

# FINANCIAL COMMERCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 156 Number 4120

New York N. Y., Thursday, October 29, 1942

Price 60 Cents a Copy

## Willkie Calls For New Fronts In Europe And Asia Urges Greater Aid To Allies & Defining War Aims

Wendell L. Willkie reiterated on Oct. 26 his demand for the establishment of a second fighting front in Europe and expressed the hope that the forces in India would shortly be put to aggressive use in an all-out attack on Burma, thereby relieving the pressure of the enemy on China and Russia.

In a radio address to the American people, outlining the major conclusions he reached on his recent trip around the world, Mr. Willkie said that the country's greatest asset is its reservoir of goodwill but warned that its very existence is threatened by failure to carry out promises concerning the flow of war materials and by failure to define clearly our war aims.

He said: "Besides giving our allies in Asia and Eastern Europe something to fight with, we have got to give them assurance of what we are fighting for. The 200,000,000 people of Russia and the 450,000,000 people of China—people like you and me—are bewildered and anxious. They know what they are fighting for. They are not so sure of us. Many of them have read the Atlantic Charter. Rightly or wrongly, they are not satisfied. They ask: What about a Pacific charter? What about a world charter?"

He further stated that many people he spoke with expressed doubt as to the Atlantic Charter's purpose, questioning whether

there is to be no charter of freedom for the people of the East.

In referring to holes "we are blindly punching in our reservoir of goodwill which can be easily repaired," Mr. Willkie said "one of them is the half-ignorant, half-patronizing way in which we have grown accustomed to treating many of the peoples in Eastern Europe and Asia."

"The rulers of our allies and our potential allies are proud and intelligent men. The Shah of Iran, the Prime Minister of Iraq, the Prime Minister or the Foreign Minister of Turkey, the Generalissimo of China—to mention just a few—are men who understand the world and who have important ideas about the future. They are in substantial agreement, for example, as to the necessity of abolishing imperialism, of liberating the peoples of the world, of making freedom a reality, instead of just a nice word. They feel unanimously, I think, that the United States can, and must, make an (Continued on page 1548)

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## THE FINANCIAL SITUATION

The more the Federal tax law just taken to the statute books is studied the more disquieting it becomes to thoughtful students. It is true, apparently, that in a technical sense the measure is an improvement over some that have gone before, although the very complexity of its provisions leaves a good deal for the future to disclose about its practical working. At any rate certain very troublesome features of former acts have been eliminated or revised in a way which is regarded by tax authorities as helpful. The really serious defects of the law, however, are found not in technicalities but in the basic nature of its provisions.

### "Progressive"

The rates, generally speaking, are "progressive" in the nth degree, to state the case mildly, and the New Deal managers who are responsible for its broad terms glory in their "progressiveness." It is true that the so-called Victory tax is levied at a flat rate over and above a small exempted amount of income. It is true, also, that exemptions applying to the regular income levies have been further lowered, although one result of this action is to add to the burdens of groups already grossly over-taxed as compared with the lower bracket income receivers. When, however, all such changes are taken fully into account, the fact remains that the taxes levied rise so rapidly with increasing income that the burden upon many groups is little short of confiscatory.

This basic element in the present law is disheartening enough of itself, particularly when it is recalled that it patently represents not merely the tax philosophy of the day as applied to war financing but the settled policy not only of the Administration but apparently of much the larger number of the rank and file. By whatever name it may be called or described this measure is the embodiment of the "soak-the-rich" doctrine of the day. But unless all signs fail this is not by far the end of the matter. The Treasury some time ago let it be known that it intended to come promptly to Congress for an additional tax measure as soon as this one was "out of the way." It may be safely taken for granted that a very few weeks will elapse after the (Continued on page 1546)

## FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

It is pretty difficult for a fellow around Washington these days to know just what attitude to take in discussions about the war, the Government, etc.—whether he should be the so-called constructive critic or the pollyanna optimist. I was very much impressed some time ago by a propaganda movie purporting to show how years ago, Hitler began training men and women to infiltrate into other populations to stir up panic, distrust and

doubt, in general to undermine the morale of other people. In one particular episode, while France was at war, a woman stooge began screaming in a crowded bus that the French boys off at the front didn't have a chance in the world. Her poor boy had been killed, she screamed, all she had in the world. She demoralized her auditors.

Then there was a scene in this country. A man tried to pull the same thing in a New York bus. He turned confidingly to a woman sitting next to him and remarked that our boys were at a terrible disadvantage in fighting the Japs. She turned sharply on him, rammaged a newspaper down his throat and shouted: "Don't be pulling that stuff here. Our boys will take care of themselves."

Well, I made up my mind that I wasn't going to be an unwitting party to anything like this. Whenever I had anything to say it would be that everything was going along fine. Only a few days later I was with a group of army and navy officers and newspapermen. They were criticizing this, they were complaining about that. When I had to say something I said I thought they were all too pessimistic; everything was going along all right. They turned on me en masse, said the trouble with me was that I was too damned complacent. So what's a fellow to do. If you insist you don't want to discuss the war you're a suspect; if you do discuss it you're bound to get into hot water.

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## Investment Bankers Association War Finance Conference Edition

Section 1 of today's issue of the "Chronicle" is largely devoted to the Investment Bankers Association War Finance Conference which was recently held in New York City. This was the 31st annual meeting of the Association and, in keeping with the times, both war and post-war problems of paramount importance to finance and industry and the nation's welfare were discussed. Text of these addresses and committee reports appear in Section 1 and can be readily found by referring to the appropriate index which appears on the cover page of that section.

## Such Stuff as Dreams Are Made Of

We have an enormous private business machine already functioning. It would be the height of folly to tear it up by the roots. Even in the war, while most producers no longer have to think much about pushing their sales, and many important decisions have left their hands, their organizations are still in being and most of them will be so after the war.

We should use them. Employ the profit motive as widely as possible. Encourage business men to do all they can, and to take responsibility wherever they can. The critical point is to have in the Federal Government a conning tower control charged with the duty of plugging any gaps in the front of full employment.

If private business men do not want to undertake mass housing except with Government financing, then arrange the financing. If doctors are unable to take care of all sick people on the orthodox fee basis, then make it possible to help doctors take care of all sick people. If private business cannot absorb all the unemployed—and it probably cannot—keep the great public works programs going side by side with private business.—Stuart Chase.

And who will pay the bill?

Why, private business, of course.

And will paying these extra taxes enable it to employ more men?

## OPA Blocks Higher Gas Rates In Washington

Representatives of the Office of Price Administration on Oct. 19 took the first legal step on behalf of Economic Stabilization Director James F. Byrnes to block the higher gas rates authorized recently by the Public Utilities Commission of the District of Columbia, acting immediately after the PUC had received a letter from Price Administrator Leon Henderson which characterized its grant of the rate increase as a violation of the law. The OPA states that in the first such action taken under the recent legislative extension of price control, David Ginsburg, OPA General Counsel, and Harry R. Booth, Utilities Counsel in OPA's Legal Division, filed with the PUC a petition asking the PUC to vacate its order of Oct. 13 which granted the increase.

Price Administrator Henderson, citing the Oct. 2, 1942, amendment to the Emergency Price Control Act, which calls for 30-day notice when it is proposed to increase rates after Sept. 15, 1942, and noting that the PUC's order of Oct. 13, 1942, made the gas rate increase retroactive to Sept. 1, wrote PUC Chairman James H. Flanagan:

"It is my judgment that the action of the Commission in issuing an order without prior notice by the company to the Director of Economic Stabilization authorizing the company to charge rates higher than those in effect Sept. 15, is violative both of the letter and the spirit of the Act of Oct. 2. To deny the Director of Economic Stabilization an opportunity to intervene prior to the entry of an order is effectively to destroy his ability to demonstrate why a proposed increase in utility rates may conflict with the program of the national Government to prevent further increases in the cost of living. My legal staff has been directed to take appropriate measures to have this order rescinded."

