanding between the Latin American countries and to stimulate trade and commerce between them; to provide a clearing house of Latin American trade information, import and export regulations, etc.; to enlist and to merit an understanding by the public of the problems and needs of Latin American business and commerce as a vital part of our national economy, as well as that of the State and City of New York, and to further closer cooperation between those engaged in Latin American trade and public officials."

NWLB Reserves Right To Order Wage Cuts

Taking its first action under the Executive Order of Oct. 3, the National War Labor Board approved on Oct. 7 all increases put into effect on or before Oct. 3, but reserved the right to order discontinuance of further payment of any such increases which it may later find to be inconsistent with the Executive Order or with any policy formulated by the Economic Stabilization Director. This action by the Board was taken in the form of a General Order which the Board issued by virtue of the authority conferred upon it in the Executive Order (referred to in these columns of Oct. 8, page 1265.)

The Board adds:

"Two other general orders were also issued by the Board. In one of them the Board ordered put into effect all increases in wage rates directed by the Board prior to Oct. 3. The other is a procedural order which states that the Board's procedures prior to Oct. 3 shall remain in full force and operation for the adjustment of labor disputes affecting wages. It also provides that whenever the Board takes jurisdiction over a case the parties shall be deemed to have given notice within the terms of Title II, Section I of the Executive Order."

United Mine Workers Sever CIO Connections; Move To Admit Women Workers To Union

The decision of the United Mine Workers of America to open its doors to women and workers outside the coal industry was announced on Oct. 12, during the convention of the mine workers held at Cincinnati. On Oct. 14, John L. Lewis, President of the UMW announced that the latter would start an organization drive among 20,000 chemical workers in West Virginia, 50,000 coal mine supervisory employes and "great segments of agricultural labor." As the convention came to a close on Oct. 14 and after conditional agreement to work a 6-day week and postponement of wage demands, Mr. Lewis made a speech pledging his union to "great continued efforts to organize the unorganized." The Associated Press, reporting this from Cincinnati on Oct. 14, further said in part:

"Reiterating previous statements that the UMW—which withdrew from the CIO last week (on Oct. 7)—would not seek to destroy established unions, Mr. Lewis said:

"There are millions more to organize, clamoring for organization. Great segments of agriculture are knocking at the door of the UMW for help toward becoming free and independent citizens.

"Referring to the convention's action amending the UMW constitution to admit non-hiring mine bosses, Mr. Lewis said "we will proceed during the next six months to take them in. They are practical coal miners and former members. Their standards are affected by the industry's wage-structure. It is fitting to protect them and for them to bear their proportional cost of maintenance of the UMW."

"Mr. Lewis also announced that the union would go ahead to complete the work of organizing the baker's-dozen of coal mines not recognizing the UMW."

He named specifically the Alabama Coal & Iron Co., the Clinchfield Coal Co., and the West Kentucky Coal Co.

"The convention accepted its scale committee's recommendation for a 42-hour week, as requested by Solid Fuels Co-ordinator Ickes for the remaining contract period ending next March 31, after an hour's debate.

"Mr. Lewis immediately sent Mr. Ickes a telegram promising to work out details with Appalachian operators in a few days and set up these three conditions of governmental co-operation:

1. "The necessity of steps to prevent some millions of tons of special-use coal being transported great distances and used for energy-producing purposes, thus closing down mines in the steam-coal areas;

2. "Necessity of the coal industry being given maximum sales prices high enough to permit operators to pay time-and-a-half and rate-and-a-half (equivalent of time and a half when pay is on a production basis) for the sixth day as in other industries;

3. "The necessity for the industry being given priority orders on mechanical supplies and equipment to prevent the lessening of production and the reduction of output per man now on a vast scale throughout the industry."

Commenting on more than 200 resolutions asking for wage boosts mostly for \$2 a day over the present \$7, James Marks, chairman of the scale committee, promised the 2,800 delegates "every effort to get substantial raises in wages."

"The scale committee report said that specific demands should not be stated now because of the uncertainty due to the war.

"The committee also recommended seeking double-pay for Sunday and holidays; abolition of all "discriminatory differentials between districts"; and adjustment of "inequalities in rates of pay now existing between certain day-wage classifications."

It was noted in the United Press

accounts from Cincinnati on Oct. 12 that the Constitutional Committee of the UMW opened the way for taking in workers outside the mining field by the adoption of amendments to the union's constitution which included:

"Adding to the list of workers eligible for membership, hitherto restricted to the coal industries, those of "such other industries as may be designated and approved by the board, on the American continent." Delegates informally said the change authorized the UMW's District 50, which already is organizing dairy farmers, to go into other fields hitherto unorganized.

"Changing the word "workmen" to "workers" in the jurisdictional section. Officials explained that women likely would replace drafted men in some mining tasks.

"Authorizing the executive board to "prescribe rules and regulations upon which supervisory employes may be admitted to membership." Delegates said this applied only to men who had no authority to hire and fire.

Regarding the severance of relations by the UMW with the CIO, Associated Press accounts from Cincinnati on Oct. 7 said:

"The United Mine Workers of America late today voted almost unanimously to withdraw from the Congress of Industrial Organizations to complete a two-year, steadily widening breach.

"John L. Lewis, UMW chieftain and former CIO President, virtually told the miners in a speech to decide between him and the CIO.

"Although most speakers, previous to Lewis, asked delegates to vote against the split, only a scattering of men stood after the majority had shouted their approval of Lewis' stand."

New England Assured Fuel Oil By President

A delegation of six Governors of New England States conferred with President Roosevelt at the White House on Oct. 13 about the fuel situation and were reported to have received his assurance that every effort will be made to build up their fuel oil stocks. With regard to the conference, Associated Press advices stated:

"They said Mr. Roosevelt indicated he thought the temperature curve should be the controlling factor in distributing available supplies and building up reserves of fuel oil."

After the White House conference Governor Leverett Saltonstall said to reporters:

"We can tell you he (the President) was very sympathetic, he understands our problem and he was very reassuring."

Earlier, Mr. Roosevelt conferred with Representatives McCormack and Casey, Massachusetts Democrats, concerning steps to speed completion of a Florida pipeline and the building of barges to take fuel oil from Florida's East Coast northward by the inland waterway. They said the Executive told them his latest information was that the pipeline definitely would be finished in January, and assured them that barge construction would be expedited for use in the inland waterway.

Earlier the Governors said Harold L. Ickes, oil coordinator, promised that every effort would be made to supply their States with 75% of the normal supplies of fuel oil through the winter months.

Byrnes Acts To Stabilize Commercial Rentals—Asks Treasury's Aid In Regulating Salaries

James F. Byrnes, who was sworn in on Oct. 7 as Director of Economic Stabilization, took action on Oct. 13 to extend the control of rents to all real property, commercial as well as residential.

At his request, Representative Steagall (Dem., Ala.) introduced a bill authorizing the stabilization of all rents, thus supplementing existing law, which permits only the control of rents for housing in defense areas.

Mr. Byrnes, in a statement issued through the White House, said that he had received reports from many States that landlords were demanding increased rentals for grocery stores, restaurants and other properties, the effect of which increases would be to add to the cost of living. Some of these increases, he said, were found to be in excess of 100%.

The membership of the Economic Stabilization Board, which will advise and consult with Director Byrnes, was completed on Oct. 7 with the appointment by President Roosevelt of two representatives each of labor, management and farmers. These public members are:

Labor—William Green, President of the American Federation of Labor, and Philip Murray, President of the Congress of Industrial Organizations.

Management—Eric A. Johnston, President of the Chamber of Commerce of the United States, and Ralph E. Flanders, President of the Jones & Lamson Machinery Co., Springfield, Vt.

Agriculture—James G. Patton, President of the Farmers Co-operative Union, and Edward A. O'Neal, President of the American Farm Bureau Federation.

Besides these members, the Board consists of the Secretaries of the Treasury, Agriculture, Commerce and Labor; the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Bureau of the Budget, the Price Administrator, and the Chairman of the National War Labor Board, their appointment was indicated in these columns Oct. 8, page 1273.

Mr. Byrnes disclosed on Oct. 8 that he had asked the Treasury Department to recommend regulations for the control of salaries over \$5,000 as well as those in excess of a net of \$25,000. The President has authorized the Board, in so far as is practicable, to hold down salaries to \$25,000 a year, after payment of taxes and with proper allowance for payments on life insurance and fixed obligations previously incurred.

Mr. Byrnes' letter to Secretary Morgenthau follows:

"Dear Mr. Secretary: "The Executive Order of Oct. 3, 1942, provides in Title II, Sections 5 and 7 as follows:

"Sec. 5. 'No increases in salaries now in excess of \$5,000 per year (except in instances in which an individual has been assigned to more difficult or responsible work), shall be granted until otherwise determined by the director.'

"Sec. 7. 'In order to correct gross inequities, and to provide for greater equality in contributing to the war effort, the director is authorized to take the necessary action, and to issue the appropriate regulations, so that, in so far as practical so salary shall be authorized under Title III, Section 4, to the extent that it exceeds \$25,000 after the payment of taxes allocable to the sum in excess of \$25,000. Provided, however, that such regulations shall make due allowance for the payment of life insurance premiums on policies heretofore issued, and required payments on fixed obligations heretofore incurred, and shall make provision to prevent undue hardship.'

"Inasmuch as the administration of these two sections is closely related to the administration of the revenue laws, I should appreciate it if you could recommend to me such concrete regulations as you

consider appropriate to carry into effect these provisions.

"Section 7 by its terms would appear to affect only salaries as authorized or recognized under Title III, Section 4 of the Execu-

U. S., Britain Announce They Will Surrender Extraterritorial Rights In China

The State Department in Washington announced on Oct. 9 that the United States will undertake in the near future, together with the British Government, negotiations with the Chinese Government for the relinquishment of their extraterritorial and related rights and privileges in China.

Acting Secretary of State Sumner Welles informed Dr. Wei Tao-ming, the new Chinese Ambassador, of this intention and said that a draft treaty would soon be presented to China to accomplish this purpose.

This announcement, made on the eve of the anniversary of the establishment of the Chinese Republic, was hailed by Dr. Wei as the beginning of "a new era in China's relations with the Western Powers" and as serving formally "to seal the end of an outdated and outworn system."

President Roosevelt, in a message to Lin Sen, Chairman of the National Government of China, on the anniversary extended his congratulations, and reemphasized "our determination to press forward until the cause of freedom shall be victorious."

The text of the State Department's announcement on the extraterritoriality question follows:

"The President of the United States in the year 1934, and the Department of State on July 19, 1940, and on May 31, 1941, expressed the willingness of this Government, when conditions should be favorable therefor, to negotiate with the Chinese Government for the relinquishment of the extraterritorial and related rights and privileges hitherto possessed by the United States in China.

"On Oct. 9, 1942, the Acting Secretary of State informed the Chinese Ambassador in Washington that the Government of the United States is prepared promptly to negotiate with the Chinese Government a treaty providing for the immediate relinquishment of this country's extraterritorial rights in China for the settlement of related questions and that the Government of the United States expects in the near future to present to the Chinese Government for its consideration a draft treaty which would accomplish the purpose mentioned.

"The Government of the United States has, during the last several weeks, exchanged views with the British Government in regard to this general question and the Government of the United States is gratified to know that the British Government shares this Government's views and is taking similar action."

Following is the President's message on the anniversary:

"It gives me deep pleasure on this national anniversary of your country to convey to your Excellency and to the people of China the warm greetings and the whole-hearted congratulations of the people of the United States. During the last year the bonds of friendship which long and happily have existed between our peoples have been welded even stronger in a common struggle against predatory enemies who are attempting to stamp out the freedom which your country and mine so greatly cherish. This anniversary affords us occasion to re-emphasize our determination to press forward until the cause of freedom shall be victorious."

Order. Inasmuch as the recent emergency legislation seems to authorize a broader and more direct control over salaries, the regulations which you may recommend to carry out the President's objectives need not be limited to Title III, Section 4 of the Executive Order so long as they come within the scope of the powers granted to the President.

"Sincerely yours,
"JAMES F. BYRNES."

The President's Executive Order appeared in these columns Oct. 8, page 1265.

Hails Lend-Lease Program

Edward R. Stettinius, Jr., Lend-Lease Administrator, said on Oct. 11 the lend-lease program is "forging a practical partnership" among the United Nations for the defeat of the Axis and will later serve as a basis for continuing the partnership in peace.

Concerning his remarks, made in a radio speech, the United Press reported:

"It is a program of enlightened self-interest," Mr. Stettinius declared. "We are forging a practical partnership that will in the end bring us victory. It is a partnership that will continue after the war. We have learned how much we depend on others, how much others depend on us."

"These agreements lay the foundation for continued friendship after the war. Thus, the machinery developed for united action to win the war will continue to operate in the service of peace," he said.

In giving aid to the United Nations, he said, this country is "no longer the fortunate neighbor lending his garden hose to the friend whose house was on fire."

"We are right in the middle of it now and the enemy knows what lend-lease means," Stettinius said. "He reads its significance in the smashed streets of German cities and in the caved-in factories that had once produced Axis weapons."

Electric Home And Farm Authority Ended

President Roosevelt issued an executive order on Oct. 13 ending the life of the Electric Home and Farm Authority. This Federal agency was established in 1935 to finance the distribution and sale of electric and gas appliances, primarily in rural areas.

The President told a press conference that production of appliances had been so restricted by the war that this financing was no longer needed and no more loans would be made, according to the Associated Press.

Consequently, he said, the remaining functions of the agency are being turned over to the Reconstruction Finance Corporation for liquidation.

FIC Banks Place Debs.

The Federal Intermediate Credit Banks on Oct. 17 made a successful placement of \$30,645,000 debentures through Charles R. Dunn, New York, fiscal agent for the banks. The debentures were sold at par. The debentures are dated Nov. 2, 1942, and \$10,925,000, due April 1, 1943, carry a coupon of 0.70% and \$19,720,000, due Aug. 2, 1943, carry a coupon of 0.85%. The proceeds of the sale together with \$11,255,000 cash will be used to pay off \$41,900,000 outstanding debentures due Nov. 2 next. At the close of business Nov. 2, 1942, the banks will have outstanding \$263,595,000 debentures.

From Washington

(Continued from first page)

never been considered one of these men of steel heretofore. Instead, he has been looked upon as one of those lovable, companionable types. Notwithstanding that he is the head of a big railroad, the worker refer to him affectionately as "Bill." The Brotherhoods' weekly newspaper, "Labor," published here in Washington, frequently portrays Good Old Bill as one of the boys. But the Government has a vast pool of publicity men—all in there pitching and incidentally escaping the draft—out of which one is always assigned to a newcomer like Jeffers, to teach him how to be a strong man. The way is to bawl out Congress, bawl out the American people, bawl out somebody.

For many months Leon Henderson was the strong man. I remember very well the denunciation heaped by the editors upon Congress because they wouldn't give him the full appropriation he wanted to set up an organization of more than 100,000 men. He's trying to prevent inflation, the editors said, and we certainly can't stint on money or men when a fellow is trying to prevent inflation. Well, it's difficult to tell just what Leon was trying to do. Apparently he wasn't preventing inflation because now another strong man, Jimmy Byrnes, has been set up over Leon, to prevent inflation.

All out over the country business men are crying for help; the farmers are crying for help. There is, we are told, an appalling manpower shortage. One simple solution might be to quit bringing so many strong men to Washington. Each strong man must have an army of lesser strong men with him. But the plan for settling the manpower situation is to bring in still stronger men and their armies of lesser strong men. Apparently the planned solution of this problem is to drain all the manpower into our bureaucracy. There not being any manpower then available for anything else, presumably there won't be a manpower problem.

But Mr. Roosevelt believes in giving the people what they want. The editors insist on strong men with dictatorial authority. It never occurs to them apparently that the overmanned bureaucracy is what is responsible for our problems in the first place. For one thing, it is definitely responsible for the so-called shortages of raw materials, those shortages created by the particular materials not being where they are needed. The Baruch report showed this.

It takes a mighty hardy man to attempt anything in Congress these days. That body is the subject of ridicule and abuse. Out in Michigan, New Deal Senator Prentiss Brown is running for reelection, and the industrialists are backing him, on the ground that he knows the bureaucrats here and can get favors from them. There is no suggestion that he should exercise the proper function of a Senator and try to clean the mess up.

Following Strong Man Jeffers' "putting a Senate committee in its place," the bureaucrats pressed a crusade in the press about how the Senate committees took up their valuable time. The editors generally applauded. Oh, nuts! Pick up the paper any day and you'll read about the bureaucrats being all over the country making speeches. They aren't pressed for time.

Washington has come to be like the old "alley oop" vaudeville act, always the last one on the program. Strong men rushed on to the stage and hoisted one another into the air to form a towering pyramid of strong men. Some day the thing is going to topple down. When it does, there ought to be plenty of timber for the army.

Congress Completes Record Tax Bill

(Continued from First Page)

elimination voted by the Senate. With respect to the renegotiation of war contracts, the conference group agreed to the Senate amendments changing the basis for renegotiations and limiting such actions to one renegotiation, except in cases of fraud. The present law permitted renegotiations by the War and Navy Departments and the Maritime Commission, if excessive profits were found, as late as three years after the war.

When the House conferees accepted on Oct. 16 the Senate's 40% combined normal and surtax corporation rate, instead of its own 45% rate, it represented a compromise, with the abandonment of the Senate provision repealing the capital stock and declared value excess profits tax.

The conferees also compromised on a \$350 exemption for dependents; the Senate had previously voted for \$300 while the House favored the present \$400 exemption.

Senate approval of its version of the tax bill by a 77 to 0 vote came on Oct. 10. The House bill was passed on July 20.

With respect to the freezing of Social Security taxes in 1943 at the present level of 1% on both employees and employers, the Senate by a vote of 50 to 35 on Oct. 9 approved this proposal instead of permitting the taxes to double automatically on Jan. 1, 1943, as provided in existing law. This action was taken despite an appeal by President Roosevelt, in a letter to Senator George, that "the increase in rates at the present time is not only in accord with the necessities of the Social Security System itself, but at the same time would contribute to the non-inflationary financing of the rapidly mounting war expenditures."

Another important move taken by the Senate on Oct. 9 was the adoption of the so-called "Victory tax" of 5% on gross annual incomes of \$624 or more. The tax, to be collected at the source, is estimated to yield \$3,600,000,000 and would be superimposed on the regular income tax. Under this proposal a post-war credit would be allowed the taxpayer.

The Senate on Oct. 9 also voted by a 74 to 10 count to include in the tax bill an increase of powers for the Joint Committee on Internal Revenue Taxation. This amendment, opposed by Senator Barkley (Dem., Ky), the Majority Leader, as a "slap" at the Secretary of the Treasury, allows the Joint Congressional Committee tax staff to consult with underlings in Government departments in obtaining revenue information.

Previous action by the Senate included the elimination on Oct. 8, by a 52 to 34 vote, of a provision to tax the future issues of State and local government securities. The Treasury Department had strongly favored the adoption of this amendment, which the Senate Finance Committee had written into the bill.

Earlier (Oct. 7) the Senate approved a 40% combined normal and surtax rate for corporations after rejecting, 75 to 9, a proposal by Senator La Follette (Prog., Wis.) to increase the rate to 50%. The House-approved rate is 45%. The LaFollette proposal was to increase the combined rate to 50% on corporations with net incomes in excess of \$25,000.

A summary of the principal provisions of the tax bill as approved by the Senate and House conferees follows, according to the Associated Press:

Individuals

Normal income tax rate increased from 4 to 6%.

Surtaxes now ranging from 6 to 77% increased to range from 13 to 82%, with maximum being ap-

plied at \$200,000 level instead of at \$5,000,000.

New 5% Victory tax imposed on gross income above \$624 yearly, with 25% of tax up to \$500, rebate to single persons, and 40%, plus 2% for each dependent, up to \$1,000 to married persons.

Personal exemptions for income tax cut from \$1,500 to \$1,200 for married couples, from \$750 to \$500 for single persons and credits for dependents reduced from \$400 to \$350.

New credit allowed against income tax for all medical expenses in excess of 5% of net income, with maximum of \$2,500.

Corporations

Normal and surtaxes on larger corporations increased from present 31 to 40%.

Flat 90% excess profits tax substituted for present graduated scale of from 35 to 60%, with present specific exemption of \$5,000 retained. Average earnings

base revised by insertion of relief provision. Invested capital base pared down for larger corporations.

Post-war rebate and current debt reduction credit of 10% of excess profits tax provided.

Over-all taxing limitation put at 80% of net income.

All corporations put on calendar-year tax basis in future with softening provision applicable to 1942.

Miscellaneous

Social Security taxes frozen for 1943 at present 1% on employers and 1% on employees.

Excise taxes increased on liquor, beer, wines, cigarettes, cigars, lubricating oil, slot machines, photographic apparatus and train, bus and plane fares.

New tax of 3% placed on express and freight shipments.

Estate tax exemption cut from \$80,000 to \$60,000, with insurance limitation abolished.

NAM Urges 'In-Plant Training' To Overcome Manpower Deficiency In War Industry

Pointing out that the skilled and "semi-skilled" workers have found employment and that industry faces an acute labor shortage that will become increasingly worse this winter and in 1943, the National Association of Manufacturers on Oct. 13 re-emphasized to its members the importance of "in-the-plant training programs" as a means to minimize the manpower deficiency.