Mr. Henderson, designated by Director Byrnes to act for him under the public utility provision of the Act of Oct. 2, emphasized in his letter that he had been authorized to state that Director Byrnes joined with him in OPA's request to the PUC to reopen the gas rate matter.

The petition filed by the OPA cited the section of the Act referred to by Mr. Henderson and then set forth the case for revocation of the rate increase grant.

## Add'l Freight Cars And Locomotives In Service

Class I railroads put 56,081 new freight cars in service in the first nine months of 1942, the Association of American Railroads announced on Oct. 23. Of the total number installed there were 33,617 box, 19,150 coal, 1,634 flat, 608 refrigerator, 100 stock, and 972 miscellaneous freight cars.

New freight cars on order on Oct. 1, 1942, totaled 10,927 box, 21,496 coal, 2,347 flat, 800 refrigerator, 200 stock, and 667 miscellaneous freight cars, or a total of 36,437, compared with 88,819 on Oct. 1, 1941.

Class I railroads in the first nine months of 1942 installed 575 locomotives of which 232 were steam and 343 were electric and Diesel. In the same period last year they put 425 new locomotives in service of which 97 were steam and 328 were electric and Diesel.

New locomotives on order on Oct. 1, 1942, totaled 840 which included 314 steam and 526 electric and Diesel. On Oct. 1, last year, they had 671 new locomotives on order including 309 steam and 362 new electric and Diesel.

## THE FINANCIAL SITUATION

(Continued From First Page)

elections next week before another tax bill will be "in the works." Precisely what the Treasury will have to suggest next the future must disclose, but it would be surprising indeed if its demands are not cut from the same cloth.

### The "Spending Tax"

It will be recalled that during the passage of the present measure through the halls of Congress the Treasury came forward with an ingenious "spending tax" proposal, whose chief putative virtue lay in the fact that collections under it would be steeply "progressive." That is to say the levy to be imposed upon expenditures would rise rapidly with the volume of those expenditures. The suggestion seemed to be born of a desire to pervert the sales tax into a scheme for soaking the rich once more. Thus the New Deal planners would kill two birds with one stone—kill off the sales tax and at the same time provide a substitute measure whose onus would fall precisely where the onus of all the other measures have fallen, upon the higher income groups. It would be surprising indeed if the Treasury does not again shortly trot this scheme out, and use all the influence it possesses to have it enacted into law before the turn of the year.

It is more than difficult to understand how even the Treasury officials can suppose that such taxation as we now have and as it is fully expected to suggest in the early future can claim substantial merit as modes of raising war revenue. It is all but universally conceded—everywhere but in the Treasury, and in some instances even there—that there is relatively little further revenue to be obtained from those groups which the New Deal is fond of describing as having "ability to pay." That sponge has been squeezed very nearly dry. No one can reasonably suppose that by any device very substantial further sums can be obtained from this source to meet the enormous war needs. This excessive taxation of these same groups scarcely touches the so-called inflation problem, since the additional purchasing power now bearing down upon markets soon presumably to be in substantial part denuded of goods emanates from other quarters, the lower income groups which have had their accustomed incomes enormously enlarged during the past year or two. The tax ideas of the Treasury simply do not fit even his own expressed conception of the needs of the day.

### Long Term Implications

But these tax philosophies embodied in current laws and proposals are far more disquieting in their long term implications. If the defects of the measures could be regarded as purely war-born and fairly certain to be eliminated when the emergency is behind us, one could view them with relative equanimity. War is always costly, always is disruptive of sound finance. American business has always shown great recuperative powers, and doubtless would be able within a reasonable time to repair the damage done not only by war but by the blunders accompanying it. The trouble is that we have every reason to fear that such things have come to stay—at least for a good while to come, as long, in any event, as the now popular political leaders remain in power. We know that tax laws now being enacted and proposed for the future are not new in kind, but merely represent a further development of ideas which have been preached and practiced for years past. Evidence that this further development of them is regarded in official circles as purely a war policy to be abandoned when peace returns is almost wholly absent.

Now such tax sins as these, if continued, would make it utterly impossible for industry to acquire the vigor in the post-war years to repair the losses sustained during the war and to begin once more the march of progress which has characterized it throughout our history. They mean more than that. They would inevitably bring as an indirect if not a direct result a further marked impetus toward injection of government into business. They thus lead directly toward ultimate state socialism. Such measures seriously, almost fatally, cripple business, and crippled business leads to further demand that government undertake to do what business is not accomplishing.

### Profit Essential

It is all very well for the patriots to declaim about the duty in war-time to forget profits and produce for the sake of country, etc., etc. It is not likely to work nearly as well as they seem to think even in times of emergency such as the present. It will not work at all when the emergency is over, and we settle down to peace again. Profit is the life-blood of private capitalism. Nothing will serve in its stead. If the government insists permanently—as it gives every indication of intending to do—upon taking the lion's share of any profit that may be earned, then it need not

expect business to flourish. The main incentive will have been taken away. Not only that, but the source of capital funds for further expansion and improvement will have been dried up. It is probably idle in any event to expect important capital accumulation during the war, but we must have it after the war, and the pampered wage earner and farmer will not supply it. Let us not deceive ourselves on that score.

Nor will all the post-war planning now going on in Governmental circles serve to save the day. On the contrary it appears to be definitely heading toward making a bad situation worse. The time has come for us all to think more of what is being done and, if necessary, less of what we shall do at some later date.

## Industrialists And Educators At Joint Conference Discuss Mutual Problems Arising From War

The mutual problems of industrialists and educators arising from the war and demanding solution in the post-war period were discussed on Oct. 15 in a joint conference of prominent manufacturers and educational leaders from New York, New Jersey and Connecticut. The meeting, tenth of a series held under the joint auspices of the National Association of Manufacturers and the Commission for the Defense of Democracy through Education of the National Education Association, was held in the Hotel Biltmore, New York City.

H. W. Prentis, Jr., Chairman of the Committee on Educational Cooperation of the N. A. M., and one of the two principal speakers at the luncheon, said the conference represented "one group that carries the prime responsibility for the education and preparation of the rising generation to live intelligently and make the most of our American form of popular self-government."

"The other group," said Mr. Prentis, who is President of the Armstrong Cork Co. and a past President of the N. A. M., "is burdened with the equally significant responsibility of creating an economy in which all our citizens will have the greatest possible opportunity for self-development and the highest standard of living that our resources and productive ability will permit."

Dr. Alonzo A. Myers, Chairman of the Department of Higher Education at New York University and Chairman of the Commission for the Defense of Democracy, spoke for the educators.

Pointing out that many school teachers find defense workers earning more in one week than a teacher can in a month, Dr. Myers estimated that this year there is a shortage of between 50,000 and 100,000 teachers in the United States. Rural and secondary schools in the fields of physical education, mathematics, science, vocational education and agriculture are suffering the most because of the lack of teachers, he said.

As a result of the neglect paid to education during the last World War, Dr. Myers said, the public paid a high price and the best teachers were permanently lost to the schools. "We do not believe," said Dr. Myers, "the public would have permitted the schools to have been wrecked during the last war if we had been sufficiently alert in presenting the facts to the public. We do not intend to neglect that responsibility this time."

Dr. Willard E. Givens, Washington, D. C., Executive Secretary of the National Education Association, presided at the luncheon, and Mr. Prentis was chairman of the joint assembly following the conference sessions.

The meeting was sponsored by the Associated Industries of New York State, the Brooklyn Chamber of Commerce, The Industrial Management Council of Rochester, N. Y., the Joint Committee of Teachers Organizations of New York City and the Manufacturers Association of Connecticut; and, in addition, the Manufacturers Association of Hartford County, Conn., the Manufacturers Association of Meriden, Conn., the Manufacturers Association of Syracuse, the Manufacturers Section of the

Camden (N. J.) Chamber of Commerce, the New Jersey Education Association and the New York State Education Association.

## American Standards For 1942 Published

The American Standards Association announced on Oct. 16 the publication of its newest List of American Standards for 1942. More than 550 American Standards are listed, of which 71 represent new and revised standards approved since the last (February, 1942) issue of the list.

There is a separate heading for American War Standards—standards developed specifically for the war effort. Another section is devoted to American Safety Standards, which are also of importance to the war effort in connection with the President's program for the conservation of manpower.

Other standards include definitions of technical terms, specifications for metals and other materials, methods of test for the finished product, dimensions, etc. They reach into every important engineering field and serve as a basis for many municipal, State and Federal regulations. This particular List of Standards will serve as a useful reference piece to the engineering and purchasing departments of many manufacturing firms.

It is pointed out that standards have assumed a vital role today in connection with the war effort. It is likewise noted:

"Every Government order is based on specifications and standards are further used in industry in simplifying the production problem, conserving materials, pegging quality to price control, in inspection, and in contracting and subcontracting. A large part of ASA's work is now on wartime jobs requested by Army, Navy, WPB, OPA and industry. In fact, the ASA is under contract with the Federal Government to carry on an increasing amount of such work."

"In each case, the standards approved by the ASA represent general agreement on the part of maker, seller and user groups as to the best current industrial practice. More than 600 organizations are taking part in this work."

This List of American Standards for 1942 will be sent free to anyone writing for it. Requests should be addressed to the American Standards Association, 29 West 39th Street, New York, N. Y.

# The State Of Trade

Business activity continues its upward trend, with most quarters showing substantial advances over last year. Merchants are looking forward this year to the biggest Yuletide business in the nation's history. This is the general opinion among leaders in the retail trade today—just two months before Christmas. Buying of holiday gifts is starting earlier than usual, but is not likely to gain real momentum until about the middle of November, observers state.

The latest report on carloadings showed a total of 900,767 cars of revenue freight were loaded during the week ended Oct. 15. This was a decrease of 9,190 cars, or 1%, compared with the preceding week; a decrease of 22,117 cars, or 2.4%, compared with a year ago, and an increase of 86,858 cars, or 10.7%, compared with 1940, according to the Association of American Railroads report.

The record of the railroads in the war indicated that if other divisions of war industry had been managed with as great skill and foresight as the carriers, the nation's state of preparedness would be more advanced than it is, according to "Guaranty Survey" issued by Guaranty Trust Co.

The survey notes favorable contrasts of the record in this war with the first world war period in transportation. It points also to the increased efficiency and preparation for the handling of the current big traffic, freight and passenger, and holds that the rise in earnings of the railroads actually is more moderate than might be expected from the rise in volume.

Electricity distributed last week by the electric light and power industry of the country rose 12.2% to 3,717,360,000 kilowatt-hours, against 3,313,596,000 in the comparable 1941 week, according to the Edison Electric Institute.

The increase over the preceding week ended Oct. 10 was more modest, with an advance of 15,000,000 kilowatt-hours over 3,702,299,000 kilowatt-hours in the Oct. 10 period. Pacific Coast led in gains over last year by posting a 28.1% advance.

The Federal Power Commission reports that average daily production of electric energy for public use in September reached a record high of 568,675,000 kilowatt-hours, or 1.5% over the figure for August.

The steel industry is scheduled to operate this week at the highest level in history with production at an estimated 101.1% of theoretical capacity for an output of 1,729,500 tons, the American Iron & Steel Institute reports.

Last week's operation of 101% produced an estimated tonnage of 1,727,800 tons. A month ago the mills averaged 97.3% and output was 1,664,500 tons.

A year ago the industry reached 99.9%, the 1941 peak, for an output of 1,650,500 tons. Steel trade sources said the latest indicated rise in production was partly a further reflection of better scrap supplies resulting from the nation-wide salvage drive.

Department store sales on a country-wide basis were up 16% for the week ended Oct. 17, compared with the same week a year ago, it was shown in the weekly statistics made public by the Federal Reserve system. Store sales were up 11% for the four-week period ended Oct. 17, compared with last year.

Department store sales in New York City in the week ended Oct. 17 were 6% larger than in the like week last year, and in the four weeks ended Oct. 17 were 2% better than a year ago, the New York Federal Reserve Bank reported.

A further uptrend in retail sales was checked last week by unfavorable weather. Weather conditions ranging from snow in the Northwest and floods in Virginia to mild, rainy days in other sections, were generally unfavorable to trade, but the pressure of high payrolls in war plant centers often

more than balanced the adverse elements, Dun & Bradstreet, Inc., stated.

There are several reasons for the retailers' optimistic views concerning a big Christmas trade, and among them are:

(1) Gift buying for men in the armed services. Predictions place the total value of such gifts at \$45,000,000.

(2) The increase in employment, giving thousands of families the biggest incomes ever enjoyed. Wages have gone up more than \$1,000,000,000 each month in 1942, with such disbursements for the year approximating \$75,000,000,000.

(3) The realization that stores will not be able again to offer so wide an assortment of stocks as is on hand today. Production of merchandise for civilian use is decreasing, estimates placing the value of goods and services likely to be available in 1943 at around \$70,000,000,000, as compared with \$78,000,000,000 this year.

These factors alone appear sufficient to indicate a record-breaking Christmas season, barring, of course, the emergence of some development not now foreseen. Moreover, there is strong evidence that good buying already is under way. All that is needed to stimulate sales still more sharply is colder weather.

The Department of Commerce has prepared some figures on what it believes the first half of 1943 will bring, as compared with 1942. It looks for a decrease on a country-wide basis of 33% in men's and boys' clothing business over this period. It sees a decline of 26% in department store sales, and forecasts percentage decreases for a number of leading kinds of businesses.

On a nation-wide basis for all kinds of retailing, the Department of Commerce foresees a 12% decline in retail business in the first half of next year. It does, however, see gains in some kinds of businesses, mainly eating and drinking places, grocery and combination stores and in hay, grain, feed and farm supplies.

## Increased Participation In Bond Payroll Plans

The War Savings Staff of the Treasury Department announced on Oct. 20 that 800,000 additional workers in September pledged part of their earnings for the purchase of War Savings Bonds through payroll savings plans. This brings the total number of participants in savings plans up to 19,300,000 people employed in private organizations and government agencies. The Treasury's announcement says:

"Payroll savings plans have now been introduced in 144,561 private firms which employ a total of 23,200,000 people, and nearly 75% of these workers are already participating.

"During September participants in payroll savings plans set aside for war bond purchases \$260,000,000, or 7.6% of their total earnings. This compares with total payroll deductions of \$230,000,000 in August, representing 7.1% of earnings. Month after month the total of deductions and the percentage of earnings represented has been increasing, and the average is steadily approaching the 10% goal."

The Treasury's aim is to have the approximately 34,000,000 regular wage earners of the country to invest 10% of their pay in war bonds.

## Congress Lowers Draft Age To 18; Conferees To Study Clause Restricting Training To Year

The legislation lowering the draft age from 20 to 18 is not likely to receive final approval until after the Nov. 3 elections in view of the fact that many members of Congress are home campaigning.

The bill, which passed the Senate on Oct. 24 by a 58 to 5 vote, differs materially from the House-approved measure, approved Oct. 17 by a 345 to 16 count.