Based on an up-to-date survey of training programs of its members, the Association, in a supplementary issue of its Industrial Relations Bulletin, said that "everything points to training as industry's number one problem. And there is no training comparable to the on-the-job production experience, geared to carefully planned job analysis, job breakdown and job instruction."

The Bulletin warned that "in-plant training programs cannot be 'standardized' to the extent that a national pattern can be made applicable to all plants, since conditions obviously vary in different manufacturing units. This calls for plant-by-plant training programs that are carefully 'tailor-made' to fit precise, local conditions."

The weekly NAM News pointed to the manpower of deficiency as "increasingly acute" and cited estimates of the Federal Manpower Commission that where the normal annual increase of payrolls was 500,000, the rise in industrial employment from December, 1941, through July, 1942 was 1,800,000. "Yet," said the NAM News, "estimates of the Manpower Commission call for the addition

of some 5,500,000 from July, 1942, to the end of 1943. Even with intensive training programs for women and youth, it is obvious that the labor market will become increasingly tight." The advice quoted add:

"From December, 1941, through July, 1942, the increase of 5,600,000 employed in war industries and the addition of nearly 2,000,000 men to the armed forces has caused marked shifts in labor distribution. This is shown by a decline of 1,000,000 in the unemployed and a decline of 8,600,000 in civilian industry employment. The rise in agricultural employment for this six months period is attributable to the seasonal character of farming operations.

"The Manpower Commission's estimated requirement for December, 1943, when we will need 20,000,000 men in war industries to supply an army of 9,000,000 men will necessitate further drains mainly from civilian industries and to some extent from agriculture. If the army should be increased beyond 9,000,000 men even more serious dislocations in the distribution of the labor force must inevitably occur."

Government Begins Buying Of Extra Tires— OPA Outlines 5-Point Tires-For-All Plan

The Office of Price Administration put into effect on Oct. 15 its tire purchasing plan under which automobile owners who have more than five tires per car will sell them to the Government in order to obtain gasoline ration books under the nation-wide mileage rationing program, beginning Nov. 22.

Price Administrator Leon Henderson said on Oct. 14 that the Government will pay ceiling prices for the extra tires, ranging from \$1.50 to \$11.15, depending upon size and condition, with deductions for repairs.

To finance the tire-buying program, the Defense Supplies Corporation has advanced \$150,000,000 and has designated 160 warehouses as delivery points. The Railway Express Agency, which has 23,000 offices, will collect the tires and transport them to the warehouses.

"To sell his tires to the Government," Mr. Henderson said, "the individual only has to telephone or write the Railway Express Agency office nearest his home, and a truck will be sent to pick up the tires. The owner will be given a receipt for the tire and will receive his check, or war bonds and stamps if he desires, in payment from the Government shortly after the tire has been inspected at the warehouse for official determination of its value."

Gasoline ration books will be issued to motorists only upon certification that they have no more than five tires for each car and after they have listed all their tires by serial number. They must also agree to periodic inspection of tires. Falsification of the tire statement becomes an offense punishable by fine of up to \$10,000, and a maximum prison term of 10 years.

Registration for gasoline ration books will start Nov. 9 in the 31 States where gasoline is now unrationed. In the 17 Eastern States where rationing is in effect motorists will not be called upon to register again but will have to supply the tire data.

Mr. Henderson asked that the tire sales be made as quickly as possible, well in advance of the date of registration for gasoline rationing. He explained that the program contemplates not only rationing of used tires but the

fullest possible use of recapping and recapped tires to minimize drain on crude rubber supplies. The sale of used tires and tubes has been frozen by the OPA since Sept. 30 to keep the supply intact pending the completion of the new rationing program.

The OPA had announced, on Oct. 10 "five steps in the Government's plan for keeping America's passenger cars rolling for essential mileage with a minimum use of rubber," as follows:

"1. Rationing of used tires and recaps and new tires now in stock to provide as far as possible the minimum essential mileage to each of the nation's passenger cars.

"2. Actual control of each car's mileage through the rationing of gasoline to prevent unnecessary driving as far as possible, and to hold the national average down to 5,000 miles per car per year.

"3. Compulsory periodic inspection of all tires to guard against abuse and prevent wear beyond the point where they can be recapped.

"4. Denial of gasoline and tire replacements to cars whose drivers persistently violate the national 35-mile-an-hour speed limit for rubber conservation.

"5. Capacity use, through car-sharing, of every car on every trip so far as possible."

"The Government's undertaking to keep tires on all passenger cars with driving reduced to essential mileage," Mr. Henderson said, "is a goal which can be reached only if driving is brought within the 5,000-mile-a-year average recommended by the Baruch report, and if there is strict adherence to the 35-mile-an-hour speed limit. Any failure to accomplish the mileage limit or speed cut will result in stricter curtailments to prevent excessive drain on the national rubber resources."

Life Ins. Presidents Cancel Convention

The Association of Life Insurance Presidents has canceled its annual convention which had been scheduled for Dec. 10 and 11 in New York City, Vincent P. Whitsitt, Manager and General Counsel of the Association announced on Oct. 14. It was made in recave been the 36th annual convention of the Life Presidents' organization. Decision to cancel the convention was reached at a regular meeting of the Association on Oct. 14. It was made in recognition of the nation's wartime transportation needs, Mr. Whitsitt said, and is in harmony with the policy, urged by Joseph B. Eastman, Director of the Office of Defense Transportation, of discouraging gatherings which add to the travel burden.

The Association's annual conventions have brought together around 600 members and guests, including life insurance executives and supervisory officials from all parts of the United States and from Canada. The Association has 64 member companies domiciled in the two countries. Leaders in such fields as government, industry and education, as well as life insurance, have customarily taken part in the discussions. These conventions covered two days with morning and afternoon sessions. Informal luncheon gatherings were held between the sessions. In announcing the Association's decision, Mr. Whitsitt said:

"In canceling its 36th annual convention The Association of Life Insurance Presidents is endeavoring to cooperate with the Office of Defense Transportation in the suggestions it has made for relieving the wartime strain on the nation's transportation facilities. This action reflects the sincere desire of our membership to take whatever steps it can to aid in the war effort."

Agricultural Department General Crop Report As Of October 1

The Crop Reporting Board of the United States Department of Agriculture made public on Oct. 9 its forecasts and estimates of the grain crop of the United States as of Oct. 1, based on reports and data furnished by crop correspondents, field statisticians and co-operating State Boards (or Departments) of Agriculture. We give below the report in part:

The outstandingly heavy crop yields that have been in prospect for several months are now in sight but not yet "in the bag." Record crops are indicated for corn, barley, all grain, all hay, beans and peas, oilseeds, sugar crops, commercial vegetables for market, vegetables for canning and processing, and probably fruits. Average to ample production of most other crops is in evidence. As the harvest progresses under difficulties, however, farmers are showing less assurance that the tremendous job of harvesting can be completed in season. A wet fall or an early winter would probably catch a big volume of crops still in the fields, but there is no longer any doubt that an unprecedented volume of crops has been grown.

The estimate for corn has been raised 4% to 3,132,000,000 bushels, which surpasses the former all-time high crop of 1920. In that year corn was harvested from 101 million acres in comparison with this year's 89 million. The yield of corn per acre is expected to be 35 bushels per acre, compared with the previous high record of 31.7 bushels set in 1906. Illinois, Indiana, Ohio and Iowa all show record corn yields of 53 to 59 bushels per acre.

Wheat is nearly all harvested and production appears to be about 984,000,000 bushels, a quantity that has been exceeded only in 1915. The yield of wheat is estimated at 19.5 bushels per acre, although last year's crop was only the 5th to exceed 16 bushels and the first to reach 16.9. Hay, beans, peas and potatoes and cotton all show exceptionally high yields per acre, and a wide range of crops including oats, barley and sugarcane show yields close to the top figures during the last 60 years.

When all crops are added together, the record is impressive. Crop yields per acre will be about 36% above the 1923-32 or pre-drought average. In comparison, yields in the other outstandingly favorable seasons—1937, 1940 and 1941—ranged from 17.7 to 20.7% above the pre-drought level. Aggregate crop production this season does not appear correspondingly high because of the smaller acreage planted to cotton and some other crops, but production is expected to exceed the pre-drought level by 28% as compared with previous peaks of 12.6 and 11.0% in 1937 and 1941. Further evidence of the favorable nature of the season exists in the fact that reports on the condition of the various crops on Oct. 1 or at harvest time averaged 19% higher than on the same dates in the pre-drought period.

Pastures also show the effects of the evenly distributed rainfall. On Oct. 1 pastures were the best for the date since 1915. For the season from May 1 to Oct. 1 as a whole, pasture reports were slightly higher than in 1927, substantially higher than in other years since 1920, 14% above the 1923-32 average, and 29% above the low average of the 1930-39 decade. Reports from western ranges show conditions very favorable east of the Rockies. West of the Rockies rainfall has been inadequate and ranges are only fair. In the Great Plains States, winter wheat has been planted under very favorable moisture conditions which give promise of good wheat pastures this fall, as well as a good start for the new crop.

Comparisons with the last dozen years make 1942 appear as an exceptionally favorable season. In comparison with the 1900-1929 pe-

riod, the weather this season appears less exceptional, but there is evidence of a material improvement in the yields of many crops as a result of better methods of production.

For the country as a whole, maturity and harvest of such late fruit crops as apples, grapes, prunes, and fall and winter pears continued under favorable weather conditions, although growers in most areas are complaining of the difficulties experienced in obtaining harvest labor. But if gathering of the deciduous fruits is concluded without undue losses from labor shortage, and present prospects for a bumper citrus crop materialize (some of the citrus fruit now on the trees will not be picked for nearly a year), the 1942-43 fruit supply will exceed the record 1941-42 output. Present indications are that the total citrus crop will be sufficient to supply more than a box per person for the entire population of the country. For other fruits, estimates show that, the commercial apple crop probably will be 5% larger than last season, pears 3% more, fresh plums and prunes 10% more. The apricot crop turned out 9% larger than last season, and the cherry crop showed an increase of 23%. Peach production, although large, was 12% smaller than last year's bumper crop, and grape production probably will be about 7% under the 1941 figure. Dried prune production is expected to show little change from last season's output.

Production of principal truck crops for market is indicated to total 7,265,500 tons—the largest production on record. Since there was very little increase in acreage, most of the increase in production is due to higher yields. Frosts during September terminated the growth of most tender vegetables in the Northern and Eastern States, but for hardier crops in these areas, growing conditions were mostly favorable during September. Vegetable crops for fall and winter consumption in the southern and far-western states have made good progress in general thus far.

Prospective production of commercial truck crops for harvest during the next few weeks is 9% above that of the corresponding period last year and 24% above the 10-year average for this period. Supplies of beets, cabbage, carrots, lettuce, onions, cauliflower, and spinach especially are expected to be abundant compared with recent years. Supplies of late peas are expected to be very short.

On Oct. 1 aggregate tonnage of 8 important truck crops for processing—beets, lima beans, snap beans, kraut cabbage, sweet corn, green peas, tomatoes, and pimientos—is indicated to be slightly above the record high 1941 tonnage of these crops and nearly 90% in excess of the 10-year (1931-40) average. Kraut cabbage, and beets for canning are the only two crops with an indicated production lower than in 1941. The harvesting season for tomatoes was practically ended before Oct. 1 by quite general frosts in most of the important late producing states from the Rocky Mountains eastward. Production prospects for tomatoes were reduced about 5% from mid-September indications. It now appears that 3,041,700 tons may be utilized for canning and the manufacture of tomato products, compared with 2,802,500 tons estimated for 1941. The abundance of moisture this year in the North Central and Corn Belt States was unfavorable for the various clover seeds but

gave good yields of grass seeds. With light crops supplemented by rather large carryovers the total supply of red, alsike, and sweet clover seeds appears but about 16% smaller than a year ago but probably sufficient for current needs. Total supplies of the principal grass seeds (timothy, redtop, bluegrass, orchard grass, and meadow fescue) are about 10% larger than a year ago. The production of winter cover crop seeds (needed for planting in the South) is over twice the previous record and over 3 times the 5-year average.

Total milk production through September continued above last year because of the larger numbers of milk cows on farms. Production per milk cow, however, dropped sharply during September, and on Oct. 1 was below that on the corresponding date a year earlier for the first time in 15 months. Some evidence is at hand that in certain central and western States, the pressure of harvest work is restricting the number of cows that can be milked.

Egg production continues higher than in other years. With about 11% more hens in laying flocks, September egg production was about 11% higher than in that month last year.

Wheat

The production of all wheat is indicated to be 984,046,000 bushels, an increase of 2 million bushels from Sept. 1. This production compares with 945,937,000 bushels in 1941, and the 10-year (1930-39) average of 747,507,000 bushels. This year's crop is the second largest in history.

Spring wheat production, indicated by yields at harvest to be 286,338,000 bushels, is about 4% above last year's crop of 274,344,000 bushels. The increase of 2 million bushels from last month resulted from increases in both Durum and other spring wheat. The indicated production of Durum wheat now is 43,546,000 bushels, and of other spring wheat 242,792,000 bushels, each 4% above last year.

Although the yields reported at this stage of harvesting have raised the volume of production per acre still higher than last month in at least half of the spring wheat states, some of those states (the Northern Plains section) still have some unthreshed wheat in the fields. The appraisal of yield at harvest, therefore, is more difficult than usual at this date. In addition, some lowering of quality is evident from the observed weather damage to wheat already combined or threshed, and from the amount of sprouting and spoilage in shocks. The crop in the Pacific Northwest is being harvested under favorable weather conditions, and the big problem there is one of storage.

The yield of all spring wheat of 20.2 bushels per acre establishes a high record for the United States, and is above last year's yield of 16.9 bushels and the 10-year average of 10.5 bushels by a wide margin. It is a bumper yield in many of the spring wheat states, but there is no single state with a record high yield. The record for the United States is the result of a combination of near record yield for most of the important states.

Farm Stocks

Stocks of wheat on farms as of Oct. 1 are estimated at 644,503,000 bushels—by far the largest stocks of wheat ever held on farms on this date. Last year on Oct. 1, 488,311,000 bushels were held, and the 10-year average stocks are 337,511,000 bushels. The wheat farm stocks situation is characterized by the accumulation of huge reserves in the heavy producing surplus states, but declines from this date last year in states of smaller production, particularly the deficit states where demands for livestock feeding have dipped into supplies. The estimate of stocks of wheat on farms includes wheat under loan on farms, but

does not include wheat owned by the Commodity Credit Corporation or under loan and stored elsewhere.

Corn

A record-breaking corn crop of 3,132,002,000 bushels is indicated as of Oct. 1. It is 61 million bushels above the previous record crop of 3,070,604,000 bushels produced in 1920, 17% larger than the 2,672,541,000 bushels produced in 1941, and 36% above the 10-year (1930-39) average of 2,307,452,000 bushels. The 1942 bumper crop is the result of the highest yield per acre on record—35.0 bushels. These estimates relate to production of corn for all purposes—grain, silage, forage, hogging, and grazing.

Following favorable and rapid development during August, corn continued to make excellent progress during most of the first 3 weeks of September. Above-average temperatures prevailing over most of the country during this period, together with much-needed sunshine, allowed the crop to make splendid progress toward maturity. Such rapid development enabled most of the crop, even a large part of the late planted acreage, to escape injury from the freezing temperatures which occurred over most of the corn producing area of the country during the latter part of the month.

In the northern part of the Corn Belt, particularly of the Dakotas and Minnesota, there will be considerable soft corn. Quality of corn for fodder and silage in Wisconsin and Michigan was reduced. Some chaffy corn is expected in most of the other states in the Corn Belt, but for the most part this represents only a small part of the entire production. In the heart of the Corn Belt which has now adopted hybrid seed on nearly 100% of the corn acreage, and in Nebraska and Kansas, the quality of mature corn is excellent.

In spite of damage from blight in Ohio, corn-borer in parts of the eastern Corn Belt, light drought in central Nebraska, and frost over the whole area. The Corn Belt is expected to produce the largest crop on record. Record yields are in prospect for Iowa, Illinois, Indiana and Ohio. In Iowa the yield is expected to be 59 bushels per acre—the highest average yield ever produced in any state.

Outside of the Corn Belt, production prospects were generally better than a month earlier. There was some frost damage to late corn and corn for silage and fodder in the North Atlantic States, and blight damage is prevalent in parts of Pennsylvania, Maryland and Virginia. Improvement of the crop in the South Atlantic and South Central States during September was more than enough to offset light damage from frost to late corn in some of these states. The crop is very promising in the Western States despite frost damage to late corn in some parts of the mountain area. Irrigated corn in Colorado is expected to make excellent yields. Yield prospects improved in the Pacific Northwest.

Farm Stocks

Stocks of old corn on farms Oct. 1 were 423,597,000 bushels, the smallest since 1933, but still about 188 million bushels above the 10-year (1930-39) average of 235,134,000 bushels. Farm stocks of corn on Oct. 1 were 17.4% of the 1941 production for grain. A record disappearance of 336,455,000 bushels from farms occurred from July 1 to Oct. 1. In the corresponding quarter a year ago, disappearance amounted to 279,842,000 bushels. The 10-year average disappearance for the July-October quarter is 222,696,000 bushels.

Oats

The Oct. 1 preliminary estimate of 1942 oat production is 1,369,540,000 bushels for the United States, 16 million larger than was indicated Sept. 1. Production in

1941 was 1,176,107,000 bushels, and the average (1930-39) is 1,007,141,000 bushels.

The heaviest producing states of the North Central group have yields above the high yields of 1941, and nearly all states show yields above the 1930-39 average. The estimated yield of 36.0 bushels for the United States which is the third highest on record, compared with 31.0 bushels last year and the 1930-39 average of 27.3 bushels.

Farm Stocks

Stocks of oats on farms Oct. 1, 1942 are estimated at 1,141,411,000 bushels, equal to 83.3% of the 1942 crop. This supply is 20% larger than the 952,329,000 bushels on hand last year, and the largest Oct. 1 quantity since estimates began in 1926. Indicated disappearance of oats from farms in the July-September period of 1942 amounted to 419,817,000 bushels, while in 1941 it was 443,826,000 bushels. The average disappearance for the period is 352,420,000 bushels. The July 1 supply of oats included the current year's production and the carryover of old oats as of July 1.

Barley

The Oct. 1 preliminary estimate of barley production is 426,188,000 bushels, the largest on record, and 7 million bushels above the Sept. 1 estimate. Production in 1941 was 358,709,000 bushels, and the 10-year (1930-39) average production was 224,970,000 bushels.

The 1942 yield is 25.4 bushels per acre, compared with 25.5 bushels in 1941 and the 10-year average of 20.6 bushels. Yields above the 10-year average are shown for nearly all states. North Dakota exceeds the average by 14.6 bushels, Montana by 12.7, South Dakota by 11.7, and Minnesota by 7.0. The season has been very favorable for barley production although considerable grain was damaged by wet weather at harvest, particularly in the northern Plains States.

Buckwheat

Production of 5,620,000 bushels of buckwheat is about 1% more than indicated on Sept. 1. The crop is 9% more than the 6,070,000 bushels produced in 1941, but about 10% less than the 1930-39 average of 7,315,000 bushels. The 1942 acreage for harvest is above that of 1941 but is 21% below the 1930-39 average.

The crop maintained earlier prospects in New York and Pennsylvania, the major producing states, despite some damage by early frost. Improvement in prospects in Michigan and Wisconsin more than offset declines elsewhere. Harvest has been delayed by wet fields. A yield of 18.3 bushels per acre is indicated for the United States, compared with 18.1 a month earlier, 17.9 in 1941, and the 1930-39 average of 16.0 bushels.

Flaxseed

Prospects for the largest flaxseed crop on record were improved slightly during September with production now estimated at 42,682,000 bushels. This increase of more than 35% over the 1941 production of 31,485,000 bushels is due chiefly to an increase of 39% in acreage for harvest this year. Compared with the 1930-39 averages, production is nearly four times as great and harvested acreage about 2½ times as great.

A slight increase in the final yield in South Dakota over prospects on Sept. 1 more than offset a slight decline in Wisconsin, with all other producing states remaining unchanged from Sept. 1. For the United States, the average yield per acre is estimated at 9.6 bushels, compared with 9.8 bushels in 1941 and the 1930-39 average of 6.4 bushels.

Rice

A record crop is still in prospect, despite a further decline in probable production during September. Production of 71,598,000

bushels is about 1% lower than on Sept. 1, but 33 percent more than the previous record crop of 54,028,000 bushels in 1941. The 1930-39 average was 45,673,000 bushels. Part of the increase in production, compared with 1941, is due to a 19% increase in acreage for harvest.

Following the hurricane damage in late August to parts of the Texas rice area, rains continued almost daily in the first half of September and delayed harvesting and salvage operations. As a result, yield prospects declined to 47 bushels per acre—one bushel lower than on Sept. 1. Louisiana prospects remained unchanged. In Arkansas early frosts damaged some of the late acreage, which resulted in lowering the prospective yield for the state by one bushel to 53 bushels per acre. By Oct. 1, harvesting was general throughout the southern area, since weather conditions had become favorable after mid-September. In California no change in production was indicated by conditions on Oct. 1, with harvesting beginning under favorable weather conditions. Granted continued favorable weather, harvesting is expected to become general by mid-October—about 3 weeks later than usual.

Hops

The outturn of hops, as indicated by reported yields per acre, is 9% smaller than the estimate of Sept. 1. Production in the three Pacific Coast States is now placed at 35,042,000 pounds, compared with 40,380,000 pounds in 1941 and the 10-year (1930-39) average of 34,784,000 pounds. Significant reductions from the Sept. 1 estimate occurred in each of the three states. The decrease from earlier expectations is due to various factors, including the drying effect on the Washington crop by the extremely hot weather in August, mildew infestation in Oregon, and the very heavy "dry-away" in California. The dry-away has been heavier than usual in each of the three states.

Potatoes

Production of potatoes in 1942 is now indicated at 376,309,000 bushels. This is 18,526,000 bushels more than the 357,783,000 bushels produced in 1941 and is also slightly above the 10-year (1930-39) average of 370,045,000 bushels. Production prospects declined about 2,000,000 bushels during September, with yields in Michigan, Wisconsin, Minnesota and Idaho considerably below earlier expectations. These decreases were partially offset by increases in Nebraska, Colorado, Maine, North Dakota, and Washington. Generally favorable conditions for maturing and harvesting potatoes were reported over most of the country. The indicated yield of 134.5 bushels per acre, though slightly lower than the Sept. 1 forecast, is the highest on record.

In Maine recent weather conditions have been unusually favorable for harvesting potatoes. Yields are fairly good on the whole in this state. The crop is almost entirely free from late blight rot, although considerable ring rot is showing up in some fields. Long Island yields of early and intermediate varieties appear to be averaging fully as high as in the bumper crop year of 1940. Blight killed the vines of the later maturing Green Mountains in many fields before the potatoes were properly sized and caused some reduction in yields from September expectations for this variety. In up-state New York, the crops for home use are yielding very poorly because of blight damage while well-cared for. Well-sprayed commercial fields are making good yields. In Michigan, although sprayed acreages are yielding well, a large proportion of the unsprayed crop has been seriously damaged by late blight. Early frosts have also cut yields. Wisconsin and Minnesota also report serious blight

damage to unsprayed fields. Some field freeze damage is reported from Nebraska, but otherwise this has been an unusually favorable year for potatoes there and production is larger than previously indicated.

The Idaho growing season was short. Potatoes in that state have failed to make generally large sizes, and yields are turning out lower than was anticipated last month. Idaho potatoes are of good type and smooth and uniform in size. In Colorado the San Luis Valley crop is turning out exceptionally well. The scattered crops of western Colorado are also expected to yield well. In northern Colorado the early crop was excellent, but prospects for the late crop have been reduced somewhat from high early expectations by blight and ring rot.

FDR Asks Creation Of Rehabilitation Board

President Roosevelt, in a message to Congress on Oct. 9, asked for the establishment of a single Federal rehabilitation service to care for all persons "whose disability grows out of the conduct of the war." The President explained that present provisions in this field are inadequate "to secure the most effective utilization of the capabilities of the physically handicapped," both veterans and civilians. He warned that the "increasing participation of this nation in the war is resulting in an increase of military casualties and will result in a greater industry."

The text of the President's message follows:

"To the Congress of the United States:

"We are going to win this war, but the winning will require the best efforts of every individual. Among those who are already making full contribution are those physically handicapped people who have been rehabilitated.

"Upward of a million persons are now waiting for services of the type that only a full-developed rehabilitated program can give them. We know that there is nothing wrong with the spirit of these people, but without special assistance they may become a social as well as an economic liability.

"With an adequate program in their behalf they will become a national asset, ready to serve in war industries, agricultural and in other essential occupations.

"In addition, the increasing participation of this nation in the war is resulting in an increase of military casualties and will result in a greater industry. Because of the tremendous strides in medical science during the last two decades a much larger proportion of these casualties will be non-fatal and will require rehabilitation service.

"Our present provisions in this field are inadequate to meet this task. They need to be strengthened and standardized through the creation under the Federal security administration of a rehabilitation service.

"Provisions should be made not only for persons now handicapped, but also for persons disabled while members of the armed forces and for the increasing number of accident cases that are accompanying the rapid expansion of our war industries.

"In order to secure the most effective utilization of the capabilities of the physically handicapped, it is important that a single rehabilitation service be established for both veterans and civilians.

"Veterans, after receiving the benefits and services provided by the Veterans Administration, would be certified to the rehabilitation service for vocational rehabilitation whenever this is indicated.

"While the present plan for Federal-State cooperation should be preserved in this field of training, where it has chiefly operated,

the rehabilitation service should look after the other aspects of this problem and discharge what is plainly a Federal responsibility—the provision of service to all persons whose disability grows out of conduct of the war.

"Such legislation should permit the establishment of a program adequate to our present needs, and should at the same time provide the experience and personnel which will be able to meet such additional burdens as the war may bring.

"FRANKLIN D. ROOSEVELT."

St. Lawrence Project Off For Duration

President Roosevelt told his press conference on Oct. 9 that because of the present shortages of steel and manpower development of the St. Lawrence seaway and waterway project will probably have to be postponed for the duration of the war. He added, however, his firm conviction that the project will be completed after the war.

The following concerning his remarks is from Washington advice to the New York "Times" of Oct. 9:

"For the last 20 or 40 years, the President said, it has been generally recognized, regardless of partisan considerations, that there lies between New York State and Canada a great river connecting the oceans with the largest inland waterway system in the world, but, because of physical difficulties, including a series of rapids, it cannot be used to transport commerce, though water is the cheapest form of transportation.

"Aside from politics, the President said that he felt sure that if we win the war the time will come when there will be access from the Atlantic to the Great Lakes.

"Besides the transportation advantage, he went on, there is also a great need for increase for power supplies. He pointed out that scientific developments now make it possible to transmit power for long distances. The Niagara development now in operation could be expanded to produce increased quantities of power at a 'reasonable cost,' he said.

"Denying that there was any politics in the St. Lawrence project from either a long or short-range view, the Chief Executive said that the immediate problem of building the project called for a military decision. He indicated no immediate hope of action in constructing the project, explaining that he yet had to check up with some of his aides. He said that he doubted whether, under present production circumstances, including a shortage of steel and manpower, the project could be advanced at present. He emphasized, however, that he had no doubt that the country would construct it some time."

Davis Heads WPB Program Coordination Unit

Donald D. Davis, President of General Mills Co., Minneapolis, has been appointed director of the newly created Program Coordination Division of the War Production Board. Mr. Davis is the first of several top men in the production field who will be recruited by WPB to strengthen the staff of the office of the Vice Chairman on Program Determination, headed by Ferdinand Eberstadt.

Duties of the new division include the development and recommendation to the Vice Chairman on Program Determination of an over-all national production program, intergraded and coordinated with over-all strategic requirements, to the end that the most effective use is made of national resources. Mr. Davis will be responsible for all program recommendations by the Division.

Record Employment Of 57,700,000 Cuts Deeply Into Labor Reserve, Says Conference Board

Employment reached a new record of 57,700,000 in August, according to the National Industrial Conference Board, New York. This, it is noted, is the fourth successive month that industry and the armed forces continued to cut deeply into the nation's labor reserves as the drive toward a total war economy gained further impetus. The figure represents a gain of more than 500,000 over the preceding month and of about 4,000,000 over the preceding year, says the Board, which further reports:

"At the close of August there were already 2,400,000 more men and women at work or in uniform than in the normal labor force under peacetime conditions. Official estimates indicate that 62,500,000 people will be employed in industry and the armed forces by December, 1943, and the possibility exists, that a labor force of 65,000,000 or more may be needed by that time.

"Manufacturing industries alone have accounted for almost two-fifths of the 10,000,000 increase in employment since the start of the defense program in the summer of 1940. More new workers entered factories during this period than entered the military services.

"Factory employment rose very sharply in the three months ending with August during which almost three times as many workers were taken on as in the first five months of this year. The addition of 900,000 workers in these three months, with well over a third hired in August alone, brought total factory employment above 15,000,000 for the first time. Approximately 35 of every 100 civilian workers in non-agricultural enterprises in August were on factory payrolls. The corresponding peacetime percentage is only slightly above 30.

"Transportation and manufacturing were the only major industrial groups in which more people were at work in August than in July. Gains of 19,000 and 323,000 respectively in these groups were partly offset by declines of 47,000 in construction and 6,000 in mining. Employment in public utilities remained unchanged.

"Despite unprecedented expansion of factory employment, many manufacturing industries, particularly producers of consumer goods, are currently employing fewer workers than a year ago. These declines are most pronounced in the hosiery, paper box and furniture industries. Other industries adversely affected include stone, clay and glass, wearing apparel, automobiles, leather, knitted cloth, silk and rayon goods, and boots and shoes.

"Employment in the trade and distribution group fell off by 41,000, primarily in retail trade. The total of 7,400,000 for this group was the lowest August level of employment since 1939, and was almost 500,000 lower than a year ago."

With regard to the agricultural situation, the Board finds, "Farmers faced their fall harvest with the lowest August total of farm family workers since World War I. Total agricultural employment, including hired workers, has moved steadily downward by about 300,000 monthly since June. Slight gains were made in the procurement of hired farm workers in August and the 3,163,000 so engaged compared favorably with the average for past periods of harvesting. The Board adds:

"Farm wages without board averaged \$2.45 daily, as of July 1, 1942, as against \$1.98 a year earlier. They ranged from \$1.15 in South Carolina, \$1.25 in Georgia, and \$1.30 in Mississippi to \$4.25 in Oregon, \$4.50 in California, and \$4.85 in Washington. On the Pacific Coast such wages advanced by more than 35% over the preceding year, while in the East the average increase was less than 20%.

"Emergency employment by WPA, CCC, and NYA was again

cut by over 100,000 in August and dropped to 547,000 or approximately a fourth of the number on relief work at the start of the defense program.

"The WMC has directed WPA officials to speed up the training and placement of all able-bodied workers remaining on their rolls. Fully one third of such employment, however, has been certified as important to the war effort, and about 300,000 certified workers are reported to be awaiting assignment to WPA projects."

Census Of American Property Owned Abroad

Secretary of the Treasury Morgenthau disclosed on Oct. 8 that the Treasury Department is considering taking a census of American-owned property in foreign countries. The department's announcement states:

"This census would require a report by persons and organizations subject to the jurisdiction of the United States of property outside of the United States which they own or in which they have an interest. It would also include questions concerning foreign property disposed of or lost during the past several years.

"The Secretary said that American property abroad, and particularly that in the belligerent countries, was of concern to the Government and that such a census would be of great usefulness in the war effort and in the post-war period."

Chicago Home Loans Down

The Federal Home Loan Bank of Chicago announced on Oct. 13 that demand for advances from the bank showed in September the first drastic effects of the war economy, when new loans to member savings, building and loan associations in Illinois and Wisconsin declined to \$235,610, the smallest volume of new advances in any September of the bank's ten years. A peak post-depression volume of new funds from investors pouring into the local institutions which are the customary users of the bank's advances, coupled with a fall-off in loan demand due to building restrictions accounts for the slack demand, according to A. R. Gardner, president of the Chicago Bank.

The bank's announcement added:

"This condition is also speeding up the repayment of Home Loan Bank advances by member associations ahead of schedule, he said. Last month \$2,900,000 poured back into the bank, considerable of it contractual repayments on long-term loans which are amortized, but much of it also the result of lack of need for additional funds for home financing in the communities.

"Effects of the first war year in the United States upon the financial statement of the regional home loan bank are seen in comparisons between the close of the third quarter this year and last. Total assets and loans outstanding have decreased and investments in Government obligations have soared.

"Assets as of Sept. 30, 1942 were \$43,206,130, a decrease of 8%; loans outstanding were \$22,466,108, a decrease of 27%; investment in government obligations were \$8,392,500, an increase of 57%."

Roy C. Muir Suggests Federal Agency To Promote Post-War Technological Advances

Creation of a Federal "Department of Planning" to enable America to make the best use of technological advances in the post-war period, was suggested by Roy C. Muir, General Electric Vice-President in charge of engineering, in a recent address at Manhattan College. As a means of obtaining the services of the ablest men, he proposed that members of the suggested department be given the status of Justices of the Supreme Court. Mr. Muir spoke at a convocation marking the 50th anniversary of the college's School of Engineering. Rev. Francis J. Spellman, Archbishop of New York, presided. "A plan within industry," and some form of international co-operation were urged by Mr. Muir as part of the co-ordinated planning required to make technological benefits available to all and to preserve peace after victory. Federal supervisory agencies are necessary," he said, "but the underlying philosophy of these agencies must be to remove, rather than to place, obstacles in the path of technological progress." He further said in part:

"If we are to obtain and maintain a long range plan to which we may work, we must have some of the ablest men in the country devoting their lives to this task. Perhaps we might have a fourth branch of government, a department of planning, or, if you prefer, of social and economic development.

"Its members would have the standing of Justices of the Supreme Court, and its functions would be to advise the President, Congress, and the various departments and agencies of the Government. With able men devoting their lives to the planning of the social and economic welfare of the nation, we might face the future with better hope and confidence.

"And because technological developments, particularly in the radio and airplane, have made the world a smaller place in which to live and have brought its people closer together, we must also have some international plan of co-operation. If we are to have continuing peace throughout the world, we must have continued economic and social progress in all nations, equally, and in no nation at the expense of others.

"Finally, there must be some plan within industry for winning the peace, when the war is won. We shall have lost, temporarily at the least, many of the things we are now fighting for if we cannot keep people at work in the post-war period. The details of such plans would fill many pages, and would differ for each industry, but the principle can be summed up in one sentence: 'We all want more, we all want to work, and if we all can work, we all can have more.'

"Millions of young men, skilled, able, will be returning from the war, wanting work. Millions of people will want things they have been unable to buy for the duration, and they will have the money with which to buy them. There will be many new and improved products, and new and improved methods of producing them. And research will give us a continuing supply of new things with which to create new industries."

Mr. Muir traced the co-operation between government and industry during America's rise to world leadership in technology by quoting utterances of Presidents Monroe, John Quincy Adams, Harrison, Cleveland and Theodore Roosevelt; he continued:

"Our early Presidents were right in encouraging the nation's technological development; President Cleveland was right in championing individual freedom and independence, the opportunity for the full development of the individual. President Theodore Roosevelt was right in cautioning against unwise laws which might upset the delicate balance of economic law with man-made legis-

lation. President Franklin D. Roosevelt is right in his recognition that technology and modern industry can give the people of the world a better life.

"But there still remain many social and economic aspects of our new technology which we do not yet understand. If we better understood some of the problems of modern industry there are, no doubt, many instances in which wise legislation could contribute to their solution. Unfortunately, lacking this understanding, we have often attempted to solve these problems through legislation alone. The result has naturally often been conflict and confusion.

"These conflicts must be removed, and the solution to these problems planned. And the plan must be flexible, to take into account the fact that the technological achievements of today are but a shadow of those which are to come. Already, we have pushed back the boundaries of our science and engineering under the stimulation of war, years beyond what we could have hoped to realize.

"Looking into the future, we must plan for these readjustments, which, if we plan ahead, can be made without violent economic maladjustments. We must expect many changes in this world of the future; in distribution of population; in types of employment and number of people employed in various activities; in living habits. That is why we must have a continuing plan adapted to each condition which we may reasonably expect to arise."

Mr. Muir said a school of engineering should not only keep abreast of technological advances in its teaching but should "also give a broad training in the science of life, through the humanities, and religion."

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FDR Opposes Freezing Social Security Tax

President Roosevelt's letter, dated Oct. 3, to Senator George (Dem., Ga.), Chairman of the Senate Finance Committee, opposing the amendment in the tax bill freezing Social Security taxes at their present 1% levels during 1943 is given below.

Despite the President's appeal to let the taxes rise automatically on Jan. 1, 1943, to 2% for employers and employees, as provided in existing law, the Senate on Oct. 9, by 50 to 35, voted to freeze the taxes at 1%; this is noted elsewhere in these columns today.

The text of the President's letter to Senator George, which was read in the Senate Oct. 9, follows:

"My dear Senator:

"I note that the Senate Finance Committee has tentatively included in the pending tax bill an amendment by Senator Vandenberg freezing the present rates of contributions for old-age and survivors' insurance, instead of permitting them to increase automatically on Jan. 1, 1943, as provided by law.

"This amendment is causing considerable concern to many persons insured under the old-age and survivors' insurance system. The financial obligations which will have to be met in paying benefits amply justify the increase in rates. A failure to allow the scheduled increase in rates to take place under present favorable circumstances would cause a real and justifiable fear that adequate

funds will not be accumulated to meet the heavy obligations of the future and that the claims for benefits accruing under the present law may be jeopardized.

"In 1939, in a period of under-employment, we departed temporarily from the original schedule of contributions, with the understanding that the original schedule would be resumed on Jan. 1, 1943. There is certainly no sound reason for departing again under present circumstances. Both employment and the income from which contributions are made are at a very high point—the highest since the inauguration of the system. In fact, the volume of purchasing power is so great that it threatens the stability of the cost of living.

"The increase in rates at the present time is not only in accord with the necessities of the Social Security System itself, but at the same time would contribute to the non-inflationary financing of the rapidly mounting war expenditures. The accumulation of additional contributions would be invested in United States Government securities and would thereby assist in financing the war.

"This is the time to strengthen, not to weaken, the Social Security System. It is time now to prepare for the security of workers in post-war years. As soon as the Congress has disposed of the pending tax bill I am planning to submit a comprehensive program for expanding and extending the whole Social Security System along the lines laid down in my budget message last January. This program would involve substantial further increases in rates of contribution.

"This is one case in which social and fiscal objectives, war and post-war aims are in full accord. Expanded Social Security, together with other fiscal measures, would set up a bulwark of economic security for the people now and after the war and at the same time would provide anti-inflationary sources for financing the war.

"In the light of these considerations, I suggest the desirability of permitting the increase in the rates of contribution of old-age and survivors' insurance to go into effect on Jan. 1, 1943, as provided in existing law.

"Sincerely yours,

"FRANKLIN D. ROOSEVELT."

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President Sees Need For Women In War Work

In a message to the National Federation of Business and Professional Women's Clubs, President Roosevelt recently stated that millions of women will have to take part in the production program as the war effort enlarges, replacing men called into the armed forces. The message, addressed to Dr. Minnie L. Maffett, President of the Federation, was made public on Oct. 4; sent in connection with National Business Women's Week, Oct. 11-17, it read as follows, according to the New York "Times":

"There need no longer be any debate as to the place of women in the business life of this nation. The enlarging war effort calls for the services of every qualified and able-bodied person, man or woman.

"Millions of women will have to take part in the production program, replacing men whose services will be needed in the armed forces or elsewhere than in their accustomed jobs.

"It is my thought that National Business Women's Week this year should be dedicated to mobilization of women in war work in the broadest sense.

"It is my hope that the National Federation of Business and Professional Women's Clubs will adopt this suggestion."

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Ration-Bank Plan To Start In Albany Area Oct. 26 —ABA Names Ration Coupon Committee

The ration-banking plan to facilitate and safeguard the handling of ration coupons in trade channels after use by the consumer, will start on Oct. 26, when 33 banks in the Albany-Schenectady-Troy area of New York State will begin the opening of "ration-banking" accounts.

Action by the American Bankers Association in appointing a nationally representative committee of bankers to work with the Office of Price Administration in devising a workable plan for clearing the coupons of the nation's rationing system through the banks was announced on Oct. 13 by W. L. Hemingway, President of the A. B. A., who is President of the Mercantile-Commerce Bank and Trust Co., St. Louis, Mo.

The announcement of the Association said:

"The committee was appointed at the invitation of Price Administrator Henderson to assist the OPA in working out a plan which will achieve the objectives of the Government and at the same time be practical from the bank operation point of view and give full consideration to factors such as the growing shortage of banking manpower and the inability of banks to secure mechanical equipment for the handling of extra work.

"Particularly will the committee be asked to advise with the OPA during the course of a test plan devised by the OPA, which will be tried out beginning late in October in several upstate New York cities, comprising the Albany, Troy, Schenectady area, where the banks have provided their facilities for the purpose of the experiment. It is expected that this experiment will provide the basis for much of the ultimate procedure to be employed in the nation-wide ration coupon clearing system.

"Under the program the Government contemplates the nationwide use of the banks in the rationing of gasoline, sugar, and other products as the best existing machinery for that purpose. The program also recognizes the volume of additional work to be thus placed upon the banks and contemplates the reimbursement of the banks for the cost of their services by the OPA."

Members of the committee appointed by Mr. Hemingway are the following:

Rowland R. Hughes, Comptroller of the National City Bank of New York, Chairman;

William Duncan, Jr., Secretary of the Minnesota Bankers Association, Minneapolis, Minn.;

T. Allen Glenn Jr., President of the Peoples National Bank, Norristown, Pa.;

A. J. Gock, Vice-Chairman of the Board, Bank of America N. T. & S. A., Los Angeles, Cal.;

Wilbur F. Lawson, Vice-President, First National Bank, Boston, Mass.;

Frank L. King, Comptroller, Continental Illinois National Bank & Trust Company, Chicago, Ill.;

William A. McDonnell, Executive Vice-President, Commercial National Bank, Little Rock, Ark., and Chairman of the Bank Management Commission of the ABA.

Headquarters of the American Bankers Association committee will be at the Association office 22 East 40 Street, New York City.