A controversial feature of the Senate measure is the amendment stipulating that no draftee under 20 "shall be placed in actual combat duty beyond the territorial boundaries of the United States until after he has had at least one year's military training following his induction." This restriction was accepted by the Senate by a 39 to 31 vote despite opposition by President Roosevelt and Gen. George C. Marshall, Chief of Staff. Since the House bill did not contain any such requirement, it appears likely that the conferees on the legislation will either eliminate or drastically modify this section.

Another point of difference between the two versions is the farm amendment, which was approved by the Senate by 62 to 6, authorizing local draft boards to defer farm workers from military service until they can be replaced satisfactorily.

Also at variance are the educational provisions of the two bills. The Senate would permit high school students to complete their academic year provided they are in the last half of the year when the induction call comes and they request deferment. The House bill allows high school and college students to finish the present school year but forbids educational deferments after next July.

With respect to the Senate's 12-month training period for 18- and 19-year-old draftees, President Roosevelt made a direct appeal on Oct. 23 that no limitations be placed on the War Department.

His appeal, in the form of a letter to Senator Gurney (Rep., S. D.), author of the bill, read as follows:

"Concerning the proposed legislation to lower the Selective Service age now before the Senate, I have been told that several limitations will be proposed in the form of amendments.

"It appears to me that the complicated administration necessarily involved in the handling of large numbers of men by the Army, as well as the urgent necessity for correcting the present deficiencies as to age, make it important that limitations other than those now included in the bill be avoided."

Earlier the same day (Oct. 24) General Marshall sent a similar letter to the Senate emphasizing the importance of giving the Army legislation without "crippling limitations." His letter said in part:

"Trust our judgment and our own insistence that we fight only with properly trained units, to see that each soldier has adequate training before he enters combat, I am certain members of Congress do not wish to hamstring the War Department in the execution of the tremendous task we have before us. These proposals, I am sure, arise through a lack of understanding of the problem presented. Our enemies are desperate and implacable. Our task is extremely difficult."

The proposed amendment to the bill to prohibit the sale of all alcoholic beverages on military reservations and adjacent communities was effectively killed by the Senate on Oct. 22 when, by a vote of 49 to 25, the Senate sent it to its Military Affairs Committee for further study. The amendment, sponsored by Senator Lee (Dem., Okla.), had been opposed by Secretary of War Stimson and Secretary of the Navy Knox. Secretary Stimson said any attempt to control the liquor problem through legislation applied exclusively to military personnel would lead to "bootleg operations

and would seriously undermine morale." Secretary Knox expressed the belief that the "best interest of the Navy will not be served by the adoption of the amendment."

It is estimated that there are 2,500,000 youth of 18 and 19, who registered last June, made available for building up the Army to a planned strength of 7,500,000 in 1943. Under present plans their induction will begin in December and serve to delay the drafting of many married men due to the insufficient number of single men. The lowering of the draft age from 20 to 18 was requested by President Roosevelt in his Columbus Day talk, which appeared in our issue of Oct. 15, page 1353.

In urging passage of the bill, Secretary Stimson told the House Military Affairs Committee on Oct. 14 that a 7,500,000-man army is planned for 1943 and that it now stands at about 4,250,000 men. He said that members of the 18 and 19 age groups are particularly well adapted to military training, since "their response to leadership, their recovery from fatigue, their enthusiasm or 'flair for soldiering' are exceptional as compared with older-age groups."

The Secretary added that "the simple fact is that they are better soldiers and never before in its history has the American nation more urgently needed exceptional soldiers." Mr. Stimson said the army intended to build up a strong striking force, estimating that the air forces would be 2,200,000 men next year; the ground forces 3,300,000; the services of supply 1,000,000; with an additional 1,000,000 in training.

Appearing before the Senate Military Affairs Committee on Oct. 14, Gen. George C. Marshall, Chief of Staff, warned that there is too large a percentage of older men in the army and that it should be lowered. He said the army is considering the release of as many of the "older, ineffective" men as could be utilized in essential industries and replace them with the younger "more vigorous" men.

Also testifying before the Senate group on Oct. 14 were Admiral Ernest J. King, Commander-in-Chief of the Fleet, and Maj. Gen. Lewis B. Hershey, Selective Service Director.

## Wage Raises Granted To Non-Ferrous Miners

The National War Labor Board on Oct. 16 granted an increase of \$1 a day to 10,000 copper, lead and zinc workers in Idaho and Utah, half of the increase to be paid only to those workers whose continuity of work and standards of production come up to certain standards. From the Board's announcement, we quote:

"The increase is made retroactive to May 15, in the case of the Idaho mines, and to July 1, in the case of the Utah mines. This retroactive pay is to be granted in the form of war bonds and stamps. No retroactive pay is to be granted to any employee who has left the employ of the companies, unless he returns to the job immediately or unless he left his job to join the armed services or because of causes beyond his control. The employees are represented by the International Union of Mine, Mill and Smelter Workers, CIO.

"At the same time, the Board set up a five-man War Labor Board Non-Ferrous Metal Stabilization Panel to recommend to the Board, specific plans and policies

for the stabilization of labor relations throughout the industry, to the end that a maximum production of non-ferrous metals for the duration of the war may be promoted."

"The Board took this action because, according to a resolution adopted by a vote of 8 to 4, the employer members dissenting, it found 'that there exists a critical shortage in the mining of non-ferrous metals, particularly copper, which has resulted in directly impeding the production of essential munitions and is interfering with the war effort of the nation.'

"The resolution also stated that the Board found that various Government agencies had taken certain concerted steps to overcome the shortage of copper, lead and zinc, and that 'the Board has been asked, as a part of this concerted plan, to approve certain wage increases.'

"The Board's resolution also pointed out that the increases granted 'are still below the common and skilled labor rates prevailing generally for comparable work in the expanded labor market that has resulted from war production.'

"The resolution also said that 'the National War Labor Board having approved the foregoing wage increases has reason to believe that the foregoing proposed wage increase will require a change in the price of the commodities involved. Therefore, by virtue of the Executive Order of Oct. 3, 1942, this order of the Board insofar as it affects wages shall not become effective until approved by the Economic Stabilization Director.'

## Sept. Living Cost Up Conference Bd. Finds

Living costs for wage earners and lower-salaried clerical workers rose in 48 of the 70 cities surveyed each month by the National Industrial Conference Board. The largest increase, 2.1%, was shown in Oakland. Three cities—New York, Toledo and Seattle—went up more than 1.0%. Five cities remained at the same level as the previous month, while 17 declined from 0.1 to 0.5%. In the United States as a whole, the cost of living increased 0.5%. The Board states:

"The cost of living was higher this September than in September, 1941, in all cities for which comparable figures are available. Erie and San Francisco made the largest increase, 12.3%. The smallest advance, 6.0%, was shown in three cities—Louisville, Grand Rapids and Kansas City. Living costs for United States as a whole rose 8.6% during the 12 months, and since January, 1941, an increase of 14.7% is recorded."

## Insolvent National Bank Dividends

Comptroller of the Currency Preston Delano announced on Oct. 20 that during the month ended Sept. 30, 1942, authorizations were issued to receivers for payments of dividends to the creditors of eight insolvent national banks. Dividends so authorized will effect total distributions of \$2,360,790 to 79,222 claimants who have proved claims aggregating \$33,626,200 or an average payment of 7.02%. The announcement adds:

"The minimum and maximum percentages of dividends authorized were 1.22% and 14.05%, while the smallest and largest payments involved in dividend authorizations during the month were \$49,900 and \$750,000, respectively. Of the eight dividends authorized during the month, two were regular payments, five were final payments, and one was a final and partial interest payment."

## Willkie Calls For New Fronts In Europe And Asia Urges Greater Aid To Allies & Defining War Aims

(Continued from first page) enormous contribution to the new solutions. They are able and eager to work with representatives of the United States, and to begin now.