The proposed testing of the plan in the Albany area was referred to in our issue of Oct. 1, page 1172 at which time we gave the announcement of Price Administrator Leon Henderson. Pointing out that the new system is designed to relieve local ration boards from the burden of handling millions of ration coupons, stamps and certificates, Associated Press accounts from Washington on Oct. 14 said:

"Instead ration credits will be transferred through banks much as money is exchanged through checking accounts. After the plan is perfected in the trial area

OPA plans to institute it on a nation-wide scale.

"In preparation a staff from the Washington headquarters of OPA is establishing a field headquarters in Albany (76 State Street) which will be opened Thursday to answer the questions of businessmen and bankers.

"Overdrafts" will not be permitted, OPA warned. It will be a "serious violation," OPA said, for buyers to be given vouchers for any quantity of gasoline or sugar for which they have not established a credit at the bank through deposits of stamps, coupons or certificates."

It was added that on and after Oct. 28 ration banking and the new "ration checks" will be used exclusively in transactions between suppliers and dealers in the 13 towns and cities of the Albany region.

Sept. Life Insurance Sales Decline

The sale of ordinary life insurance in the United States in September amounted to \$432,679,000, a decline of about 26% from the volume sold in the corresponding period of 1941, according to the monthly survey issued by the Life Insurance Sales Research Bureau, Hartford, Conn. The total sales volume for the first nine months of 1942, aggregating \$4,894,722,000, is about 6% below the amount sold in the same period of 1941.

The sales volume and the ratios for all sections are reported by the Bureau as follows:

	SEPTEMBER 1942		YEAR TO DATE	
	Sales Volume in \$1,000	Ratios '42-'41	Sales Volume in \$1,000	Ratios '42-'41
U. S. total	\$432,679	74%	\$4,894,722	94%
New Eng'd	33,590	74	392,428	95
M. Atlantic	101,125	68	1,291,417	93
E. N. Cent.	96,148	74	1,108,412	94
W. N. Cent.	45,203	81	478,798	98
S. Atlantic	46,426	76	474,060	91
E. S. Cent.	18,413	70	198,342	94
W. S. Cent.	35,445	82	355,818	93
Mountain	12,390	79	125,724	93
Pacific	43,939	80	439,123	103

Illinois-Wisconsin District Leads In War Bond Sales

War bond sales of \$13,102,276 by the Illinois and Wisconsin sav-ings, building and loan associations since the second year of the bond campaign, started May 1 through Aug. 31, is reported by the Federal Home Loan Bank of Chicago, reserve institution for these associations. A. R. Gardner, president of the Chicago Bank, said that the majority of the bonds issued by these agents are of the Series E variety, since emphasis upon the small bondbuyer has been a special feature of the war financing aid these thrift and home financing institutions have given the Treasury. The advices add:

"As of July 31, 52 of the associations had sold bonds equal to 10% or more of their own assets, and the area was thus far out ahead of any of the other eleven Federal Home Loan Bank districts in this regard. Practically one out of every four of such high-ranking savings and loan institutions in the nationwide war bond program is in the Illinois-Wisconsin district, Mr. Gardner said. Nearest competing group was in the Little Rock (Arkansas) Bank district where thirty-two had reached 10% of assets in their dollar volume of war bonds."

Bankers' Dollar Acceptances Outstanding On September 30 Decline To \$123,494,000

The volume of bankers' dollar acceptances outstanding on Sept. 30 totaled \$123,494,000, a decrease of \$15,810,000 from the Aug. 31 figure and a new low for the last 25 years, according to the monthly report issued Oct. 14 by the Acceptance Analysis Unit of the Federal Reserve Bank of New York. The total amount of acceptances outstanding on Sept. 30 was \$53,307,000 below a year ago.

In the month-to-month comparison, only domestic warehouse credits were higher, whereas in the year-to-year analysis credits for domestic shipments and those based on goods stored in or shipped between foreign countries increased.

The Reserve Bank's report follows:

BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES

BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	Sept. 30, 1942	Aug. 31, 1942	Sept. 30, 1941
1 Boston	\$21,569,000	\$25,160,000	\$21,005,000
2 New York	74,548,000	85,152,000	110,842,000
3 Philadelphia	7,543,000	7,727,000	10,710,000
4 Cleveland	3,490,000	3,562,000	3,763,000
5 Richmond	1,014,000	1,125,000	217,000
6 Atlanta	1,191,000	1,684,000	1,208,000
7 Chicago	4,707,000	4,385,000	6,699,000
8 St. Louis	190,000	296,000	528,000
9 Minneapolis	26,000	102,000	151,000
10 Kansas City			
11 Dallas	162,000	318,000	288,000
12 San Francisco	9,054,000	9,793,000	21,390,000
Grand Total	\$123,494,000	\$139,304,000	\$176,801,000
Decrease for month, \$15,810,000		Decrease for year, \$53,307,000	

ACCORDING TO NATURE OF CREDIT

	Sept. 30, 1942	Aug. 31, 1942	Sept. 30, 1941
Imports	\$65,757,000	\$77,952,000	\$105,266,000
Exports	5,755,000	8,071,000	12,919,000
Domestic shipments	12,955,000	13,249,000	9,934,000
Domestic warehouse credits	28,491,000	28,228,000	35,338,000
Dollar exchange	323,000	231,000	4,309,000
Based on goods stored in or shipped between foreign countries	10,173,000	11,473,000	9,035,000

BILLS HELD BY ACCEPTING BANKS

Own Bills	\$63,745,000	Bills of Others	\$33,339,000	Total	\$97,084,000
Decrease for month, \$11,250,000					

Current Market Rates on Prime Bankers' Acceptances, Oct. 14, 1942

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	1/2	1/2
60	1/2	1/2
90	1/2	1/2
120	1/2	1/2
150	1/2	1/2
180	1/2	1/2

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since Oct. 31, 1939:

1939—		1940—		1941—	
Oct. 31	\$221,115,945	Oct. 31	\$186,789,000	Oct. 31	\$184,805,000
Nov. 30	222,599,000	Nov. 30	196,683,000	Nov. 29	193,590,000
Dec. 30	232,644,000	Dec. 31	208,659,000	Dec. 31	194,220,000
1940—		1941—		1942—	
Jan. 31	229,230,000	Jan. 31	212,777,000	Jan. 31	197,278,000
Feb. 29	233,015,000	Feb. 28	211,865,000	Feb. 28	190,010,000
Mar. 30	229,705,000	Mar. 31	217,312,000	Mar. 31	182,675,000
Apr. 30	223,305,000	Apr. 30	219,561,000	Apr. 30	177,293,000
May 31	213,685,000	May 31	215,005,000	May 29	173,906,000
June 29	206,149,000	June 30	212,932,000	June 30	162,849,000
July 31	188,350,000	July 31	209,899,000	July 31	156,302,000
Aug. 31	181,813,000	Aug. 31	197,472,000	Aug. 31	139,304,000
Sept. 30	176,614,000	Sept. 30	176,801,000	Sept. 30	123,494,000

National Fertilizer Association Commodity Price Average Again Recedes

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Oct. 19, declined for the second consecutive week. In the week ended Oct. 10 this index declined to 129.7 from 130.1 in the preceding week. It was 129.2 a month ago, and 115.5 a year ago, based on the 1935-1939 average as 100. Since the first of January, 1941, there has been an 8.1% increase in the index. The Association's report continued as follows:

The drop in the all commodity index last week was due principally to rather marked declines in the prices of some farm products. Cotton quotations were higher but declines in grains and livestock were more than sufficient to lower the farm product group index. In the food group advancing quotations were registered by 6 items while only 3 declined, causing another rise in the foodstuffs index. The fertilizer materials group was lower, reflecting price declines for phosphate rock and dried blood. A fractional price decrease was recorded by the building materials average. The textile index advanced slightly.

During the week 23 commodities declined and 8 advanced; in the preceding week there were 11 advances and 10 declines; in the second preceding week there were 12 advances and 9 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

[*1935-1939=100]

% Each Group Bears to the Total Index	Group	Latest Preceding Week		Month Ago	Year Ago
		Oct. 17, 1942	Oct. 10, 1942		
25.3	Foods	132.8	132.5	131.0	113.8
	Fats and Oils	145.9	142.7	140.2	116.3
	Cottonseed Oil	156.1	156.1	153.9	133.4
23.0	Farm Products	141.2	142.6	140.1	111.9
	Cotton	179.7	179.2	178.4	150.2
	Grains	112.2	115.3	118.2	94.9
	Livestock	142.1	143.5	138.9	108.0
17.3	Fuels	119.3	119.3	118.8	112.3
10.8	Miscellaneous commodities	126.7	126.7	126.7	125.3
8.2	Textiles	147.7	147.6	147.4	137.2
7.1	Metals	104.4	104.4	104.4	104.0
6.1	Building materials	151.4	151.5	151.4	130.8
1.3	Chemicals and drugs	120.7	120.7	120.7	112.3
.3	Fertilizer materials	117.3	118.0	117.9	114.6
.3	Fertilizers	115.3	115.3	115.3	107.5
.3	Farm machinery	104.1	104.1	104.1	100.2
100.0	All groups combined	129.7	130.1	129.2	115.5

*Indexes on 1926-1928 base were: Oct. 17, 1942, 101.0; Oct. 3, 1941, 101.3; Oct. 18, 1941, 90.0.

Electric Output For Week Ended Oct. 17, 1942 Shows 12.2% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Oct. 17, 1942, was 3,717,360,000 kwh., which compares with 3,313,596,000 kwh. in the corresponding week last year, an increase of 10.6%. The output for the week ended Oct. 10, 1942, was 10.3% in excess of the similar period in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended			
	Oct. 17	Oct. 10	Oct. 3	Sept. 26
New England	5.5	1.0	1.4	6.2
Middle Atlantic	6.2	2.1	4.2	8.2
Central Industrial	8.2	6.2	6.3	9.2
West Central	10.9	10.8	10.2	9.8
Southern States	17.6	15.6	15.3	19.9
Rocky Mountain	8.9	8.4	9.0	9.9
Pacific Coast	28.1	30.8	29.1	30.0
Total United States	12.2	10.3	10.6	13.7

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	% Change				
	1942	1941	over 1941	1940	1932
July 4	3,424,188	2,903,727	+17.9	2,425,229	1,341,730
July 11	3,428,918	3,178,054	+7.9	2,651,626	1,415,704
July 18	3,565,367	3,199,105	+11.4	2,681,071	1,433,993
July 25	3,625,645	3,220,526	+12.6	2,760,935	1,440,386
Aug 1	3,649,146	3,263,082	+11.8	2,762,240	1,426,986
Aug 8	3,637,070	3,233,242	+12.5	2,743,284	1,415,122
Aug 15	3,654,795	3,238,160	+12.9	2,745,697	1,431,910
Aug 22	3,673,717	3,230,750	+13.7	2,714,193	1,436,440
Aug 29	3,639,951	3,261,149	+11.6	2,736,224	1,464,700
Sep 5	3,672,921	3,132,954	+12.4	2,591,957	1,423,977
Sep 12	3,592,408	3,222,346	+11.4	2,773,177	1,476,442
Sep 19	3,720,254	3,273,375	+14.8	2,769,346	1,490,863
Sep 26	3,756,922	3,273,375	+13.7	2,816,358	1,499,459
Oct 3	3,720,254	3,330,582	+10.6	2,792,087	1,506,219
Oct 10	3,682,794	3,355,440	+10.3	2,817,465	1,507,503
Oct 17	3,702,299	3,313,596	+12.2	2,837,730	1,528,145
Oct 24	3,717,360	3,340,768		2,866,827	1,533,028
					1,824,160

Steel Operations Reach New High Peak— Plate Output Limited—Backlogs Increase

"The War Production Board is understood to be ready to make a flat announcement that the steel budget plan for regulating the flow of metal to consumers will go into effect as soon as this is practical," states "The Iron Age," in its issue of today (Oct. 22), which further adds: "At least two months may be required to get the budget plan into shape so that actual Government steel requirements can be matched against actual production capacity."

"Under the steel budget plan prime contractors will be obligated to furnish Government agencies with their steel requirement data. These requirements will be analyzed and sent to the WPB Steel Requirements Committee which will match figures against capacity for a given month or quarter. After requirements are geared to production, certificates will be issued for contractors to obtain steel.

"As the metal working industry waited for some definite announcement from the Government on the steel budget plan, which is likely to be a pattern for controls of some other vital war materials, incoming steel orders increased sharply. Reports from some companies indicate business so far in October is running 25 to 40% ahead of the similar period last month. Backlogs are larger and delivery promises on many products have been considerably extended. A very large percentage of the orders carry AA ratings.

"With so many limitation orders issued against civilian product plants, many steel finishing mills are now operating at a fraction of their capacity. Examples are tin plate mills which in some cases are running as low as 25% because of lack of orders. Concrete reinforcing bar mills, now operating at a fairly high rate, will reduce production sharply as already slim backlogs disappear. (This may also be said for certain types of pipe mills.)

"The trend toward lower operations in some steel industry departments is bound to continue. While the tonnage of steel ingots being made is at a maximum consistent with the raw materials supply, equilibrium between steel ingots and finished steel products may be unavoidably unbalanced from time to time. Plants making ingots in excess of their needs will, of course, ship the steel to other mills. This has already been done in some instances. One headache of the next few months, regardless of the success of the new steel budget plan, will be obtaining the proper products mix so that the maximum amount of in-

gots or semi-finished steel goes to those finishing mills making the steel products most urgently needed.

"A new advance in steel production was evidence of growing scrap supplies. This week thousands of volunteer workers were calling upon industrial plants to line up new sources of scrap, with the tonnages involved considerably greater than in home scrap salvage. Stimulation of the flow of industrial material, following the successful newspaper drive for household salvage, will send the steel industry into the winter with a far greater backlog of scrap than seemed possible a few months ago."

The American Iron and Steel Institute on Oct. 19 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 101.0% of capacity for the week beginning Oct. 19, compared with 100.2% one week ago, 96.2% one month ago and 97.8% one year ago. This represents an increase of 0.8 point, or 0.8% from the preceding week, and is the highest rate since the start of the war. The operating rate for the week beginning Oct. 19 is equivalent to 1,727,800 tons of steel ingots and castings, compared to 1,714,100 tons one week ago, 1,645,700 tons one month ago, and 1,615,800 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Oct. 19, stated in part: "Refinements in steel distribution are being made by the War Production Board, to serve most needed purposes and avoid supplying more than necessary for any at the expense of others.

"Although facilities are available for producing at least 1,250,000 tons of steel plates per month, apparently the disposition of WPB has been to limit plate output to about 1,100,000 tons and this rate is expected to hold for the remainder of this year. This plate production suffices for all urgent requirements and the unused capacity releases steel for other products where pressure is heaviest, particularly for bars and

sheets, the latter having suffered over recent months by diversion of strip capacity to light plates.

"Plate allocations for November are awaited and if the pattern of the past few months is followed 70 to 75% will be for the Maritime Commission, the Army and the Navy, the former taking most.

"Office of Price Administration has made a number of amendments to the scrap price schedule, mainly in specifications and differentials, designed to give a more equitable relation between grades and to route specialties to their proper users. The base prices of representative grades have not been changed.

"Demand for steel bars, both carbon and alloy, continues to mount and some producers find the situation tighter than in plates. In most cases deliveries can not be promised definitely for priorities below AA-2. As a result of this situation some AAA priorities and directives are appearing, applying to most-needed tonnages.

"After a period of slow buying sheet orders are increasing and this adds to shortage attributed to directives and to restrictions on sheet bars. Deliveries on top ratings vary from eight to 12 weeks. Cold-rolled sheets are in better demand for war purposes and some producers are able to take on tonnage in lighter gauges but supply of hot-rolled sheets for processing is far from sufficient. Even under high priority deliveries extend into first quarter.

"Orders for reduction of tin plate production are expected, in keeping with restrictions placed on its use. Restriction of the program for salvage of tin from tin plate scrap is under way, contracts being let for several detinning plants, additions to others and establishment of a number of shredding plants. Collection of tin cans is bringing better results and material for detinning is on the increase."

Reserve Board Amends Consumer Credit Rules

The Board of Governors of the Federal Reserve System announced on Oct. 15 that it has adopted Amendment No. 9 to its Regulation W, relating to consumer credit. The amendment becomes effective Oct. 26. The changes are technical or administrative, designed to improve the practical workings of the regulation, the Board said, explaining:

"One of the changes relates to the sending out of listed articles 'on approval.' This may not be done if the customer's charge account is in default under the regulation; and if it is an instalment sale that is in contemplation, the seller must obtain, at or before the time of delivery, a deposit equal to the required down payment.

"Another change permits the delivery of small listed articles (costing no more than \$5) to charge account customers even though the merchant does not check the accounts before delivery to see if they are in default, provided the merchant promptly requests any customer whose account he finds to be in default to return his purchase or pay for it immediately. This change is designed to facilitate the operations of merchants who at busy times have found it physically impossible to check accounts before making deliveries.

"A third change permits credit sales to customers whose charge accounts are in default by amounts less than \$2. This change is designed to relieve both merchants and customers from a requirement that is frequently bothersome out of all proportion to its importance."

Condition Of National Banks

The statement of condition of the National banks under the Comptroller's call of June 30, 1942, has just been issued and is summarized below. For purposes of comparison, like details for previous calls back to and including September 24, 1941, are included.

CONDITION OF NATIONAL BANKS IN THE UNITED STATES ON SEPT. 24 AND DEC. 31, 1941, APRIL 4 AND JUNE 30, 1942
[In thousands of dollars]

	Sept. 24, 1941 (5,131 banks)	Dec. 31, 1941 (5,123 banks)	April 4, 1942 (5,115 banks)	June 30, 1942 (5,107 banks)
ASSETS				
Loans and discounts, including overdrafts	11,470,256	11,751,792	11,569,311	10,901,795
U. S. Government securities, direct obligations	8,593,247	9,786,743	10,665,769	13,299,723
Obligations guaranteed by U. S. Government	2,534,541	2,286,309	2,116,310	1,629,269
Obligations of States and political subdivisions	2,068,091	2,024,715	2,082,182	1,960,534
Other bonds, notes and debentures	1,606,133	1,588,006	1,563,719	1,558,910
Corporate stock, including stock of Federal Reserve banks	203,946	201,735	197,688	194,952
Total loans and investments	26,476,214	27,639,300	28,194,979	29,545,183
Cash, balances with other banks, including reserve balances, and cash items in process of collection	15,142,138	15,001,930	14,410,735	*14,316,563
Bank premises owned, furniture and fixtures	591,544	590,579	591,922	588,690
Real estate owned other than bank premises	91,620	81,697	76,910	72,494
Investments and other assets indirectly representing bank premises or other real estate	60,629	54,036	53,445	52,526
Customers' liability on acceptances outstanding	39,492	40,139	34,950	32,316
Interest, commissions, rent and other income earned or accrued but not collected	65,759	64,346	74,141	63,594
Other assets	53,710	66,207	59,455	47,599
Total assets	42,521,106	43,538,234	43,496,537	*44,718,965
LIABILITIES				
Demand deposits of individuals, partnerships and corporations	19,944,103	20,480,952	20,287,746	21,945,397
Time deposits of individuals, partnerships and corporations	8,044,337	7,964,912	7,721,120	7,841,032
Deposits of U. S. Government and postal savings	603,581	1,142,734	1,493,858	1,189,410
Deposits of States and political subdivisions	2,578,267	2,590,940	2,735,059	2,741,720
Deposits of banks	6,957,718	6,789,685	6,843,042	*6,498,697
Other deposits (certified and cashiers' checks, etc.)	410,314	585,549	396,668	442,891
Total deposits	38,538,320	39,554,772	39,477,493	*40,659,117
Demand deposits	30,041,996	31,103,009	31,309,194	*32,367,109
Time deposits	8,496,324	8,451,763	8,168,299	8,292,008
Bills payable, rediscounts and other liabilities for borrowed money	9,275	3,778	12,270	2,014
Mortgages or other liens on bank premises and other real estate	59	67	99	76
Acceptances executed by or for account of reporting banks and outstanding interest, discount, rent and other income collected but not earned	45,931	47,558	41,277	37,232
Interest, taxes and other expenses accrued and unpaid	59,998	52,613	48,508	42,082
Other liabilities	68,168	62,570	74,779	73,567
Total liabilities	38,892,785	39,889,135	39,823,955	*41,039,473
CAPITAL ACCOUNTS				
Capital stock (see memoranda below)	1,514,706	1,515,794	1,511,895	1,507,670
Surplus	1,350,710	1,388,672	1,396,118	1,411,407
Undivided profits	521,283	499,081	515,127	515,949
Reserves (see memoranda below)	241,622	245,552	249,442	244,466
Total capital accounts	3,628,321	3,649,099	3,672,582	3,679,492
Total liabilities and capital accounts	42,521,106	43,538,234	43,496,537	*44,718,965
MEMORANDA				
Par value of capital stock:				
Class A preferred stock	159,527	155,547	147,254	139,928
Class B preferred stock	13,098	12,983	12,745	12,451
Common stock	1,343,743	1,348,834	1,353,386	1,356,521
Total	1,516,368	1,517,364	1,513,385	1,508,900
Retirable value of preferred capital stock:				
Class A preferred stock	207,724	202,908	191,862	184,343
Class B preferred stock	15,046	14,948	14,693	14,399
Total	222,770	217,856	206,555	198,742
Reserves:				
Reserves for dividends payable in common stock		6,187		8,612
Reserve for other undeclared dividends	241,622	8,155	249,442	4,418
Retirement account for preferred stock		19,312		18,658
Reserves for contingencies, etc.		211,898		212,778
Total	241,622	245,552	249,442	244,466
Pledged assets and securities loaned:				
U. S. Government obligations, direct and guaranteed, pledged to secure deposits and other liabilities	2,787,388	3,374,484	3,801,844	3,801,926
Other assets pledged to secure deposits and other liabilities, includ. notes and bills rediscounted and securities sold under repurchase agreement	580,382	635,813	595,492	542,287
Assets pledged to qualify for exercise of fiduciary or corporate powers and for purposes other than to secure liabilities	101,866	94,481	94,116	92,981
Securities loaned	27,152	17,518	23,733	20,942
Total	3,496,788	4,122,296	4,515,185	4,458,136
Secured liabilities:				
Deposits secured by pledged assets pursuant to requirements of law	2,802,808	3,462,951	3,840,459	3,529,848
Borrowings secured by pledged assets, including rediscounts and repurchase agreements	8,613	3,096	10,006	1,965
Other liabilities secured by pledged assets	549	612	424	517
Total	2,811,970	3,466,659	3,850,889	3,532,330
Demand deposits:				
Deposits of individuals, partnerships and corporations	19,944,103	20,480,952	20,287,746	21,945,397
Deposits of U. S. Government	566,645	1,105,403	1,457,768	1,157,299
Deposits of States and political subdivisions	2,267,161	2,240,083	2,409,675	2,407,420
Deposits of banks in the United States (including private banks and American branches of foreign banks)	6,853,773	6,359,909	6,757,337	*6,049,289
Deposits of banks in foreign countries (including balances of foreign branches of other American banks, but excluding amounts due to own foreign branches)		331,113		369,843
Certified and cashiers' checks (including dividend checks), letters of credit and travelers' checks sold for cash and amounts due to Federal Reserve banks (transit account)	410,314	585,549	396,668	442,861
Total demand deposits	30,041,996	31,103,009	31,309,194	*32,367,103
Time deposits:				
Deposits of individuals, partnerships and corporations—				
Savings deposits		7,211,689		7,091,136
Certificates of deposit		468,195		432,257
Deposits accumulated for payment of personal loans	8,044,337		7,721,120	66,821
Christmas savings and similar accounts		20,340		87,481
Open accounts		200,246		163,337
Total	8,044,337	7,964,912	7,721,120	7,841,032
U. S. Government and postal-savings deposits	36,936	37,331	36,090	37,111
Deposits of States and political subdivisions	311,106	350,857	325,384	334,300
Deposits of banks in the United States (including private banks and American branches of foreign banks)	103,945	93,350	85,705	74,852
Deposits of banks in foreign countries (including balances of foreign branches of other American banks, but excluding amounts due to own foreign branches)		5,313		4,713
Total time deposits	8,496,324	8,451,763	8,168,299	8,292,008
Ratio of required reserves to net demand plus time deposits:				
Total, Central Reserve city banks	26.60%	24.72%	24.87%	24.82%
Total, Reserve city banks	14.29%	16.48%	16.69%	16.80%
Total, Country banks	8.58%	10.36%	10.46%	10.56%
Total, all member National banks	14.93%	17.08%	17.32%	17.28%