Another "leak in our reservoir of goodwill" Mr. Willkie described as "the atrophy of intelligence which is produced by stupid arbitrary or undemocratic censorship." With respect to this latter point, Mr. Willkie said:

"Military experts, as well as our leaders, must be constantly exposed to democracy's greatest driving power—the whiplash of public opinion, developed from honest, free discussion. Men with great power usually like to live free of criticism. But when they get that way, that's the time to increase the criticism."

Expressing the belief that the United States has the resources, manpower and courage to win the war, Mr. Willkie warned that a military victory will not be enough since "we must win the peace." He listed these three things as necessary to win the peace:

"First, we must plan now for peace on a global basis; second, the world must be free, economically and politically, for nations and for men that peace may exist in it; third, America must play an active, constructive part in freeing it and keeping its peace."

Mr. Willkie's report to the President on his recent mission was referred to in our issue of Oct. 22, page 1436. His radio address of Oct. 26, follows in full:

"Several months ago it occurred to me that perhaps I could make a contribution to the war by visiting the world's people who have a stake in it. I wanted to see them. I wanted to talk to them at their fighting fronts. I also wanted frank discussion with both leaders and peoples in countries which have not yet decided on their course of action.

"Naturally, in time of war, it is impossible to leave this country without permission. So I applied to the President for permission to visit the Middle East, Russia and China. I wanted to go as a private citizen, as I had gone to England when she alone was so courageously holding the free world's battle line against Hitler. The President agreed to my trip, and asked that I perform certain specific tasks for him, which I was happy to undertake.

"It was clearly understood between him and me that apart from the specific matters handled for him, that I should go as a free agent. I was at liberty to express my opinion while abroad and equally so when I returned.

"I have talked to literally hundreds and hundreds of people around the world in the last two months. Everywhere I made it crystal clear that I was present as a free citizen of a free country, a member of a different party from the President's—in fact, the candidate who opposed him in 1940.

"I traveled in a four-engined Consolidated bomber, which had been converted for transport service, and which was operated and navigated with extraordinary skill by American Army officers. All my personal expenses I paid myself. If I have occasion to write articles, reporting on my journey at greater length, any proceeds will be paid at my direction to various war relief agencies that are supporting our common cause.

"I make these points clear because the citizens of a democracy have the right to know them. And tonight I am reporting to you, and summarizing my conclusions, as an American, interested only in the welfare of my country and proud that I am accountable only to my fellow-citizens.

"If I ever had any doubts that the world has become small and completely interdependent, this trip would have dispelled them altogether. I traveled a total of 31,000 miles, which sounds very far—and is. The net impression of my trip, however, is not one of distance from other peoples, but of closeness to them.

"Now, the extraordinary fact is that to cover these apparently enormous distances we were in the air a total of only 160 hours. We usually flew from eight to ten hours a day when we were on the move, which means that, out of the 49 days I allotted to the trip, I had about 30 days on the ground for the accomplishment of the purposes at hand.

"The new world that has been opened up by modern inventions was never more vividly illustrated I think, than on our last lap home. We left Chengtu on Oct. 9, traveled almost 1,000 miles in China, crossed the vast expanse of the Gobi Desert and the Mongolian Republic, crossed thousands of miles of Siberia, crossed the Bering Sea, the full length of Alaska and the full width of Canada and arrived in the United States four days later, on Oct. 13.

"I say to you: There are no distant points in the world any longer. The myriad millions of human beings of the Far East are as close to us as Los Angeles is to New York by the fastest railroad trains. I cannot escape the conviction that in the future what concerns them must concern us, almost as much as the problems of the people of California concern the people of New York.

"Our thinking and our planning in the future must be global.

"Now this world we live in has become small not only on the map but also in the minds of men. All around the world there are some ideas which millions and millions of men hold in common, almost as much as if they lived in the same town. One of these ideas, and one which I can report without hesitation, has tremendous significance for us in America; it is the mixture of respect and hope with which the world looks to this country.

"Whether I was talking to a resident of Belem or Natal in Brazil, or one toting his burden on his head in Nigeria, or a Prime Minister or a King in Egypt, or a veiled woman in ancient Baghdad, or a Shah or a weaver of carpets in legendary Persia, now known as Iran, or a follower of Ataturk in these streets of Ankara, which look so like the streets of our Middle Western cities, or to a strong-limbed, resolute factory worker in Russia, or to Stalin himself, or to the enchanting wife of the Great Generalissimo of China, or a Chinese soldier at the front, or a fur-capped hunter on the edge of the trackless forests of Siberia—whether I was talking to any of these people, or to any others, I found that they all have one common bond, that is their deep friendship for the United States.

"They, each and every one, turn to the United States with a friendliness which is often akin to genuine affection. I bring back to you this clear and significant fact: That there exists in the world today a gigantic reservoir of goodwill toward you, the American people.

"Now many things have created this enormous reservoir. At the top of this list go the hospitals, schools and colleges which Americans—many of them missionaries—have founded in the far corners of the world. Many of the new leaders of old countries—men who are today running Iraq or Turkey or China—have studied under American teachers whose only interest has been to spread knowledge. Now, in our time of crisis,

we owe a great debt to these men and women who have made friends for us.

"Goodwill has also been stored up for us, like credit in a bank account, by those Americans who have pioneered in opening of new roads, new airways, new shipping lines. They have caused the world to think of us as people who move goods, and ideas, and move them fast. They like us for this, and they respect us.

"Our motion pictures have played an important role in building up this reservoir of friendliness. They are shown all over the world. People of every country can see with their own eyes what we look like, can hear our voices. From Natal to Chungking I was plied with questions about American motion-picture stars—questions asked eagerly by shop girls and those who served me coffee, and just as eagerly by the wives of Prime Ministers and of Kings.

"There are still other reasons for our reserve of goodwill abroad. The people of every land, whether industrialized or not, admire the aspirations and accomplishments of American labor, which they have heard about, and which they long to emulate. Also, they are impressed by American business and industry.

"In nearly every country I went to there is some great dam or irrigation project, some harbor or factory, which has been built by Americans. People like our works. I found, not only because they help to make life easier and richer, but also because we have shown that American business enterprise, unlike that of most other industrial nations, does not necessarily lead to political control or imperialism.

"Now I found this dread of imperialism everywhere. The fact that we are not associated with it in men's minds has caused people to go much farther in their approval of us than I had dared to imagine. I was amazed to discover how keenly the world is aware of the fact that we do not seek—anywhere, in any region—to impose our rule upon others or to exact special privilege.

"All the peoples of the earth know that we have no sinister designs upon them; that even when we have in the past withdrawn from international affairs into a false self-sufficiency, it was without sinister purpose. And they know that, now we are in this war, we are not fighting for profit, or loot, or territory, or mandatory power over the lives or the governments of other people. That, I think, is the single most important reason for the existence of the reservoir of goodwill around the world.

"Now, as I see it, the existence of this reservoir is the biggest political fact of our time. No other nation has such a reservoir. Ours must be used to unify the peoples of the earth in the human quest for freedom and for justice. It must be maintained so that, with confidence, they may fight and work with us against the gigantic evil forces that are seeking to destroy all that we stand for, all that they hope for.

"The preservation of this reservoir of goodwill is a sacred responsibility, not alone toward the aspiring peoples of the earth, but toward our own sons who are fighting this battle on every continent. For the water in this reservoir is the clean, the invigorating water of freedom.

"I bring you the assurance that this reservoir exists. I also bring you the warning that it is leaking. It is leaking dangerously. It is leaking at a thousand points. It is leaking through steadily spreading cracks and holes.

"These holes have not been punched in it by Hitler. They have been punched by us. All the leaks in this priceless reservoir are of our own making. For the very existence of this reservoir is built on confidence in us, in our integrity of purpose, our honesty

in dealing, our ability in performance: We have made great promises. How have these promises been fulfilled?

"Now take the vital matter of our production of war materials. Here we are, supposedly the biggest industrial nation on earth. But the flow of war materials out of this country to some of the nations I visited is not only small in itself, but as compared to the immensity of this global war we are engaged in it is tragically small.

"This was first dramatized for me not at the end of my trip but near the start, when I saw a warehouse that was supposedly an important distribution center for American materials to be delivered by air transport. That warehouse was about the size of my house in Rushville, which has ten rooms. But when I came to examine the goods in it, I found there were only enough to fill about one room of such a house.

"From this infinitesimal supply materials would have to branch out into ever-smaller streams and finally trickle into the hands of those who so desperately need them—people who sometimes do not know whether to laugh or to weep when these crates and packages arrive.

"I followed some of those streams and other streams to their destinations, and I stopped talking about American production. If I were to tell you how few bombers China has received from us you simply would not believe me. If I were to tell you how far Russia feels we are from fulfilling our commitments, you would agree with me that we have little reason to boast about our performance.

"There are, of course, exceptions. I have seen American planes and tanks which have been in hard and grueling action and which stood up magnificently. I have seen the beginnings of shipping routes which will some time carry the kind of traffic the world is waiting for. I have seen something of the heroism and the skill with which Americans—pilots, sailors, engineers—are blasting the routes clear for our production when we get it ready.

"Now when will this be? That depends, I think, on how quickly we, and our leaders, can begin to think and act offensively, can begin to mobilize not for defense but for attack. It is my reasoned judgment that we cannot win this war 40% mobilized. There are a great many people listening to me tonight who would like to do more if they knew what more to do. It is up to us to make our leaders give us more to do.

"For I tell you that if we continue to fail to deliver to our Allies what they are entitled to expect from us or what we have promised them, our reservoir of goodwill will turn into one of resentment. We cannot laugh this off or shrug it away or hide it behind censorship. Five million Russians and 5,000,000 Chinese have given their lives in this struggle. Each of these countries has lost as many men as we have in our entire army. We owe them more than boasts and broken promises.

"We are also punching holes in our reservoir of goodwill every day by failing to define clearly our war aims. Besides giving our Allies in Asia and Eastern Europe something to fight with, we have got to give them assurance of what we are fighting for. The 200,000,000 people of Russia and the 450,000,000 people of China—people like you and me—are bewildered and anxious. They know what they are fighting for. They are not so sure of us. Many of them have read the Atlantic Charter. Rightly or wrongly, they are not satisfied. They ask: What about a Pacific Charter? What about a World Charter?

"Their doubts were expressed to me in simple, unmistakable questions. 'Is there to be a charter only for the millions of the West-

ern Hemisphere?' they asked. 'Is there to be no charter of freedom for the billions of the East? Is freedom supposed to be priceless for the white man or for the Western world but of no account to us in the East?'

"Many of them also asked me the question which has become almost a symbol all through Asia: What about India? Now I did not go to India and I do not propose to discuss that tangled question tonight. But it has one aspect, in the East, which I should report to you. From Cairo on, it confronted me at every turn. The wisest man in China said to me:

"When the aspirations of India for freedom were put aside to some future unguaranteed date, it was not Great Britain that suffered in public esteem in the Far East. It was the United States."

"This wise man was not quarreling with British imperialism in India when he said this—a benevolent imperialism, if you like. He does not happen to believe in it, but he was not even talking about it. He was telling me, and through me, you, that by our silence on India we have already drawn heavily on our reservoir of goodwill in the East. People of the East who would like to count on us are doubtful. They cannot ascertain from our government's wishy-washy attitude toward the problem of India what we are likely to feel at the end of the war about all the other hundreds of millions of Eastern peoples. They cannot tell from our vague and vacillating talk whether or not we really do stand for freedom, or what we mean by freedom.

"In Africa, in the Middle East, throughout the Arab world, as well as in China and the whole Far East, freedom means the orderly but scheduled abolition of the colonial system. I can assure you that this is true. I can assure you that the rule of people by other people is not freedom, and not what we must fight to preserve.

"Please understand—I am not talking about the Commonwealth of Free Nations. I am talking about the colonial system wherever it exists, under whatever nation. We Americans are still too apt to think and speak of the British Empire. We must recognize the truth that in vast areas of the world there is no longer any British Empire but instead a proud Commonwealth of Free Nations. British and colonial possessions are but remnants of empire. We must remember that throughout the Commonwealth there are men and women numbered in millions, who are working selflessly and with great skill toward reducing those remnants, extending the Commonwealth in place of the colonial system.

"This it seemed to me, was what General Smuts was talking about in his recent dramatic speech before the cheering British Parliament.

"As Americans we must also recognize that we share with these men and women of the British Commonwealth of Free Nations the responsibility of making the whole world a commonwealth of free nations. The grim, relentless progress of this war is teaching all of us that in a world forced to choose between victory and slavery, between freedom and fascism, there are no purely local problems.

"India is our problem. If Japan should conquer that vast subcontinent, we will be the losers. In the same sense, the Philippines are a British problem. If we fail to deliver, by force of arms, the independence we have promised to the Filipinos, the whole Pacific world will be the loser. We must believe these simple truths, and speak them loudly and without fear. Only in this way can the peoples of the world forge, in this war, the strength and the confi-

(Continued on page 1554)

## Chilean President Defers Visit To U. S. Incident To Speech Of Welles

President Juan Antonio Rios of Chile notified President Roosevelt on Oct. 12 that his planned visit to the United States has been postponed for the present because "official information circulated in the United States about my country has created an unpleasant atmosphere."

This decision followed a formal Chilean protest, filed with the State Department on Oct. 10, against a speech made by Acting Secretary of State Sumner Welles at Boston on Oct. 8, in which, said United Press accounts from Washington Oct. 14, Mr. Welles said that Chile and Argentina had failed to carry out the Rio de Janeiro conference resolutions recommending severance of relations with the Axis. From the same advices we quote:

"Mr. Welles said that Axis agents were operating in these two countries, for hostile activities against their neighbors."

President Rios had been scheduled to leave Santiago Oct. 14, to reach Washington Oct. 22.

Argentina also protested against Mr. Welles's speech on Oct. 10, according to an announcement from the Argentine Foreign Office.

In his message to Mr. Roosevelt, President Rios said that deferring his trip "in no way alters the decided intention of my government to continue cooperating with the United States and the other sister nations of America in the defense of the continent."

Expressing regret at the Chilean President's decision, Mr. Roosevelt in his reply voiced the hope that the trip could be undertaken in the near future.

The State Department's translation of President Rios's message follows:

"I profoundly appreciate the friendly and understanding statements which Your Excellency has been so good to formulate to Ambassador (Rodolfo) Michels concerning the cordial spirit in which you will receive the visit of the President of Chile, whose sincere American feeling and disposition and that of his Government Your Excellency so kindly recognized; but I find myself in the regrettable necessity of stating to Your Excellency that the last official information released in the United States concerning the international position of my country, which has created an unfavorable atmosphere, counsels me to postpone, for the present, the honor of visiting Your Excellency."

"Your Excellency can be sure that this in no way alters the decided intention of my government to continue cooperating with the United States and the other sister nations of America in the defense of the continent."

"I renew to Your Excellency the expression of my sincere gratitude for your honored invitation and, seeing myself forced to defer my voyage for cause so foreign to my desire, reiterate to Your Excellency the homage of my admiration and respect."

President Roosevelt's reply follows:

"I wish to acknowledge Your Excellency's message stating that you have decided to postpone for the present, your visit to the United States."

"I am sorry to learn of Your Excellency's decision, and I want you to know also of my deep personal regret in not having the opportunity of meeting and knowing you personally."