Moody's Bond Prices And Bond Yield Averages

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

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corpo- rate ^a	Corporate by Ratings ^b				Corporate by Groups ^c		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Oct. 20	117.40	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
19	117.38	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
17	117.37	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
16	117.37	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
15	117.37	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
14	117.37	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
13	117.37	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
12	117.37	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
10	117.36	107.42	117.00	114.08	108.70	92.64	97.47	111.81	114.46
9	117.38	107.44	117.20	114.08	108.70	92.50	97.31	111.81	114.46
8	117.38	107.44	117.20	114.08	108.70	92.50	97.31	111.81	114.46
7	117.33	107.44	117.20	114.08	108.70	92.35	97.31	111.81	114.46
6	117.30	107.44	117.00	113.89	108.70	92.20	97.16	111.62	114.27
5	117.40	107.27	117.00	113.89	108.52	92.35	97.16	111.62	114.27
4	117.39	107.27	117.00	113.89	108.52	92.35	97.16	111.62	114.27
3	117.39	107.27	117.00	113.89	108.52	92.35	97.16	111.62	114.27
2	117.36	107.27	117.00	113.89	108.52	92.35	97.16	111.62	114.27
1	117.36	107.27	117.00	113.89	108.52	92.35	97.16	111.62	114.27
Sep 25	117.51	107.27	117.00	113.89	108.70	92.06	97.00	111.62	114.08
18	117.62	107.27	117.00	113.70	108.52	92.06	96.85	111.81	114.08
11	117.75	107.09	116.80	113.50	108.34	92.06	96.69	111.81	113.89
4	117.80	107.09	117.00	113.31	108.34	92.06	96.54	111.62	114.08
Aug 28	117.85	106.92	116.80	113.31	108.16	92.06	96.54	111.62	114.08
21	117.93	106.92	116.80	113.31	108.16	92.06	96.38	111.44	114.08
14	117.92	106.92	116.80	113.31	108.16	91.91	96.23	111.44	114.08
7	117.97	106.92	116.61	113.12	108.16	91.91	96.23	111.44	114.27
July 31	118.11	106.92	116.41	113.12	108.16	91.77	96.07	111.44	114.27
24	118.22	106.74	116.61	113.12	107.98	91.77	95.92	111.62	114.08
17	118.22	106.74	116.41	113.12	107.98	91.62	95.77	111.44	114.27
10	118.26	106.74	116.41	113.12	107.80	91.62	95.77	111.25	114.08
3	118.09	106.56	116.22	113.12	107.98	91.34	95.77	111.25	113.89
June 26	118.14	106.39	116.22	112.93	107.80	91.05	95.47	110.88	113.89
May 29	118.35	106.39	116.02	112.93	107.44	91.77	96.07	110.70	113.70
Apr 24	117.80	106.74	116.22	113.12	107.62	92.06	96.69	110.70	113.70
Mar 27	118.20	106.74	116.22	113.50	107.62	91.91	97.00	110.34	113.50
Feb 27	116.34	106.39	115.63	113.31	107.62	91.62	96.85	110.15	113.31
Jan 30	117.08	106.92	116.22	113.70	107.80	92.06	97.31	110.52	113.70
High 1942	118.41	107.62	117.20	114.08	108.70	92.64	97.47	111.81	114.46
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.41
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
1 Year ago									
Oct. 20, 1941	119.25	107.98	118.20	115.43	109.24	91.91	97.31	112.00	115.82

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

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on Oct. 16. Following is the tabulation issued by the Stock Exchange:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Allegheny Ludlum Steel Corp., common	2,196	3,496
Allied Kid Co., common	23,350	37,290 (1)
Allied Mills, Inc., common	304,441	304,454
American Hide and Leather Co., 6% pfd.	100	1,160
American Home Products Corp., capital	3,209	2,309 (2)
American Ice Co., 6% preferred	25,977	26,977
Armour and Co. (Del.) 7% preferred	4,687	6,189
Associates Investment Co., common	24,657	24,796
5% cumulative preferred	2,293	3,450
Atlantic Gulf & West Indies Steamship Lines, 5% preferred	18,258	18,358
Atlas Corp., common	55,103	56,415
6% preferred	1,063	1,069
Bucyrus-Erie Co., 7% preferred	11,269	11,436
Case (J. I.) Co., common	1,707	1,657
Century Ribbon Mills, Inc., 7% preferred	205	1,245
Chicago Yellow Cab Co., Inc., capital	31,365	35,218
Consolidated Laundries Corp., common	28,000	28,300
Consolidated Oil Corp., common	97,400	197,600
Continental Baking Co., 8% cumulative preferred	577	1,900 (3)
Cuban-American Sugar Co. (The), 5 1/2% conv. preferred	19,388	19,888
7% cumulative preferred	10,530	10,740
Davega Stores Corp., common	10,550	10,850
5% cumulative convertible preferred	—	9
Detroit Edison Co. (The), common	5,970	5,890
Distillers Corp.-Seagrams, Ltd., cum. pref., 5% series	—	—
Firestone Tire & Rubber Co. (The), common	319,164	319,184 (4)
Fruehauf Trailer Co., 5% convertible preferred	1,275	1,445
Gaylord Container Corp., 5 1/2% cumulative cv. pfd.	—	190
General Motors Corp., common	3,726	3,764
General Printing Ink Corp., 8% cumulative preferred	3,063	3,213
General Railway Signal Co., 6% preferred	1,191	1,201
General Shoe Corp., common	2,897	2,922
Gillette Safety Razor Co., \$5 convertible preferred	9,049	9,249
Glidden Co., The, common	8,847	9,147
Goodyear Tire & Rubber Co. (The), \$5 cum. conv. pref.	17,965	19,365
Household Finance Corp., common	14,383	14,883
Interstate Department Stores, Inc., 7% preferred	5,316	5,366
Jewel Tea Co., Inc., common	2,789	2,769
Jones & Laughlin Steel Corp., common	—	8
5% cumulative preferred "A"	—	2
5% cumulative preferred "B"	—	2
Kaufmann Department Stores, 5% cumulative preferred	20,235	20,265
Kayser (Julius) & Co., common	103,220	104,320
Lehman Corp., The, common	103,907	104,507
McCall Corp., common	—	400
Mead Corp., The, \$5.50 cum. pfd. "B"	1,939	2,139
National Cylinder Gas Co., common	4,205	14,805
National Department Stores Corp., 6% preferred	85,879	86,739
National Steel Corp., common	6,400	5,750
Natomas Co., common	—	—
Newport News Shipbuilding & Dry Dock Co., \$5 cum. cv. pfd.	4,100	4,500
Petroleum Corp. of America, capital	3,200	9,300
Plymouth Oil Co., common	13,600	14,800 (6)
Radio Corp. of America, preferred "B"	—	—
Real Silk Hosiery Mills, Inc., 7% cum. preferred	5,731	5,741
Reliable Stores Corp., common	45,459	49,459
Revere Copper & Brass, Inc., 5 1/4% cumulative preferred	—	—
Safeway Stores, Inc., 5% cumulative preferred	1,736	2,587
Schenley Distillers Corp., 5 1/2% cumulative preferred	1,120	2,620
Seaboard Oil Co. of Delaware, capital	16,700	17,500
Shattuck (Frank G.) Co., common	160,400	166,000
Sheaffer (W. A.) Pen Co., common	4,575	4,630
Superheater Co. (The), common	98,450	98,650
Swift & Co., capital	77,811	77,740
Transamerica Corp., capital	1,038,200	1,102,600
Twentieth Century-Fox Film Corp., \$1.50 pfd.	33,480	35,980
United States Rubber Co., common	239	246
Valtec Aircraft, Inc., cumulative convertible preferred	—	—
White (S. S.) Dental Mfg. Co. (The), capital	1,443	1,465
Willis-Overland Motors, Inc., 6% cumulative cv. pref.	34,300	38,500

NOTES

- (1) 500 shares acquired in July; 13,040 shares in August; 400 in September.
- (2) 900 shares issued in exchange for all capital stock of J. B. Shohan & Co.
- (3) 1,400 shares acquired; 1,577 shares retired.
- (4) 2,387 shares acquired; 1,577 shares retired.
- (5) 6,800 shares acquired and retired.
- (6) 900 shares acquired in August and 300 in September.
- (7) 100 shares acquired and retired.
- (8) 277 shares acquired and retired.
- (9) 4,240 shares acquired and retired.

The New York Curb Exchange issued on Oct. 15 the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Name—	Shares Previously Reported	Shares Per Latest Report
American General Corporation, \$2.00 div. ser. pfd.	9,831	9,931
Common	357,471	358,682
American Writing Paper Corp., common	16,462	20,162
Cooper-Bessemer Corp., \$3 prior preference	1,743	2,143
Dejay Stores, Inc. common	9,936	10,481
Equity Corp., \$3 convertible preferred	48,223	48,673
Ken-Rad Tube & Lamp Corp., "A" common	7,750	9,050
Klein (D. Emil) Co., Inc., common	7,444	16,769
Knot Corp., common	8,858	8,868
Lane Bryant, Inc., 7% preferred	58	63
Merritt-Chapman & Scott Corp., 6 1/2% "A" preferred	6,077	880
Mock, Judson, Voehringer Co., Inc., common	3,020	4,067
Niagara Share Corp. of Maryland, A preferred	4,836	4,845
B common	142,081	143,781
Pittsburgh Metallurgical Co., Inc., common	1,400	400
Sterchi Bros. Stores, Inc., 6% 1st pfd.	161	206
5% 2nd preferred	195	240
Stroock (S.) & Co., Inc., capital	18,500	19,200
Sunray Oil Corp., 5 1/2% convertible preferred	1,250	1,550
Common	7,621	101,222
United Cigar-Whelan Stores Corp., common	12,137	12,139
Wilson-Jones Co., common	9,000	9,300

August Mortgage Recording Activity Down

The Federal Home Loan Bank Administration announced on Oct. 1 that non-farm mortgage recordings during August amounted to \$337,000,000, a decline of 5% from the preceding month and 21% from August, 1941. With the exception of a small increase during July this represents a continuation of the gradual downward movement in the volume of mortgage financing which was begun in May of this year. Recordings during each of these four months (May, June, July and August) have evidenced declines of \$86,000,000 or more from comparable months of last year, and declines ranging from \$13,000,000 to \$40,000,000 from 1940 months. No monthly volume of recordings to date this year has fallen below the comparable 1939 figure.

The FHLBA announcement continued:

"During August mortgagees in the 'other' category evidenced a

fractional gain from the preceding month, while remaining types of lenders recorded volumes ranging from 2 to 11% below July. To date this year insurance companies, individuals, and 'others' have displayed the greatest resistance to the downward movement in real estate financing activity. For these three types of lenders declines from recordings during the comparable January-August period of 1941 do not exceed 4%. On the other hand, national leaders in the home financing field, savings and loan associations and bank and trust companies, as well as mutual savings banks—a leader in the New York-New England area—have recorded volumes ranging from 16 to 20% below the same eight-month period of last year.

Type of Lender	August 1942 Volume (000)	% of Total July	% Chg. from July	August 1941 Volume (000)	% of Total Aug. '41	% Chg. from Aug. '41	Cumulative Recordings—January-August (000)
S. & L. Assns.	\$102,628	30.5	-2.0	\$139,156	32.5	-26.2	\$806,757
Ins. Cos.	28,299	8.4	-11.3	35,995	8.4	-21.4	\$989,368
Bk. & Tr. Cos.	72,480	21.5	-10.2	105,153	24.6	-31.1	248,465
Mut. Svc. Bks.	14,793	4.4	-5.6	19,213	4.5	-23.0	257,826
Individuals	62,824	18.6	-3.1	69,002	16.1	-9.0	766,443
Others	58,826	16.6	+0.2	59,580	13.9	-6.3	113,809
Total	\$336,850	100.0	-4.7	\$428,099	100.0	-21.3	\$3,089,003

"During the first eight months of this year almost \$2,700,000,000 of non-farm mortgages of \$20,000 or less were recorded throughout the country, a curtailment of \$393,000,000 or 13%, from recordings during the same 1941 period. Data compiled by the Department of Labor reveals that in the same comparison new residential construction declined 41%. Among the factors which have contributed to this relative stability in mortgage financing, is the rapid rate at which institutionally owned real estate has been converted into mortgage loans. In most sections of the country institutions are no longer faced with the serious problem of owned real estate."

Engineering Construction Gains 13% Over Preceding Week

Engineering construction volume for the week, \$157,526,000, is 13% higher than in the preceding week, and almost four times as great as the \$42,944,000 reported for the holiday-shortened week in 1941, according to "Engineering News-Record" on Oct. 15. Federal construction makes up 91% of the week's volume and is responsible for the 18% gain in public construction as State and municipal work is 0.2% below a week ago. Private construction declines 55% from the last week's total. The report went on to say:

The current week's volume brings 1942 construction to \$8,133,308,000, an increase of 60% over the total for the corresponding 42-week period last year, and already 38.5% above the volume reported for the 52 weeks of 1941. Private construction, \$499,869,000, is 50% lower than in the period last year, but public work, \$7,633,439,000, is 87% higher than a year ago as a result of the 136% gain in Federal work.

Construction volumes for the short 1941 week, last week, and the current week are:

	Oct. 16, 1941 (four days)	Oct. 8, 1942 (five days)	Oct. 15, 1942 (five days)
Total Construction	\$42,944,000	\$139,855,000	\$157,526,000
Private Construction	12,345,000	11,059,000	4,963,000
Public Construction	30,599,000	128,796,000	152,563,000
State and Municipal	15,258,000	8,745,000	3,727,000
Federal	15,341,000	120,051,000	148,836,000

In the classified construction groups, gains over the preceding week are in sewerage, streets and roads, and unclassified construction. Increases over the holiday-shortened 1941 week are in waterworks, sewerage, public buildings, streets and roads, and unclassified construction. Subtotals for the week in each class of construction are: waterworks, \$1,302,000; sewerage, \$1,940,000; bridges, \$152,000; industrial buildings, \$501,000; commercial building and large-scale private housing, \$4,304,000; public buildings, \$65,175,000; streets and roads, \$10,571,000; earthwork and drainage, \$626,000, and unclassified construction, \$72,955,000.

New capital for construction purposes for the week totals \$342,000. This volume, entirely State and municipal bond sales, compares with \$17,290,000 for the week last year.

New construction financing for the year to date, \$9,533,420,000, is 61% above the \$5,909,622,000 reported for the 42-week period in 1941.

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.

Period	STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY			Percent of Activity	
	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Current	Cumulative
1942—Week Ended—					
June 6	110,226	120,374	283,390	69	95
June 13	115,300	125,016	274,512	72	94
June 20	98,766	117,924	248,594	69	93
June 27	104,178	120,359	231,368	73	92
July 4	94,257	100,337	223,809	59	91
July 11	92,481	77,996	236,536	52	90
July 18	103,559	114,917	226,341	71	90
July 25	112,513	120,982	219,700	74	89
Aug. 1	119,023	125,653	213,443	76	89
Aug. 8	114,969	121,035	208,769	75	88
Aug. 15	120,262	122,735	208,206	73	88
Aug. 22	124,763	119,299	213,890	74	87
Aug. 29	122,236	124,440	212,953	77	87
Sept. 5	129,486	124,580	218,539	78	87
Sept. 12	106,933	101,891	222,636	65	86
Sept. 19	138,477	132,212	228,355	81	86
Sept. 26	129,503	131,173	224,926	78	86
Oct. 3	144,506	133,513	236,208	80	86
Oct. 10	147,437	131,961	248,026	80	86

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.

Southern Railroads Increase Fares

The Interstate Commerce Commission on Sept. 30 refused to suspend its order of Aug. 1 allowing the petition of Southern rail carriers to increase their basic passenger coach fares from 1.65 cents a mile to the uniform fare of 2.2 cents now in effect in other parts of the country, despite the protest of the Office of Price Administration.

The increased fare, according to the Southern railroads' own estimate, would, for 1942, "wipe out the deficit from operations in passenger business and yield a slight contribution toward return on investment." According to their petition, deficits from passenger business in the South for the six-year period 1936-1941 amounted to \$22,121,962. The fare increase would affect 51 railroads in the Southern territory, among which are the Atlantic Coast Line, Central of Georgia, Florida East Coast, Illinois Central, Louisville & Nashville, St. Louis-San Francisco Railway, Seaboard Air Line and Southern Railway System.

The OPA in its application to suspend these increases for the duration told the Commission that "Southern rail carriers are today enjoying the greatest passenger business in many years; their revenues are at peak level and comparative position with other regions in the United States is excellent. There passenger revenues are steadily increasing and have reached such a point as to cast considerable doubt on any carrier assertion that they are not sustaining at least the cost of rendering the service; that with the continued upward trend in business, revenues on the present basis of rates will be more than sufficient."

The increased passenger coach fares throughout Southern territory became effective on Oct. 1.

Ethiopia Welcomed

President Roosevelt on Oct. 9 welcomed Ethiopia as one of the United Nations, expressing his "deep appreciation" to Emperor Haile Selassie for offering his country's military and economic resources "at the disposal of those nations who gladly sacrifice all for liberty and justice."

In a telegram to the President, the Emperor noted that his nation was the first to regain its freedom and independence. Mr. Roosevelt, after consultation with other members of the United Nations, said he was gratified to accept the adherence of Ethiopia to the declaration by United Nations.

The message from Haile Selassie follows:

"My government and people are anxious to assume the obligations of the United Nations pact. We, the first nation to regain its freedom and independence, wish to place the military and economic resources of our country at the disposal of those nations who gladly sacrifice all for liberty and justice."

The President's reply was as follows:

"I have received Your Majesty's telegram stating that your government and people are anxious to assume the obligations of the declaration by the United Nations and that Ethiopia desires to place its military and economic resources at the disposal of the nations which gladly sacrifice all for liberty and justice."