"I was looking forward to exchanging views with you regarding the implementation of the desire of Chile, mentioned in your message, to cooperate with the United States and the other republics of the Americas in the defense of the Western Hemisphere."

"I have always felt that it is extremely difficult for heads of nations to discuss pending and difficult questions only by letter or telegram, and that almost all

problems can be solved by personal meetings and by what we in the United States call 'sitting around the table as personal friends.'

"That is why I very much hope that you will come to Washington a little later and that I can consider your visit is merely postponed for a short time."

"As you probably know, I had planned to visit Santiago in the Autumn of 1939, but after the World War broke out, and especially since the United States became a party to that war, I have been unable to leave Washington. May I renew to Your Excellency my warm regards and the expressions of my high esteem and sincere friendship."

## Wholesalers' Sales, Inventories, And Credits In August

August sales of wholesalers, amounting to \$314,686,000, was an advance of only 2% over the same month a year ago, according to an announcement released by J. C. Capt, Director of the Census. The gain reported in July of this year as compared with July, 1941, was 9%. A decrease of 2% occurred between July and August of 1942 as against the usual seasonal increase, recorded between these months. Sales for the first eight months of 1942 totaling \$2,908,693,000, were 18% above those for the corresponding period of 1941.

The Census Bureau's announcement explains:

"Twenty of the 35 trades for which separate data are presented in this report showed increases in sales for August of this year compared with August, 1941, 12 showed decreases, and three were at approximately the same level. For the most part, the decreases were confined to the durable goods lines. In the non-durable goods trades, sales of full-line wholesalers of groceries and foods advanced 14%; meats and meat products, 24%; wines and liquors, 21%; tobacco and its products, 10%; shoes and other footwear, 8%; drugs and sundries (liquor excluded), 8%; and dry goods, 2%. Dollar volume for wholesalers of paper and its products, however, dropped 21%. With the exception of the 23% increase shown for wholesalers of surgical equipment and supplies and the 9% gain for jewelry wholesalers, the durable goods trades for which separate statistics are presented in this report recorded sales losses for August, 1942, compared with August, 1941, or a dollar volume of sales approximately equal for the two months. Sales of furniture and house furnishings wholesalers dropped 23%; electrical goods, 18%; metals, 15%; plumbing and heating supplies, 15%; automotive supplies, 10%; and lumber and building materials, 10%. Dollar sales of wholesalers of industrial supplies and of optical goods were at approximately the same level."

"Inventories, in terms of dollars based on cost values, at the close of August, dropped 4% compared with July, the fifth consecutive month when inventories at the end of the month were lower than those at the beginning. Inventories at the close of August, 1942, were also 4% below those for the same date last year, the first decrease recorded since 1939, when inventories at the close of July of that year were slightly less than those at the end of July, 1938."

"The stock-sales ratio for whole-

salers at the close of August, 1942, was 127 as against 130 for August, 1941, and 131 for July, 1942. Of the 31 trades for which stock-sales ratios are shown, 20 registered a decrease in their ratios for August, 1942, compared with those for August, 1941, 10 showed increases, and one (shoes and other footwear) was the same. Full-line wholesalers of groceries and foods, with a 14% increase in sales and a 7% decrease in inventories, registered a stock-sales ratio of 123 for August, 1942, as compared with 149 for August a year ago. General hardware wholesalers, with a sales loss of 6% and a 14% decrease in inventories, recorded a stock-sales ratio of 211 for August of this year as against a ratio of 220 for August, 1941. Wholesalers of meat and meat products, of electrical goods, and of jewelry also showed decreases in stock-sales ratios at the close of August compared with a year ago. Substantial increases in stock-sales ratios, however, were shown for wholesalers of paper and its products, paints and varnishes, dry goods, and furniture and house furnishings, on the basis of a comparison with August, 1941.

"Collections on accounts receivable were up more than 14% for August, 1942, compared with August, 1941, but down slightly more than 3% compared with July, 1942. The collection ratio for August of this year was 87; for August of last year, 76; and for July, 1942, 90. Accounts receivable were 3% less on Aug. 1, 1942 than on Aug. 1, 1941. Accounts receivable on Aug. 1, 1942 were at approximately the same level as recorded for the beginning of July, 1942."

This monthly study is conducted jointly by the National Association of Credit Men and the Bureau of the Census.

## Green Again Heads AFL Calls For Labor Unity

William Green, President of the American Federation of Labor, was reelected on Oct. 14 to his 18th full term as head of the organization at the concluding session of the 62nd annual convention held in Toronto.

George Meany was again elected Secretary-Treasurer, as were the 13 Vice Presidents who make up the Federation's Executive Council.

In accepting reelection, Mr. Green put winning of the war as the first problem for the coming year and winning the peace as second. He added that unity and solidarity in the ranks of labor must be a solemn objective for 1943. Mr. Green also expressed the belief that 1943 "is going to be the decisive year" and that some time during this year "the German machine is going to collapse of itself."

The convention, before adjourning, approved a statement of policy on international labor relations saying "the exclusion of Soviet trade unions and others from the Anglo-American Trade Union Committee should not be construed as lack of support in any measure of the workers of Russia and other United Nations."

Boston was chosen for the 1943 convention city.

The A. F. of L. convention had been in session in Toronto since Oct. 5, when President Green, in his keynote speech, promised that American workers would not only meet, but will exceed the production goals set by President Roosevelt before the end of this year.

Under-Secretary of War Robert P. Patterson told the convention on Oct 7 that to equip the Army which the United States now has and contemplates and to furnish our Allies with equipment "is the biggest production job we have ever tackled."

"That job calls for the greatest production effort by the Army

and by industry, management and labor alike," he said. "Production of this armament will require deeper and deeper cuts into production of goods to satisfy civilian demands," he said. And he added:

"It will require the suspension of many of our peacetime standards as to hours and conditions of labor. It will require that there be no deviations from the pledges patriotically given by the leaders of labor that there will be no strikes or stoppages on war production."

"Strikes are few and far between now. There should be none, and I am confident that as the full significance of the war is brought home to all our people, there will be none."

Prime Minister W. L. Mackenzie King of Canada warned the delegates on Oct. 9 of the danger of Nazi propaganda that "the war must end in a stalemate, in some kind of compromise," saying that "at the best, a stalemate would mean an armistice with both sides remaining prepared for a renewal of the struggle."

Other resolutions approved resumption of peace negotiations with the Congress of Industrial Organizations and adopted a committee report which said the Manpower Commission's action in "freezing" Western metal and lumber workers was "hasty," and urging against any further action of that kind until safeguards for the workers have been established.

On Oct. 13 the convention approved recommendations for designation of the War Labor Board as top authority on wage policies, creation of an over-all board of military and civilian strategy in the United States Government, centralization of responsibility for all procurement in the chairman of the War Production Board and administration of rationing by the Director of Economic Stabilization.

A message from President Roosevelt lauding the members of the A. F. of L. for what they have done to further the war effort, was referred to in our Oct. 15 issue, page 1354.

## Urges To Prepare Now For 'Victory' Taxes

Employers should be preparing now to deduct the 5% Victory Tax which will be imposed by the new Federal Income Tax Law, according to Harry C. Gretz, Assistant Comptroller of the American Telephone & Telegraph Co., who discussed the withholding features of the bill at the regular monthly meeting of the New York Control of the Controllers Institute of America, held on Oct. 21. Mr. Gretz pointed out that the withholding provisions of the tax bill "require quarterly remittances to the Government," and also "require an annual information return, which is a copy of a receipt to be given the employee." "The information returns," said Mr. Gretz, "are due with the last quarterly remittance, and the quarterly remittances are due not later than the last day of the month following the end of the calendar quarter. The provisions require employers to withhold from employees' pay each pay period 5% of the excess of gross wages over the payroll equivalent of \$624 a year."