"It is gratifying to accept the adherence of Ethiopia to the declaration by United Nations; to welcome as one of the United Nations the first State to regain its territory after temporary occupation by an Axis aggressor. You may be sure that there is deep appreciation for your offer to place at the disposal of the United Nations the military and economic resources of Ethiopia for use in the struggle against the common enemy."

Daily Average Crude Oil Production For Week Ended Oct. 10, 1942 Increased 172,250 Bbls.

The American Petroleum Institute estimates that the daily average crude oil production for the week ended Oct. 10, 1942 was 3,856,750 barrels, an increase of 172,250 barrels over the preceding week, but when compared with the corresponding period last year showed a decline of 214,200 barrels. The current figure also was 209,450 barrels below the daily average figure for the month of October, 1942, as recommended by the Office of Petroleum Coordinator. Daily production for the four weeks ended Oct. 10, 1942 averaged 3,846,500 barrels. Further details as reported by the Institute follow:

Reports received from refining companies owning 85.6% of the 4,800,000 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, 3,766,000 barrels of crude oil daily during the week ended Oct. 10, 1942, and that all companies had in storage at refineries, at bulk terminals, in transit and in pipe lines as of the end of that week, 79,731,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 11,511,000 barrels during the week ended Oct. 10, 1942.

	*O.P.C. Recommendations October	*State Allowables Beginning Oct. 1	Actual Production Week Ended Oct. 10 1942	Change From Previous Week	4 Weeks Ended Oct. 10 1942	Week Ended Oct. 11 1941
Oklahoma	417,000	417,000	1,365,850	+ 300	369,000	428,200
Kansas	234,000	294,000	1,276,300	+ 6,400	289,200	231,650
Nebraska	3,500		13,350		3,300	6,250
Panhandle Texas			85,200	+ 200	86,450	84,400
North Texas			140,000	+ 1,000	133,450	134,700
West Texas			206,000	+ 23,000	204,750	279,700
East Central Texas			90,400	+ 8,700	86,050	83,500
East Texas			362,000	+ 69,000	344,950	369,700
Southwest Texas			161,700	+ 18,200	158,900	218,500
Coastal Texas			304,000	+ 22,000	309,250	293,150
Total Texas	1,407,600	1,455,261	1,349,300	+142,100	1,328,800	1,463,650
North Louisiana			97,700	- 1,000	98,700	80,100
Coastal Louisiana			228,000	+ 1,000	231,750	256,200
Total Louisiana	337,200	349,200	325,700		330,450	336,300
Arkansas	79,500	73,461	73,400	- 350	73,350	71,250
Mississippi	50,000		170,950	- 150	72,250	82,200
Illinois	280,000		272,000	+ 5,050	263,700	407,350
Indiana	19,000		117,950	+ 650	17,200	19,250
Eastern (not incl. Ill. and Indiana)	107,400		93,800	- 5,300	96,350	93,350
Michigan	65,700		61,800	- 600	62,500	57,600
Wyoming	90,800		90,100	- 4,050	93,450	90,300
Montana	24,400		21,800	+ 200	21,700	20,100
Colorado	7,000		6,950	+ 100	6,850	4,700
New Mexico	101,100	101,100	97,900	+ 1,400	97,500	114,500
Total East of Calif.	3,284,200		3,126,950	+132,950	3,125,600	3,406,650
California	782,000	782,000	729,800	+ 39,300	720,900	664,300
Total United States	4,066,200		3,856,750	+172,250	3,846,500	4,070,950

*O.P.C. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline prorations. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in July, 1942, as follows: Oklahoma, 28,300; Kansas, 4,300; Texas, 98,900; Louisiana, 19,000; Arkansas, 2,900; Illinois, 8,900; Eastern (not including Illinois and Indiana), 7,800; Michigan, 200; Wyoming, 2,200; Montana, 200; New Mexico, 5,800; California, 41,000.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana, figures are for week ended 7 a.m., Oct. 7.

‡This is the net basic allowable as of Oct. 1, calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 4 to 16 days, the entire state was ordered shut down for 9 days, namely, Oct. 3, 4, 10, 11, 17, 18, 24, 25 and 31.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED OCT. 10, 1942

District	Daily Refining Capacity	Crude Runs to Still Daily	Crude % Op-erated	Gasoline at Re-fineries	Stocks of Gasoline	Stocks of Fuel Oil	Stocks of Gas and Distillate	Stocks of Sidual Fuel Oil
Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,440	88.2	1,716	70.3	5,029	37,950	24,168	18,749
Appalachian	176	84.8	159	90.3	461	2,667	712	519
Ind., Ill., Ky.	804	83.3	731	90.9	2,638	14,066	6,053	3,428
Okl., Kansas, Mo.	416	80.1	367	88.2	1,278	6,385	2,002	1,359
Rocky Mountain	147	48.9	92	62.6	279	1,650	430	537
California	817	89.9	701	85.8	1,826	17,013	12,642	54,089
Tot. U. S. B. of M. basis, Oct. 10, 1942	4,800	85.6	3,765	78.5	11,511	79,731	46,007	78,681
Tot. U. S. B. of M. basis, Oct. 3, 1942	4,800	85.6	3,879	80.8	11,581	80,361	45,750	79,036
U. S. Bur. of Mines basis, Oct. 11, 1941			4,092		13,685	80,432	53,031	94,533

*At the request of the Office of Petroleum Coordinator. †Finished 70,711,000 bbls.; unfinished, 9,020,000 bbls. ‡At refineries, at bulk terminals, and in pipe lines.

Wholesale Commodity Prices Advanced 0.1% In Oct. 10 Week, Labor Bureau Reports

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Oct. 15 that prices in primary markets edged upward during the week ended Oct. 10 and the Bureau's comprehensive index rose 0.1%. Further advances in prices for livestock and dairy products again accounted for the rise, which brought the all-commodity index to 99.8% of the 1926 average. Industrial commodity markets continued relatively steady under Government regulation.

Although prices for hogs in the Chicago market reached a 22-year peak early in the week ended Oct. 10, reports of possible action by the Office of Price Administration in imposing ceilings together

with heavy receipts caused the market to break sharply in the past few days.

The Bureau's announcement added the following details: "Farm Products and Foods—Prices for farm products in primary markets averaged 0.2% higher during the week of Oct. 10 than in the preceding week. Quotations for steers were up nearly 2% and hogs about 1½%. Prices were also higher for hay, hops and flaxseed. All grains, except barley, declined, and prices were also lower for sheep, live poultry, and for cotton.

"Average prices for foods rose 0.3% largely as a result of increases of about 1½% for butter, nearly 4% for cheese, 5% for fresh milk in the Chicago market, 8½% for condensed milk and 5% for evaporated milk. Higher prices were also reported for eggs, flour, for most dried fruits, for potatoes in Eastern markets, and for onions. Prices of mutton moved upward and cottonseed oil was higher. Lower quotations were reported for rye flour, and there were continued seasonal declines for citrus fruits and sweet potatoes. Prices of white potatoes at Chicago and Portland (Oregon) were lower.

"In the past month prices for foods in primary markets have risen 1.7% and farm products have advanced 1.6%. The indexes for these groups are about 15 and 20% higher than at this time last year.

"Industrial Commodities—There were comparatively few changes in industrial commodity markets. Office of Price Administration action caused prices of butyl acetate and butyl alcohol to rise sharply. Prices were also higher for bituminous coal in some areas, and for rosin, ground bones and cottonseed meal. Lower price ceilings were set by the Office of Price Administration on cotton yarns late in September. During the week ended Oct. 10 prices for certain types of lumber and for turpentine declined. Ergot dropped 24% under heavy competition."

The Bureau makes the following notation:

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

"The following table shows index numbers for the principal groups of commodities for the past three weeks, for Sept. 12, 1942 and Oct. 11, 1941 and the percentage changes from a week ago, a month ago, and a year ago:

Commodity groups	(1926=100)				Percentage changes to Oct. 10, 1942 from—			
	10-10 1942	10-3 1942	9-26 1942	9-12 1942	10-11 1941	10-3 1941	9-12 1941	10-11 1941
All commodities	*99.8	*99.7	*99.4	*99.2	91.6	+0.1	+0.6	+9.0
Farm products	108.9	108.7	107.3	107.2	90.5	+0.2	+1.6	+20.3
Foods	103.3	103.0	102.0	101.6	89.2	+0.3	+1.7	+15.8
Hides and leather products	118.4	118.4	118.4	119.0	112.6	0	-0.5	+5.2
Textile products	96.5	96.6	96.7	96.7	90.1	-0.1	-0.2	+7.1
Fuel and lighting materials	79.7	79.7	79.6	79.6	79.9	0	+0.1	-0.4
Metals and metal products	*103.9	*103.9	*103.9	*103.9	98.6	0	0	+5.3
Building materials	110.5	110.5	110.5	110.3	107.1	0	+0.2	+3.2
Chemicals and allied products	96.2	96.2	96.2	96.2	89.8	0	0	+7.1
Housefurnishing goods	104.1	104.1	104.1	104.1	99.7	0	0	+4.4
Miscellaneous commodities	88.4	88.4	88.6	88.6	85.9	0	-0.2	+2.9
Raw materials	102.6	102.4	101.5	101.6	89.6	+0.2	+1.0	+14.5
Semimanufactured articles	92.8	92.8	92.8	92.7	89.7	0	+0.1	+3.5
Manufactured products	*99.7	*99.6	*99.5	*99.3	93.1	+0.1	+0.4	+7.1
All commodities other than farm products	*97.9	*97.8	*97.7	*97.5	91.9	+0.1	+0.4	+6.5
All commodities other than farm products and foods	*95.7	*95.7	*95.7	*95.7	92.3	0	0	+3.7

*Preliminary.

Cottonseed Receipts Again Higher

On Oct. 13 the Bureau of Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the two months ended with September, 1942 and 1941:

United States	Received at mills*		Crushed		On hand at mills	
	Aug. 1 to Sep. 30 1942	1941	Aug. 1 to Sep. 30 1942	1941	1942	1941
United States	1,242,060	1,156,974	622,793	528,472	701,195	759,031
Alabama	83,909	83,152	50,778	60,152	36,464	34,173
Arkansas	102,223	176,948	53,653	71,307	58,445	130,571
Georgia	111,528	63,770	75,606	61,646	39,979	21,040
Louisiana	71,572	36,436	37,190	19,671	35,126	17,291
Mississippi	275,857	246,373	140,395	91,255	177,703	153,144
North Carolina	58,747	40,483	27,464	19,809	34,394	30,410
Oklahoma	26,062	36,142	13,180	10,873	17,348	25,801
South Carolina	46,340	22,392	32,014	11,549	15,026	13,851
Tennessee	98,711	161,210	44,925	57,815	62,973	124,063
Texas	321,820	219,276	165,908	93,821	191,271	152,649
All other States	45,291	70,792	15,690	30,574	32,468	50,038

*Does not include 81,928 and 130,529 tons on hand Aug. 1 nor 20,003 and 4,751 tons reshipped for 1942 and 1941 respectively.

Item	Season	On hand		Produced Aug.		Shipped out		On hand
		Aug. 1	1 to Sep. 30	1 to Sep. 30	Aug. 1 to Sep. 30	Aug. 1 to Sep. 30		
Crude oil (thousand pounds)	1942-43	*34,460	189,981	141,191			*90,601	
	1941-42	29,708	163,868	133,085			79,756	
Refined oil (thousand pounds)	1942-43	*310,191	1,113,454				*119,396	
	1941-42	294,005	96,784				178,271	
Cake and meal (tons)	1942-43	190,100	265,766	309,333			146,533	
	1941-42	164,444	228,162	219,324			173,282	
Hulls (tons)	1942-43	44,118	152,807	133,784			63,141	
	1941-42	151,439	135,947	132,415			154,971	
Linters (running bales)	1942-43	43,295	181,006	127,258			97,043	
	1941-42	123,154	151,250	172,209			102,195	
Hull fiber (500-lb. bales)	1942-43	229	3,815	1,872			2,172	
	1941-42	1,834	5,873	3,694			4,013	
Grabbots, motes, &c. (500-lb. bales)	1942-43	23,644	6,610	4,418			25,836	
	1941-42	6,183	5,145	5,068			6,260	

*Includes 24,484,000 and 18,261,000 pounds held by refining and manufacturing establishments and 2,118,000 and 15,692,000 pounds in transit to refiners and consumers Aug. 1, 1942 and Sept. 30, 1942, respectively.

†Includes 3,620,000 and 7,029,000 pounds held by refiners, brokers, agents, and warehousemen at places other than refineries and manufacturing establishments and 1,389,000 and 5,068,000 pounds in transit to manufacturers of shortening, oleomargarine, soap, etc. Aug. 1, 1942 and Sept. 30, 1942, respectively.

‡Produced from 121,116,000 pounds of crude oil.

Exports and Imports of Cottonseed Products

In the interest of national defense, the Department of Commerce has discontinued until further notice the publication of statistics concerning imports and exports.

War Objective Called Liberty, Liberation

In a Columbus Day statement, President Roosevelt said on Oct. 12 that the cause of the United States in the present war "is not only liberty for ourselves but liberation for others." Saying that "mankind's greatest war" is to determine, "whether the march of progress shall proceed or be halted by the totality of conquest," the President declared that "an American victory will be a United Nations victory and a victory for oppressed and enslaved people everywhere."

Following is the text of the President's statement:

"It is 450 years since Christopher Columbus first saw the new Western World off his bow. He and his followers found a great expanse where new beginnings could be made, where men could steer their courses free of the fetters of tyranny and the encompassment of outworn institutions. In the wake of his courageous and unprecedented voyage there came to the Americas the seeking people of many countries—people who sought liberty, democracy, religious tolerance, the fuller life.

"This was the American experiment, a bold experiment and successful. Our immigrant ancestors, yours and mine, made it successful.

"But now the free nations we created on two continents, the very liberties we made law, are endangered by destructive forces from without. We are in the midst of mankind's greatest war, a war to determine whether the march of progress shall proceed or be halted by the totality of conquest.

"Our cause is not only liberty for ourselves but liberation for others. An American victory will be a United Nations victory and a victory for oppressed and enslaved people everywhere. I like to remember on this significant anniversary the words of a contemporary poet:

"Columbus found a world and had no chart, save one that faith deciphered in the skies."

"We have faith; deeds will implement it."

The White House said the quotation was from the works of George Santayana.

Envoy To Return To U. S.

William H. Standley, United States Ambassador to Russia, will return to this country soon to report to President Roosevelt and Secretary of State Hull and confer with them and other officials "on ways and means of coordinating to the utmost the war efforts of the United States and the Soviet Union." It was announced on Oct. 6 in Moscow.

Mr. Standley's statement said in part:

"The military and naval attaches of the embassy, who are directly concerned with the military phases of cooperation between

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Oct. 10 is estimated at 11,400,000 net tons, as against 11,412,000 tons in the preceding week, and 11,524,000 tons in the corresponding week last year. The production of soft coal to date shows an increase of 15.5% over the same period in 1941.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Oct. 10 was estimated at 1,159,000 tons, a decrease of 69,000 tons (5.6%) from the preceding week. When compared with the output in the similar week of 1941, there was a decrease of 170,000 tons, or 12.8%. The calendar year to date shows a gain of 5.8% when compared with the corresponding period of 1941.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended Oct. 10 showed an increase of 3,100 tons when compared with the output for the week ended Oct. 3. The quantity of coke from beehive ovens decreased 6,500 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL IN NET TONS WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM (000 OMITTED)

	Week Ended			January 1 to Date		
	Oct. 10, 1942	Oct. 3, 1942	Oct. 11, 1941	Oct. 10, 1942	Oct. 11, 1941	Oct. 9, 1937
Bituminous and lignite coal	11,400	11,412	11,524	445,547	385,708	342,521
Total, incl. mine fuel	1,900	1,902	1,921	1,875	1,629	1,443

*Crude petroleum—Coal equivalent of weekly output: 6,178, 5,902, 6,521, 250,282, 244,645, 225,018. Total barrels produced during the week converted into 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, Review of 1940, page 775). †Revised.

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

	Week Ended			Calendar Year to Date		
	Oct. 10, 1942	Oct. 3, 1942	Oct. 11, 1941	Oct. 10, 1942	Oct. 11, 1941	Oct. 12, 1929
Penn. anthracite	1,159,000	1,228,000	1,329,000	47,112,000	44,546,000	56,000,000
Total incl. colliery fuel	1,113,000	1,167,000	1,263,000	44,768,000	42,319,000	51,968,000
Beehive coke	159,100	165,600	131,700	6,152,100	5,033,200	5,366,100
United States total	1,208,900	1,205,800	1,401,400	51,920,100	49,352,200	57,334,100

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

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			Oct. 2, 1942	Oct. 1, 1941	Oct. 1937
	Oct. 3, 1942	Sept. 26, 1942	Oct. 4, 1941			
Alaska	5	5	8	6	5	5
Alabama	364	364	326	298	258	398
Arkansas and Oklahoma	95	89	107	84	92	88
Colorado	170	168	165	135	164	217
Georgia and North Carolina	1	1	††	††	††	††
Illinois	1,242	1,300	1,129	964	1,159	1,558
Indiana	507	480	487	360	407	520
Iowa	65	43	54	56	92	116
Kansas and Missouri	172	170	144	140	135	161
Kentucky—Eastern	965	967	976	754	915	764
Kentucky—Western	287	266	216	153	204	238
Maryland	33	34	36	25	34	35
Michigan	8	9	10	7	16	28
Montana (bituminous and lignite)	118	90	80	62	79	82
New Mexico	40	37	22	18	33	58
North and South Dakota (lignite)	57	55	69	54	61	36
Ohio	667	668	750	408	552	817
Pennsylvania (bituminous)	2,630	2,600	2,861	2,409	2,330	3,149
Tennessee	142	141	149	100	118	118
Texas (bituminous and lignite)	9	9	8	11	19	26
Utah	115	115	111	93	86	121
Virginia	390	400	405	297	322	231
Washington	52	39	43	32	47	68
*West Virginia—Southern	2,190	2,258	2,346	1,760	1,920	1,488
†West Virginia—Northern	905	897	889	551	639	805
Wyoming	181	180	167	134	139	184
‡Other Western States	2	††	††	††	††	††
Total bituminous and lignite	11,412	11,385	11,558	8,911	9,826	11,310
§Pennsylvania anthracite	1,228	1,276	1,088	735	1,155	1,968
Total all coal	12,640	12,661	12,646	9,646	10,981	13,278

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

September Retail Prices Continue Unchanged, According To Fairchild Publications Index

Retail prices remained unchanged, for the third consecutive month, according to the Fairchild Publications Retail Price Index. This was also true of all the major subdivisions except piece goods, which showed a very small decrease. Although retail prices have been at a standstill for the past three months, they are somewhat higher than last year, showing an increase of 7.5%. In comparison with the period just before the outbreak of war in 1939, prices are 27.2% higher.

The firm's announcement further said: "Even though there was only one major group which recorded a change over the previous month, that of piece goods with a decrease of 0.1%, these subdivisions are still much above last year. The greatest advance was shown by piece goods, 12.3%, followed by men's apparel with 10.2%, and women's apparel with 8.3%. Piece goods also show the largest increase over the period immediately preceding the outbreak of hostilities in 1939. Home furnishings and women's apparel are a close second, 27.8% and 26.9%. Infants' wear recorded the least advance both over last year and over 1939.

"Only five of the individual commodities recorded any change over last month. There was a decrease of 0.1% in silk and cotton piece goods, and in sheets and pillow cases. Furs decreased 0.2%,

and men's clothing advanced 0.4%. Fur prices also show a decline from last year of 2.2%. Cotton piece goods, sheets and pillow cases, aprons and housedresses, men's hose and underwear advanced the most over 1941. The smallest increases over last year were shown by women's shoes, infants underwear, furniture, men's hats and caps and floor coverings. Over 1939 furs increased the most, and women's shoes the least.

"It is still expected that retail prices will continue practically unchanged for some time, according to A. W. Zelomek, economist under whose supervision the index is compiled. However, some upward movement is not unlikely as readjustments in individual items are made. We note here that the Price Regulation No. 177 has already affected the men's clothing index, since it allows a certain percentage markup in determining the ceiling prices of men's outer coats."

THE FAIRCHILD PUBLICATIONS RETAIL PRICE INDEX

JAN. 3, 1931—100

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	May 1, 1933	Oct. 1, 1941	July 1, 1942	Aug. 1, 1942	Sept. 1, 1942	Oct. 1, 1942
Composite Index	69.4	105.2	113.1	113.1	113.1	113.1
Piece Goods	65.1	99.2	112.2	†112.3	112.3	112.2
Men's Apparel	70.7	95.5	105.1	105.1	105.2	105.2
Women's Apparel	71.8	104.1	112.9	112.8	112.7	112.7
Infants' Wear	76.4	101.2	108.0	108.0	108.0	108.0
Home Furnishings	70.2	106.9	115.6	115.6	115.5	115.5
Piece Goods						
Silks	57.4	78.9	84.9	†85.0	84.8	84.7
Woolens	69.2	98.4	108.2	108.1	108.1	108.1
Cotton Wash Goods	68.6	122.4	143.4	†143.9	143.9	143.8
Domestics						
Sheets	65.0	108.9	127.0	127.0	126.9	126.8
Blankets & Comfortables	72.9	123.8	134.0	135.0	135.0	135.0
Women's Apparel						
Hosiery	59.2	83.4	94.1	94.1	94.1	94.1
Aprons & House Dresses	75.5	121.4	140.6	140.5	140.5	140.5
Corsets & Brassieres	83.6	99.1	111.3	111.3	111.2	111.2
Furs	66.8	138.1	136.0	136.0	135.4	135.1
Underwear	69.2	93.8	102.8	102.7	102.7	102.7
Shoes	76.5	89.6	92.5	92.4	92.4	92.4
Men's Apparel						
Hosiery	64.9	94.3	108.1	108.0	108.0	108.0
Underwear	69.6	100.3	114.7	114.6	114.6	114.6
Shirts & Neckwear	74.3	90.0	99.0	99.0	99.0	99.0
Hats & Caps	69.7	89.0	94.3	94.3	94.3	94.3
Clothing Incl. Overalls	70.1	98.3	105.1	105.1	†105.5	†105.9
Shoes	76.3	101.0	109.5	†109.6	109.6	109.6
Infants' Wear						
Socks	74.0	106.3	114.4	†114.5	114.5	114.5
Underwear	74.3	98.3	103.6	103.6	103.6	103.6
Shoes	80.9	98.6	105.9	105.9	105.9	105.9
Furniture	69.4	123.1	129.2	129.2	129.2	129.2
Floor Coverings	79.9	138.3	146.8	146.8	146.8	146.8
Radios	50.6	61.3	66.8	66.8	66.8	66.8
Luggage	60.1	84.2	94.8	94.7	94.7	94.7
Electrical Household Appliances	72.5	89.0	93.5	93.5	93.5	93.5
China	81.5	104.1	110.7	110.6	110.6	110.6

Note—Composite Index is a weighted aggregate. Major group indexes are arithmetic averages of subgroups.

*Increase due to Price Regulation allowing a percentage markup on ceiling price of outer coats.

†Increase due solely to special pricing of new mail order catalogues. Such catalogues are generally issued twice a year, in January and July. Thus permissible increases above January prices appear for the first time in this month's index.

Sept. Department Store Sales In New York Federal Reserve District 5% Below Year Ago

The Federal Reserve Bank of New York announced on Oct. 17 that September sales of department stores in the Second (New York) Federal Reserve District decreased 5% below a year ago. The combined sales for January through September, however, are 5% higher than in the same period last year. Stocks of merchandise on hand in department stores at the end of September were 40% above September, 1941.

The apparel stores in the New York Reserve District reported a loss of 13% in net sales in September. Their stocks on hand at the close of the month were 17% above last year.

The following is the bank's tabulation:

Department Store	Percentage Changes from a Year Ago		Stock on Hand End of Month
	September	January through September	
New York City	-8	+4	+44
Northern New Jersey	-6	+3	+40
Newark	-3	+6	+42
Westchester and Fairfield Counties	+9	+11	+18
Bridgeport	+3	+13	+21
Lower Hudson River Valley	0	+2	+16
Poughkeepsie	+1	+6	+10
Upper Hudson River Valley	-9	-3	+10
Albany	-16	-9	-
Central New York State	+7	+10	+27
Mohawk River Valley	+19	+23	+69
Syracuse	+4	+6	+17
*Northern New York State	-7	-7	+27
*Southern New York State	+7	+8	+27
Binghamton	+4	+5	-
Elmira	+8	+12	-
Western New York State	+6	+11	+30
Buffalo	+3	+12	+27
Niagara Falls	+38	+34	+21
Rochester	+7	+8	+35
*All department stores	-5	+5	+40
*Apparel stores	-13	+5	+17

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

Sales (average daily), unadjusted	1941		1942	
	September	July	August	September
Sales (average daily), seasonally adjusted	116	114	93	120
Stocks, unadjusted	113	156	123	112
†Stocks, seasonally adjusted	108	168	165	157

†Revised.

September Business Failures Again Lower

September business failures follow the same trend that has been shown for several months and are lower than in August and lower than in September 1941, both as to the number and amount involved. Business insolvencies in September, according to Dun & Bradstreet, Inc., totaled 556 and involved \$5,473,000, liabilities, as compared with 698 involving \$6,781,000 in August, and 735 involving \$9,393,000 in September 1941.

The falling off in the number of failures in September from the number in August took place in all divisions of trade that the report is divided into, without a single exception. When the amount of liabilities is taken into consideration all divisions recorded a decrease from a month ago with the single exception of the construction group.

Manufacturing failures last month numbered 77, involving \$1,661,000 liabilities, compared with 119 in August with \$2,249,000 liabilities. Wholesale failures decreased to 43 with \$622,000 liabilities from 61, with \$999,000 liabilities, in August. In the Retail trade section insolvencies declined to 355 from 405 in August and liabilities to \$2,276,000 from \$2,475,000 a month ago. Construction insolvencies numbered 54 with \$646,000 liabilities, which compares with 66 with \$520,000 liabilities in August. Commercial Service failures numbered 27 with \$268,000 liabilities, as against 47 with \$538,000 liabilities in August 1942.

When the country is divided into Federal Reserve districts it is seen that nine districts had fewer insolvencies in September than in August, while the Boston, Philadelphia and Cleveland Reserve districts had more. When the amount of liabilities is considered the Philadelphia, Cleveland, Richmond, Kansas City and Dallas Federal Reserve districts had greater liabilities, while the remaining districts had a smaller amount involved.

President Backs Bennett For New York Governor

President Roosevelt on Oct. 4 gave his indorsement to John J. Bennett in the race for the Governorship of New York. Mr. Bennett, who is Attorney General of the State, won the Democratic nomination for Governor, with the support of James A. Farley, over Mr. Roosevelt's choice, Senator James M. Mead.

In his statement, the President said he would vote for Mr. Bennett because "he is the best qualified" of the three men in the race. The other gubernatorial candidates are Thomas E. Dewey, Republican, and Dean Alfange, American Laborite.

The President, in his statement, also urged all voters throughout the country "to exercise the right of the ballot."

The White House press statement follows:

"In reply to numerous inquiries with reference to the political situation in his home State of New York, the President has authorized the following statement:

"Of the three men in the race for the Governorship of New York, I shall cast my ballot for John Bennett because I believe that he is the best qualified."

"At the same time, the President further said:

"I trust that every voter, not only in New York State, but throughout the country, regardless of party affiliations, will register, and on November third, exercise the right of the ballot. This is one of the essential privileges and duties of our democratic way of life for which we are now fighting."

Trading On New York Exchanges

The Securities and Exchange Commission made public on Oct. 16 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Oct. 3, 1942, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Oct. 3 (in round-lot transactions) totaled 1,098,315 shares, which amount was 16.58% of total transactions on the Exchange of 3,312,090 shares. This compares with member trading during the previous week ended Sept. 26 of 1,130,093 shares, or 16.26% of total trading of 3,475,130 shares. On the New York Curb Exchange, member trading during the week ended Oct. 3 amounted to 146,995 shares, or 16.69% of the total volume of that Exchange of 440,305 shares; during the preceding week trading for the account of Curb members of 124,050 shares was 14.48% of total trading of 428,440 shares.

The Commission made available the following data for the week ended Oct. 3:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received.....	968	695
1. Reports showing transactions as specialists.....	174	87
2. Reports showing other transactions initiated on the floor.....	154	13
3. Reports showing other transactions initiated off the floor.....	184	58
4. Reports showing no transactions.....	550	565

Note—On the New York Stock Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Curb Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

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

WEEK ENDED OCT. 3, 1942		
A. Total Round-Lot Sales:	Total for Week	†Per Cent
Short sales.....	74,090	
‡Other sales.....	3,238,000	
Total sales.....	3,312,090	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	302,370	
Short sales.....	32,780	
‡Other sales.....	232,950	
Total sales.....	265,730	8.58
2. Other transactions initiated on the floor—		
Total purchases.....	166,130	
Short sales.....	16,200	
‡Other sales.....	137,550	
Total sales.....	153,750	4.83
3. Other transactions initiated off the floor—		
Total purchases.....	110,359	
Short sales.....	12,700	
‡Other sales.....	87,276	
Total sales.....	99,976	3.17
4. Total—		
Total purchases.....	578,859	
Short sales.....	61,680	
‡Other sales.....	457,776	
Total sales.....	519,456	16.58

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

WEEK ENDED OCT. 3, 1942		
A. Total Round-Lot Sales:	Total for Week	†Per Cent
Short sales.....	3,110	
‡Other sales.....	437,195	
Total sales.....	440,305	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	41,690	
Short sales.....	2,490	
‡Other sales.....	51,785	
Total sales.....	54,275	10.90
2. Other transactions initiated on the floor—		
Total purchases.....	6,540	
Short sales.....	100	
‡Other sales.....	6,995	
Total sales.....	7,095	1.55
3. Other transactions initiated off the floor—		
Total purchases.....	22,030	
Short sales.....	300	
‡Other sales.....	15,065	
Total sales.....	15,365	4.24
4. Total—		
Total purchases.....	70,260	
Short sales.....	2,890	
‡Other sales.....	73,845	
Total sales.....	76,735	16.69
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales.....	0	
‡Customers' other sales.....	26,204	
Total purchases.....	26,204	
Total sales.....	14,715	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Treasury Figures On 1940 Income Tax Returns NYSE Odd-Lot Trading

Secretary of the Treasury Morgenthau made public on Oct. 2 figures for taxable and non-taxable individual income and defense tax returns, with net income and with no net income, and taxable fiduciary income and defense tax returns with net income, for 1940 filed during the calendar year 1941. They are from "Statistics of Income for 1940, Part 1," prepared under the direction of Commissioner of Internal Revenue Guy T. Helvering.

The Treasury's summary of the data follows:

"The total number of returns filed for 1940 is 14,778,159 an increase, as compared with the previous year, of 91.5%. The total net income is \$36,588,545,894, and the total tax liability is \$1,496,403,386, an increase of 57.8% and 61.1%, respectively.

"There are 7,504,695 taxable returns, of which 7,437,261 are for individuals with net income of \$23,279,203,093 and tax of \$1,440,967,144; 67,388 are for fiduciaries with net income of \$278,827,290 and tax of \$54,963,289; and 46 are for individuals with no net income, showing a deficit of \$2,550,665, but with alternative tax of \$472,953.

"Of the 7,273,464 non-taxable returns, 7,160,813 are for individuals with net income of \$13,030,515,511 — non-taxable because exemptions and credits exceed net income; and 112,651 are for individuals with no net income, showing a deficit of \$308,833,907— returns on which total deductions exceed total income.

"The normal tax and surtax liability, reported on 7,478,649 individual and fiduciary returns with net income, is \$824,280,936; the alternative tax, reported on 26,000 individual and fiduciary returns with net income and on 46 individual returns with no net income due to net long-term capital loss, is \$543,772,173. The defense tax, reported on individual and fiduciary returns with net income is \$128,350,277.

"The effective tax rate is 6.4% for taxable returns with net income and 4.1% for all returns with net income.

"The increase for 1940 over 1939, in number of returns, net income, deficit and taxes is presented below:

INDIVIDUAL RETURNS AND TAXABLE FIDUCIARY RETURNS: INCREASE FOR 1940 OVER 1939, IN NUMBER OF RETURNS, NET INCOME, DEFICIT AND TAXES

	1940	1939	Increase 1940 over 1939	No. or Amt.	Percent
Total individual and taxable fiduciary returns:					
Number of returns.....	14,778,159	7,715,660	7,062,499		91.5
*Net income.....	36,588,546	23,191,871	13,396,675		57.8
Deficit.....	311,385	284,327	27,058		9.5
Tax.....	1,496,403	928,694	567,709		61.1
Taxable individual & fiduciary returns:					
With net income:					
Number of returns.....	7,504,649	3,959,297	3,545,352		89.5
*Net income.....	23,558,030	15,803,945	7,754,085		49.1
Tax.....	1,495,930	928,394	567,537		61.1
Normal tax.....	388,950	286,345	102,606		35.8
Surtax.....	435,331	313,518	121,813		38.9
†Alternative tax.....	543,299	328,532	214,768		65.4
‡Defense tax.....	128,350				
§Individual returns with no net inc.:					
Number of returns.....	46	17	29		170.6
Deficit.....	2,551	1,128	1,423		126.1
Alternative tax.....	473	300	173		57.6
¶Nontaxable individual returns:					
¶With net income:					
Number of returns.....	7,160,813	3,673,902	3,486,911		94.9
Net income.....	13,030,516	7,387,926	5,642,590		76.4
¶With no net income:					
**Number of returns.....	112,651	82,444	30,207		36.6
Deficit.....	308,834	283,199	25,635		9.1

*For taxable fiduciary returns, the net income used for classification and tabulation is the net income taxable to the fiduciary after distribution to beneficiaries. †The alternative tax is imposed on (1) returns with net long-term capital gain if such alternative tax is less than the sum of the normal tax and surtax computed on net income including net long-term capital gain, and (2) returns with net long-term capital loss if such alternative tax is greater than the sum of the normal tax and surtax computed on net income after deducting net long-term capital loss. ‡Defense tax is 10% of the total income tax, but not in excess of 10% of the amount by which the net income exceeds the income tax. §Returns, with no net income due to net long-term capital loss, on which the partial tax computed on net income before the deduction of net long-term capital loss exceeds 30% of the net long-term capital loss. ¶Exemptions and credits exceed net income. A negligible number of nontaxable individual returns in net income classes of \$6,000 and over are not tabulated separately. **Include individual returns with zero net income (total deductions equal total income).

The advice also state:

"The data presented in this release are from returns for the income year 1940 filed in the period January through December, 1941, under the provisions on the Internal Revenue Code as amended. Included are individual returns, Forms 1040, 1040A, and 1940B; and taxable fiduciary returns, Form 1041, filed for estates and trusts.

"The returns are, in general, for the calendar year ending Dec. 31, 1940. However, a negligible number of returns for a fiscal year, other than the calendar year, ending within the period July, 1940, through June, 1941, are tabulated with the calendar year returns for 1940. There are also included part year returns for which the greater part of the accounting period falls in 1940. Amended returns and tentative returns are not included in the tabulations.

"Statistics are taken from the returns as filed and prior to any revisions that may be made as a result of audit by the Bureau of Internal Revenue."

Commercial Paper Outstanding

Reports received by the Federal Reserve Bank of New York from commercial paper dealers show a total of \$281,800,000 of open market paper outstanding on Sept. 30, 1942, the Bank announced on Oct. 14. This compares with outstandings for Aug. 31, 1942, amounting to \$297,200,000 and for Sept. 30, 1941, of \$370,500,000.

Following are the totals for the last two years:

1942—	\$	1941—	\$
Sept. 30.....	281,800,000	Sept. 30.....	370,500,000
Aug. 31.....	297,200,000	Aug. 30.....	353,900,000
July 31.....	305,300,000	July 31.....	329,900,000
June 30.....	315,200,000	June 30.....	299,000,000
May 29.....	354,200,000	May 31.....	295,000,000
Apr. 30.....	373,100,000	Apr. 30.....	274,600,000
Mar. 31.....	384,300,000	Mar. 31.....	263,300,000
Feb. 28.....	388,400,000	Feb. 28.....	240,700,000
Jan. 31.....	380,600,000	Jan. 31.....	232,400,000
1941—			
Dec. 31.....	374,500,000	Dec. 31.....	217,900,000
Nov. 29.....	387,100,000	Nov. 30.....	231,800,000
Oct. 31.....	377,700,000	Oct. 31.....	252,400,000

The Securities and Exchange Commission made public on Oct. 16 a summary for the week ended Oct. 10, 1942, of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Oct. 10, 1942	Total for week
Odd-lot Sales by Dealers:	
(Customers' Purchases)	
Number of Orders.....	16,079
Number of Shares.....	453,509
Dollar Value.....	14,766,287
Odd-lot Purchases by Dealers—	
(Customers' Sales)	
Number of Orders:	
Customers' short sales.....	250
Customers' other sales.....	18,010
Customers' total sales.....	18,260
Number of Shares:	
Customers' short sales.....	6,218
Customers' other sales.....	468,954
Customers' total sales.....	475,172
Dollar Value.....	13,508,193
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales.....	150
Other sales.....	132,120
Total sales.....	132,270
Round-lot Purchases by Dealers—	
Number of Shares.....	120,060

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Lumber Movement—Week Ended Oct. 10, 1942

Lumber production during the week ended Oct. 10, 1942, was 0.05% less than the previous week, shipments were 5% less, new business 15% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 3% above production; new orders 3% above production. Compared with the corresponding week of 1941, production was 6% less, shipments 2% less, and new business 5% greater. The industry stood at 128% of the average of production in the corresponding week of 1935-39 and 137% of average 1935-39 shipments in the same week.

Year-to-date Comparisons

Reported production for the first 40 weeks of 1942 were 5% below corresponding weeks of 1941; shipments were 3% above the shipments, and new orders 7% above the orders of the 1941 period. For the 40 weeks of 1942, new business was 20% above production, and shipments were 13% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 74% on Oct. 10, 1942, compared with 37% a year ago. Unfilled orders were 45% greater than a year ago; gross stocks were 28% less.

Softwoods and Hardwoods

Record for the current week ended Oct. 10, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

SOFTWOODS AND HARDWOODS			
	1942	1941	1942
	Week	Week	Wk. (rev.)
Mills.....	445	445	460
Production.....	260,826	276,459	260,687
Shipments.....	268,516	275,014	282,856
Orders.....	269,694	257,400	319,160
Softwoods			
1942 Week			
Mills.....	365		96
Production.....	250,924—100%		9,902—100%
Shipments.....	254,162—101		14,354—145
Orders.....	255,416—102		14,278—144
Hardwoods			
1942 Week			

Revenue Freight Car Loadings During Week Ended Oct. 10, 1942 Totaled 909,957 Cars

Loading of revenue freight for the week ended Oct. 10, totaled 909,957 cars, the Association of American Railroads announced on Oct. 15. This was an increase above the corresponding week in 1941, of 6,080 cars or 0.7% and an increase above the same week in 1940, of 98,051 cars or 12.1%.

Loading of revenue freight for the week of Oct. 10 increased 2,350 cars or 0.3% above the preceding week.

Miscellaneous freight loading totaled 433,707 cars, an increase of 1,693 cars above the preceding week, and an increase of 41,108 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 92,759 cars, an increase of 917 cars above the preceding week, but a decrease of 67,959 cars below the corresponding week in 1941.

Coal loading amounted to 167,109 cars, a decrease of 1,966 cars below the preceding week, and a decrease of 4,590 cars below the corresponding week in 1941.

Grain and grain products loading totaled 50,997 cars, an increase of 440 cars above the preceding week, and an increase of 14,444 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of Oct. 10 totaled 34,344 cars, a decrease of 819 cars below the preceding week, but an increase of 10,488 cars above the corresponding week in 1941.

Live stock loading amounted to 22,510 cars, an increase of 1,057 cars above the preceding week, and an increase of 2,284 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of Oct. 10, totaled 18,199 cars, an increase of 770 cars above the preceding week, and an increase of 1,626 cars above the corresponding week in 1941.

Forest products loading totaled 49,541 cars, an increase of 4 cars above the preceding week and an increase of 4,709 cars above the corresponding week in 1941.

Ore loading amounted to 73,855 cars, a decrease of 2 cars below the preceding week, but an increase of 14,759 cars above the corresponding week in 1941.

Coke loading amounted to 14,479 cars, an increase of 207 cars above the preceding week, and an increase of 1,325 cars above the corresponding week in 1941.

All districts reported increases compared with the corresponding week in 1941, except the Eastern, Allegheny, Pocahontas, and Southern and all districts reported increases compared with the corresponding week of 1940.

	1942	1941	1940
Five weeks of January	3,858,273	3,454,409	3,215,565
Four weeks of February	3,122,773	2,866,565	2,465,685
Four weeks of March	3,171,439	3,066,011	2,489,280
Four weeks of April	3,351,038	2,793,630	2,495,212
Five weeks of May	4,170,713	4,160,060	3,351,840
Four weeks of June	3,385,769	3,510,057	2,896,953
Four weeks of July	3,321,568	3,413,435	2,822,450
Five weeks of August	4,350,948	4,463,372	3,717,933
Four weeks of September	3,503,658	3,540,210	3,135,122
Week of Oct. 3	907,607	917,856	806,004
Week of Oct. 10	909,957	907,877	811,906
Total	34,053,743	33,089,522	28,207,950

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Oct. 10, 1942. During this period only 65 roads showed increases when compared with the corresponding week last year.

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Eastern District—					
Ann Arbor	317	566	588	1,341	1,482
Bangor & Aroostock	1,332	1,245	892	186	290
Boston & Maine	6,428	9,047	7,568	13,758	13,533
Chicago, Indianapolis & Louisville	1,479	1,591	1,449	2,103	2,426
Central Indiana	45	26	19	41	58
Central Vermont	1,075	1,506	1,347	2,547	2,463
Delaware & Hudson	6,259	7,562	6,074	11,069	10,782
Delaware, Lackawanna & Western	7,486	9,729	9,357	11,055	8,712
Detroit & Mackinac	839	502	502	405	141
Detroit, Toledo & Ironton	1,736	2,366	2,530	1,183	1,295
Detroit & Toledo Shore Line	367	406	356	3,045	3,766
Erie	12,428	16,447	14,291	16,741	15,702
Grand Trunk Western	4,432	5,148	5,319	8,242	9,337
Lehigh & Hudson River	176	217	204	2,738	2,912
Lehigh & New England	1,713	2,238	1,968	1,908	1,867
Lehigh Valley	8,735	10,130	9,254	13,226	9,592
Maine Central	2,461	3,221	2,705	3,080	2,852
Monongahela	6,125	7,101	3,268	420	424
Montour	2,407	2,073	2,136	27	52
New York Central Lines	49,893	52,461	46,097	56,237	52,224
N. Y., N. H. & Hartford	9,636	12,631	10,789	17,661	16,190
New York, Ontario & Western	1,137	1,283	1,239	2,456	2,382
New York, Chicago & St. Louis	8,293	7,023	6,144	15,962	13,955
N. Y., Susquehanna & Western	422	526	390	2,007	1,661
Pittsburgh & Lake Erie	7,870	9,085	7,906	9,294	8,716
Pere Marquette	5,792	6,315	7,020	7,010	6,352
Pittsburgh & Shawmut	779	669	512	16	41
Pittsburgh, Shawmut & North	418	421	421	210	514
Pittsburgh & West Virginia	1,031	1,277	598	3,280	2,535
Rutland	403	615	674	933	1,205
Wabash	6,166	5,946	6,072	12,460	10,842
Wheeling & Lake Erie	5,668	5,390	4,556	4,864	4,439
Total	163,353	184,753	162,245	225,505	208,742
Allegheny District—					
Akron, Canton & Youngstown	733	725	599	1,062	1,087
Baltimore & Ohio	40,384	41,447	34,181	28,125	23,830
Bessemer & Lake Erie	6,855	5,847	6,982	2,640	2,285
Buffalo Creek & Gauley	336	313	270	3	5
Cambria & Indiana	1,892	2,001	1,568	5	17
Central R. R. of New Jersey	7,344	8,492	7,925	20,654	16,526
Conrail	718	732	663	52	42
Cumberland & Pennsylvania	244	295	268	20	34
Ligonier Valley	131	135	129	55	35
Long Island	1,365	899	1,014	3,591	2,952
Penn.-Reading Seashore Lines	1,960	1,774	1,631	2,005	2,058
Pennsylvania System	84,827	88,152	72,582	68,849	60,256
Reading Co.	15,517	17,563	15,585	28,189	24,705
Union (Pittsburgh)	21,156	19,963	19,292	8,060	5,963
Western Maryland	3,888	4,449	3,578	12,802	8,399
Total	187,320	192,787	166,267	176,112	148,194
Pocahontas District—					
Chesapeake & Ohio	28,038	30,232	22,800	13,563	14,269
Norfolk & Western	22,448	25,324	20,215	8,187	6,553
Virginian	4,530	4,684	4,142	2,498	2,003
Total	55,016	60,240	47,157	24,248	22,825

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Southern District—					
Alabama, Tennessee & Northern	714	380	282	331	199
Atl. & W. P.—W. R. R. of Ala.	379	901	866	2,780	2,129
Atlanta, Birmingham & Coast	769	854	742	1,267	1,209
Atlantic Coast Line	10,848	11,115	10,413	11,218	7,011
Central of Georgia	4,276	4,861	4,476	5,034	4,414
Charleston & Western Carolina	382	472	460	1,495	1,501
Clinchfield	1,800	1,768	1,310	2,664	2,789
Columbus & Greenville	566	394	413	268	405
Durham & Southern	122	214	160	684	458
Florida East Coast	865	422	520	1,325	1,050
Gainesville Midland	39	41	31	108	83
Georgia	1,460	1,467	1,221	3,015	2,295
Georgia & Florida	360	535	332	460	611
Gulf, Mobile & Ohio	4,687	4,313	3,904	5,016	3,629
Illinois Central System	32,205	28,388	25,186	17,948	14,994
Louisville & Nashville	25,827	27,064	21,386	11,699	9,157
Macon, Dublin & Savannah	240	185	134	665	702
Mississippi Central	214	189	173	655	368
Nashville, Chattanooga & St. L.	3,837	3,839	3,293	4,991	3,375
Norfolk Southern	1,297	1,530	1,259	1,651	1,447
Piedmont Northern	321	512	440	1,254	1,802
Richmond, Fred. & Potomac	597	389	389	10,004	5,967
Seaboard Air Line	10,116	10,575	9,863	8,991	7,315
Southern System	24,170	26,181	23,505	24,810	21,404
Tennessee Central	540	500	507	1,159	789
Winston-Salem Southbound	130	173	167	1,039	932
Total	126,761	127,262	111,432	120,511	96,035
Northwestern District—					
Chicago & North Western	22,974	22,598	23,474	15,723	14,886
Chicago Great Western	2,522	2,981	2,994	3,848	3,488
Chicago, Milw., St. P. & Pac.	23,293	23,964	22,625	11,062	9,689
Chicago, E. Paul, Minn. & Omaha	3,943	4,291	3,885	4,903	4,727
Duluth, Missabe & Iron Range	28,116	21,284	21,366	339	300
Duquoin, South Shore & Atlantic	992	1,038	1,318	1,076	545
Elgin, Joliet & Eastern	10,410	9,993	9,315	11,021	10,464
Et. Lodge, Des Moines & South	551	583	629	121	144
Great Northern	29,240	25,400	26,872	5,793	4,684
Green Bay & Western	572	640	668	776	680
Lake Superior & Inpenning	2,263	1,960	3,585	48	90
Minneapolis & St. Louis	2,421	2,172	2,600	3,236	2,460
Minn., St. Paul & S. S. M.	8,460	7,604	7,734	3,316	3,139
Northern Pacific	14,684	13,694	12,772	5,912	5,123
Spokane International	252	186	298	597	337
Spokane, Portland & Seattle	2,784	2,701	2,075	3,569	2,562
Total	153,477	141,089	142,210	71,340	63,318
Central Western District—					
Atch., Top. & Santa Fe System	24,928	24,004	22,438	14,214	9,378
Alton	3,643	3,100	3,077	4,954	2,940
Bingham & Garfield	515	673	500	91	86
Chicago, Burlington & Quincy	23,122	18,817	18,346	13,475	11,994
Chicago & Illinois Midland	2,497	2,599	2,252	888	976
Chicago, Rock Island & Pacific	13,378	13,422	13,440	13,537	10,945
Chicago & Eastern Illinois	3,098	2,842	2,675	4,568	3,094
Colorado & Southern	1,230	1,033	857	2,066	2,072
Denver & Rio Grande Western	5,335	4,720	3,987	7,227	5,061
Denver & Salt Lake	1,026	1,054	903	14	15
Fort Worth & Denver City	1,502	1,141	1,330	1,732	1,120
Illinois Terminal	1,970	1,906	1,797	2,128	2,151
Missouri-Illinois	1,385	1,044	1,045	631	427
Nevada Northern	2,219	2,046	1,853	109	156
North Western Pacific	1,151	1,402	938	729	514
Peoria & Pekin Union	19	17	5	0	0
Southern Pacific (Pacific)	33,595	32,873	28,101	11,554	7,914
Toledo, Peoria & Western	394	357	355	2,368	1,773
Union Pacific System	21,027	21,446	19,568	19,142	14,649
Utah	687	564	482	2	5
Western Pacific	2,480	2,140	1,913	5,255	4,604
Total	145,201	137,200	125,862	104,684	79,871
Southwestern District—					
Burlington-Rock Island	504	183	188	297	244
Gulf Coast Lines	4,700	3,339	2,603	2,077	2,188
International-Great Northern	3,974	1,968	1,880	2,747	2,219
Kansas, Oklahoma & Gulf	423	193	276	1,090	1,135
Kansas City Southern	5,157	2,840	2,229	2,669	2,812
Louisiana & Arkansas	3,637	2,511	2,207	2,213	2,255
Litchfield & Madison	258	356	276	1,170	1,138
Midland Valley	946	765	562	203	264
Missouri & Arkansas	225	220	241	378	410
Missouri-Kansas-Texas Lines	5,992	5,119	5,160	5,516	3,916
Missouri Pacific	20,411	18,133	16,617	21,543	13,742
Quannah Acme & Pacific	101	78	139	266	175
St. Louis-San Francisco	10,416	9,704	8,725	8,683	6,474
St. Louis Southwestern	3,627	3,299	3,366	6,332	3,485
Texas & New Orleans	13,307	7,550	7,632	4,7	

Items About Banks, Trust Companies

Percy H. Johnston, Chairman, Chemical Bank & Trust Co. of New York, announces the promotion of Reginald H. Brayley to Manager of its Madison Avenue and 46th Street Branch. Mr. Brayley has been an employee since 1914, and for several years has been identified with the bank's branch at Broadway and 73rd Street. He will assume his new duties early in November.

The Pan American Trust Co., New York City, has received authorization from the State Banking Department to maintain a branch office at 590 East 187th St., Bronx.

Frederick H. Hornby, President of the Continental Bank & Trust Co., New York City, died on Oct. 18 at his home Garden City, Long Island, after a brief illness. Up to the time he was taken ill at Sky Top, Pa., on Oct. 9, Mr. Hornby had been active in the management of the bank. Mr. Hornby was born in Brooklyn 59 years ago and after a year spent in his father's building and contracting business he became a messenger in the old Fourth National Bank. Three years later he went with the Mutual Alliance Trust Co. and was Secretary of that institution when he resigned 11 years later to become Assistant Cashier of the Chatham and Phoenix National Bank. In 1915 he became Assistant Cashier of the German-American Bank which later became the Continental Bank of New York.

In 1918 Mr. Hornby was made Cashier of the Continental and ten years later was elected President. Under his direction the bank expanded its activities and the name was changed to the Continental Bank & Trust Co. In 1931 Mr. Hornby was elected Chairman of the Board of Directors of the bank and for a few years served as both Chairman and President. In 1941 he relinquished the Chairmanship to Frederick E. Hasler, who was Chairman of the Executive Committee, and continued as President only. Mr. Hornby was a Director of the Wall Street Shares Corp., the Guardian Life Insurance Co. of America and A. N. Stollwerck, Inc., and President and Director of the Continental Safe Deposit Co.

The Dime Savings Bank of Brooklyn, in line with its wartime Thrift Program, will present for a period of two weeks, beginning Oct. 15th, "The Consumer's Front," an exhibit showing graphically how average people can make their money, food, clothing and household materials last longer and go farther in wartime. It was built by the Brooklyn Museum for the Consumer's Division of the Brooklyn Civilian Defense Volunteer Organization, and will be open to the public at the main office of the bank, Fulton Street and DeKalb Avenue, each week-day during banking hours; every day from 9 a. m. to 3 p. m.; Saturday, 9 a. m. to 12 noon, and on Monday, 9 a. m. until 7 p. m. The theme of the exhibition is to show how the housewife can help to prevent inflation by buying only what she needs and by making everything she has last as long as possible. Graphic features of the exhibit come under the headings, "American Made and American Grown," "Wise Buying," "Your Kitchen Is in the War" and "Do It Yourself." A free booklet and an Outline of the Exhibit will be distributed at the bank.

Henry Robertson Kinsey, President and Trustee of the Williamsburgh Savings Bank, Brooklyn, N. Y., with which he had been

associated since 1900, died on Oct. 13 after an illness of several months. His age was 64. Mr. Kinsey was President of the Savings Banks Association of the State of New York from 1931 to 1935 — the only person to have held that office for four consecutive terms. He was President of the National Association of Mutual Savings Banks from 1937 to 1939, and was a member of the State Banking Board since its inception in 1932. Born in Brooklyn, Mr. Kinsey was educated in schools there, took engineering courses at Pratt Institute and later attended New York University. He began working with the Brooklyn Edison Co. at the age of 17, and subsequently secured a position with the Williamsburgh Savings Bank in order to follow his father's profession of banking. One of his special interests outside of, but closely related to his banking duties, was his interest in the American Institute of Banking, which led him to be one of the organizers in 1902 of the Brooklyn Chapter of the Institute. The Brooklyn Chapter was merged with the New York Chapter of the Institute in 1907 and two years later Mr. Kinsey became Vice-President of this combined Chapter. Mr. Kinsey frequently consulted with and advised Government officials concerning measures which he deemed advisable. As an outgrowth of these activities, Mr. Kinsey pointed the way toward organization of the Savings Banks Trust Company and Investment Securities Corporation, and served as a Director of both institutions.

A change in the capital stock of the Union Trust Co. of Pittsburgh, as recommended by directors, will result in a five-for-one splitup if approved by the stockholders at a special meeting on Nov. 5, according to the Pittsburgh "Post Gazette" of Oct. 7. Stockholders will vote upon a plan whereby the 15,000 shares of \$100 par value would become 75,000 shares of \$20 par value. This would result in no change in the outstanding \$1,500,000 capitalization of the institution.

The "Post Gazette" further said: "The chief effect of the splitup will be a reduction in the market value of the shares. The \$100 par value stock long has had one of the highest market values of any bank stock in the nation. During the rise which culminated in 1929 Union Trust shares sold at \$23,000 and currently are quoted at \$5,150 bid, \$5,450 asked. The last reported sale was at \$5,300.

"On the basis of the last sale, the proposed new shares would be valued at \$1,060, and it is expected that the change would accelerate trading in the stock.

"At the same meeting, stockholders will vote upon a proposal to make the Union Savings Bank of Pittsburgh, which is now practically all owned by Union Trust, a branch of the latter institution. There will be no change in the location, personnel or types of business of Union Savings. The change to a branch is subject to the approval of regulatory authorities."

The Merchants National Bank of South Bend, South Bend, Ind., has increased its common capital stock from \$250,000 to \$300,000, according to a recent bulletin issued by the Comptroller of the Currency.

John J. Abbott, internationally known banker and senior Vice-President of the Continental Illinois National Bank and Trust Co., Chicago, died on Oct. 18 in Chicago after a brief illness. He was 71 years old. Mr. Abbott had been associated with the Con-

tinental Illinois and its predecessor institutions since 1904. He was an American representative of the consortium for China of the United States, England and Japan in the 1920's studying aid to China and had earlier made a trip to China surveying financial conditions.

A native of New York City, Mr. Abbott began his business career with the Chicago Edison Co. and later entered the banking business.

Lynn P. Talley, former Governor of the Federal Reserve Bank of Dallas, died on Oct. 8 at his home in Dallas at the age of 60.

Mr. Talley was also formerly assistant to the directors of the Reconstruction Finance Corporation and President and Chairman of the Executive Committee of the Commodity Credit Corporation.

The following regarding his career is from the New York "Times" of Oct. 9:

He began as a stenographer with Weld & Neville in Temple, held a similar position with the Gulf, Colorado & Santa Fe RR. from 1900 to 1901.

From 1903 to 1911 he was employed by the City National Bank of Dallas, Texas.

From 1915 to 1921 he was first Cashier and then Deputy Governor of the Federal Reserve Bank of Dallas, Texas. During the next two years he was Vice-President of the Southwest National Bank of Dallas (now consolidated with the Republic National Bank and Trust Co.) He returned to the Federal Reserve Bank of Dallas as Director, Chairman of the Board and Federal Reserve agent in 1923, and from 1925 to 1931 served as Governor and Chairman of the Executive Committee.

From 1931 to 1932 he was Chairman of the Board of the Bank of America National Trust and Savings Association, San Francisco.

Mr. Talley was appointed an assistant to the directors of the Reconstruction Finance Corporation in 1932, President and Chairman of the Executive Committee of the Commodity Credit Corporation in 1933 and 1939, and Treasurer, Trustee and member of the Executive Committee of the Export-Import Bank of Washington in 1933. He retired in 1940.

Paul Washburn, Trust Officer and Assistant Secretary of the First Trust and Savings Bank of Pasadena (Calif.) died on Oct. 7 at the age of 69.

NAREB Proposes Change In Rent Control Rules

Suggestion is made by the National Association of Real Estate Boards that rent control regulations for the country at large be amended to exempt from eviction regulations the ordinary householder renting a room or two. The announcement states that in order to encourage householders to open their homes to war workers, such an amendment to the District of Columbia Rent Control Act has recently been put into effect. The NAREB adds:

"It provides that non-housekeeping furnished accommodations located within a single dwelling unit occupied by the lessor or his family shall be exempted from the provisions regulating evictions. A considerable volume of additional housing could be made available, the Association believes, if some way can be found to extend to the country as a whole a similar provision. People would be much more ready to open up their homes to war workers if they were sure they would not be obligated to continue the arrangement if it should prove to be detrimental to the family life or if family conditions were to change."

Commerce Association Urges Action To Repeal Law For Renegotiation Of War Contracts

Announcing its conviction that the present law permitting the Government to renegotiate contracts to capture excess profits was interfering with war production, the Commerce and Industry Association of New York, on Oct. 15 under the authority of its Board of Directors, issued a statement calling for the law's repeal. The statement was made public in behalf of the directors by Neal Dow

Becker, President of the Association, who said "this Association has reached the conclusion that the present law governing the renegotiation of contracts is proving a serious detriment to the continuation and expansion of war production." The statement added: "We are quite in accord with the objective of the Government not to permit any company to make excessive profits out of war contracts, but the method of obtaining this objective, through the setting aside of contracts entered into in good faith and carried out with zeal and enthusiasm, is so contrary to American principles, and so confusing and unfair in its application that Congress should hasten to correct the mistake which has been made."

"In view of the uncertainties that the law creates, manufacturing firms involved in war production cannot fail to regard it as an attack on their very security. Confidence is destroyed, enthusiasm is lessened and the time of officials that should be given to production problems is taken up with renegotiations. A carefully considered and negotiated contract ceases to be a contract. This law causes uncertainty and confusion among those who are doing their utmost to meet the Government requirements for increased production. Considering all the factors that are involved, it is not too much to say that it strikes at the very heart of war production."

Among other things, objections to the law are cited as follows:

"It threatens the security of those concerns called upon to make capital investments to fulfill war contracts. As long as this law is in effect no corporation doing war work can know what its profits are, or what its liabilities are, nor, can it safely undertake capital expenditures or pay dividends to stockholders as long as its contracts are not renegotiated.

"There is no requirement in the law that members of the price adjustment boards, which have been created to readjust these contracts, shall be familiar with the problems of production of war material. Not only is this necessary qualification withheld, but to date none of the boards has set down any definite standards that may be used as a guide in administering the law.

"It has recently been indicated that the boards do not propose to deal with individual contracts, but that the overall profit of a company as a whole is to be taken as a basis of renegotiation and not the individual contracts for war materials. Such an attitude is unfair.

"Since taxes must be paid in cash, and taxes are a preferred liability, it is unfair and unjust to ask business men to renegotiate contracts being carried out or executed in 1942, while the tax bill, the rates of which will determine what part of the profits of such contracts can be retained, is still the subject of discussion before Congress.

"The law does not set up any standards by which excessive profits are to be measured."

The statement says that "the above, and many other considerations, warrant the conclusion that the whole scheme and basis of this law weakens respect for contracts and is repulsive to decent business principles. To continue it, will be to decrease confidence, weaken enthusiasm for Government work and put a damper on the patriotic zeal of the thousands who have voluntarily turned over

their entire resources to Army and Navy production." It is added:

"The law is not needed in order to prevent the reaping of excessive profits. The existing tax laws, and the new tax law under consideration by Congress, already insure the limitation and recapture of excess profits, and, we are firmly of the opinion that the excess profits tax, rather than the process of renegotiation, should be used to accomplish the purposes sought in Public Law 528.

"We, therefore, urge Congress, and the President of the United States, to repeal this law and restore the sanctity of contracts, particularly at a time when every available facility is, or will soon be required, to bring our war production to the point where it will so far exceed that of our enemies that it will insure a speedy victory."

N. Y. Savings Banks' Deposits Increase

With a \$27,482,000 increase in deposits for the quarter ended Sept. 30, coupled with War Bond sales of \$68,395,000 for the same period, the savings banks of New York State are proving an important anti-inflationary force, according to a report issued Oct. 17 by the New York State Savings Banks Association.

The Association's announcement further states:

"Total new savings through the savings banks for the third quarter, including War Bonds and savings deposits, amount to \$95,877,000, money which if it had not gone into savings would undoubtedly have flowed into consumer channels and thus contributed toward the inflationary trend.

"For the six months ended Sept. 30, the gain in deposits was \$57,067,000 and total War Bond sales amounted to \$129,805,000, making a total in new savings of \$186,871,000. These figures include dividends of \$34,740,000 on June 30 and \$9,018,000 on Sept. 30.

"There has been a corresponding gain in new savings accounts during the last three months, with a net increase of 19,353 accounts added during the period, and the total of savings accounts on Sept. 30 standing at 5,984,856. Total deposits for the New York State savings banks on Sept. 30 were \$5,449,421,689."

Federal Tax Laws Discussed At Meeting

Beardsley Ruml, Treasurer of R. H. Macy & Co., Inc., and Chairman of the Federal Reserve Bank of New York, and Harry C. Gretz, Assistant Comptroller of the American Telephone & Telegraph Co., were scheduled to be guest speakers at the regular monthly meeting of the New York City Control of the Controllers Institute of America, held last night, Oct. 21, at the Hotel New Yorker. The subject of discussion was Federal tax legislation, Mr. Ruml reporting on the current status of the "Pay-as-you-go" income tax provision, and Mr. Gretz on "Withholding Features in the Pending Tax Bill." G. E. Foster of the Brooklyn Union Gas Company, newly-elected President of the organization, presided at the dinner meeting.