He recommended that employers make their remittances to the Government every month, instead of at quarterly intervals. "The money is to be withheld by the employer as agent for the Federal Government," he said, "but the agent is held responsible for the money until it is paid over. It would not mean much to the larger employers to issue monthly checks, and it would be a Godsend to the small employers who do not keep up-to-date books and who run their businesses on a cash basis. If I am not mistaken, many of them find it difficult to pay over the

Social Security Tax under the 1% rate. It will be much more difficult for them with an additional 5% tax withholding."

Viewing the problem of increased taxes as a taxpayer, instead of as an employer, Mr. Gretz said that he endorses the Pay-As-You-Go Plan advanced by Beardsley Ruml, Treasurer of R. H. Macy & Co., and Chairman of the Federal Reserve Bank of New York, who followed him on the program. "Under the Ruml plan, as I see it," Mr. Gretz declared, "I will have to accumulate during each quarter only the amount of the current quarterly payment. But under present tax laws I must accumulate for five quarters in order to be up-to-date with the Government. Of course, accumulating for one quarter's taxes will not be easy. Such accumulations, at the high rates now under consideration by Congress, will probably amount to as much as, if not more than, a whole year's accumulations under peacetime rates."

Mr. Ruml, in discussing his plan at the meeting, stressed the fact that it involves a change in the criterion of ability to pay. "What we have been doing all along," he said, "is to estimate ability to pay in terms of last year's income, which ignores the fact that last year's income is over and gone, except for that part which remains as savings. Unless the Pay-As-You-Go Plan is applied in a manner to put all taxpayers on a current basis by eliminating past income as a test of ability to pay, we shall in fact be assessing a tax on savings. This tax on savings, being based on last year's income and not on current wealth, will not be related to ability to pay."

"The Pay-As-You-Go-Plan can only be justly and equitably applied under a policy of progressive taxation according to ability to pay, by applying it to all alike, and by skipping an income-tax year for all taxpayers in all brackets. By starting the new year with a new criterion of ability to pay, we simultaneously start it with all citizens income-tax-debt free."

## Long Staple Cotton Price

In order to help assure the prompt harvesting of long staple SxP cotton in the Southwest for war needs, the U. S. Department of Agriculture announced on Oct. 14 that the Commodity Credit Corporation's support price for such cotton would be increased three cents per pound above previously announced rates to growers who pay as much as four cents per pound for picking. The base price previously announced was 39 3/4 cents a pound net weight. This cotton, now ready for harvest, is needed for parachutes and other vital war uses. The Department said:

"Announcement of the increased support price for the SxP crop was contained in a telegram from Secretary Wickard to G. M. Larsen, Chairman of the Arizona USDA War Board, outlining the plan for the increase and explaining the steps which will be taken to assure growers of competent workers transported under the Government's labor supply program. SxP cotton is grown in Arizona, New Mexico, California and Texas, and the announcement is applicable to all SxP cotton grown in the United States."

"To further assure growers that they will receive efficient help, the Government has agreed that it will make contracts for and transport only competent adult workers. Minimum wage guarantees will apply only to competent adult workers. If workers under contract fail to pick enough cotton to average the minimum wage of 30 cents an hour their contracts will be terminated."

## Treasury Preparing For Unprecedented Tax Collections Under New Revenue Act

Staffs of all the tax collecting and tax accounting agencies of the Treasury Department began work on Oct. 22 preparing to put into effect as smoothly and expeditiously as possible the record-breaking new Federal tax levies called for in the new Revenue Act of 1942, which was signed into law Oct. 21 by President Roosevelt.

The new taxes will increase according to Treasury forecasts, the annual yield of existing revenue measures expanded to help finance the war. The combined levies will reach the pocketbooks of more than 50,000,000 recipients of wages, salaries and profits, with the total of their contributions amounting to not quite a third of the nation's current war expenditures. As the Act imposes on the American people their greatest tax-paying burden in history, so it imposes on the Treasury Department an unprecedented tax collecting responsibility, it was pointed out.

Assistants of Commissioner Guy T. Helvering of the Bureau of Internal Revenue, in which the Federal tax collecting procedures are centered, are at work on scores of tasks having to do with streamlining the collection machinery and lightening, as far as possible, the impact of the new tax load on American life.

Whereas individual income taxation short years ago reached only one American citizen out of 20, it now becomes the direct concern of about two persons out of every five. Treasury estimates indicate that approximately this ratio of taxpayers will be reached next year through the new tax on gross incomes and the lowering of exemptions for the regular individual income levy.

The Treasury's announcement also had the following to say:

"The Treasury statisticians expect 45,800,000 gross individual income tax returns to be made in 1944. Of these, it is estimated 3,000,000 will be from persons owing no tax but claiming credit for source collections. Of the remaining 42,800,000, it is expected 7,000,000 will be joint returns covering spouses from whom the tax will be collected at the source, and therefore will represent 14,000,000 persons. These forecasts place the actual number of persons paying the new gross individual income tax at 49,800,000.

"Spreading of the incidence of the regular individual income tax through lowered exemptions is expected by the Treasury to result in upwards of 35,000,000 returns on 1942 income, with probably 27,200,000 reporting taxes due. These estimates compare with the record of 26,369,044 returns and 16,760,865 individual income taxpayers on 1941 incomes.

"One of the first big tasks of the Treasury is to supply employers throughout the nation with full data concerning the new tax on individual incomes in excess of \$624 a year—gross incomes in the case of wages, salaries, interest and dividends, and net incomes in the case of rents and money from business, professional and farm sources.

"This tax goes into effect Jan. 1, 1943, and the Revenue Act requires employers to deduct the tax from wages and salaries. The Internal Revenue Bureau soon will distribute, through its 64 collection districts in the United States and possessions, full instructions to employers on how the Revenue Act directives are to be complied with.

"Provisions requiring collection of the gross income tax at the source, for incomes from wages and salaries, represents the first application in this country of the current collection principle for individual income taxation. Employers will give each employee a yearly statement covering collections, and will transmit copies of the statements to the collectors of internal revenue to be used as basic Treasury Department records.

"Taxpayers will not make returns for the individual gross individual income tax until 1944, and there will be no reference to this tax on the regular individual income tax forms soon to be distributed for use in reporting 1942 incomes.

"Throughout 1943, however, individuals subject to the new tax are urged by the Treasury to keep detailed memoranda on which to base their 1944 returns. These memoranda, officials said, should cover not only amounts of income received and the periodic deductions made by employers, but also all transactions involved in the Revenue Act's scheme of 'post-war credits' against the tax.

"The Act provides that 40% of the tax shall be returned to married persons and 25% to single persons after the cessation of hostilities, within maximum limits of \$1,000 per year for husband and wife filing a joint return, \$500 for a single person or a married person filing a separate return, and \$100 on account of each dependent.

"These credits may be taken currently to the extent of payment of premiums on life insurance in force on Sept. 1, 1942; net repayment of debts outstanding Sept. 1, 1942; and net purchases of specified United States obligations. The current credits will be claimed for 1943 when the first gross individual income tax returns are made out in 1944, covering 1943 income. When deductions from the wages or salary of the taxpayer have exceeded the remaining net amount of the new tax, the excess may be credited by the taxpayer on other taxes, including regular income taxes, which he owes the Government. If not so credited, the excess will be refunded by the Treasury.

"A nominal rate of 5% for the new tax is fixed in the Revenue Act. Taking of post-war credits currently will be general, however, the Treasury expects, and will reduce the effective rate to approximately 3% for married persons and 3.75% for single persons.

"The new rates and modified exemptions for the regular individual income tax are effective as of last Jan. 1, and hence are applicable to incomes for the full year 1942. The new individual income tax schedules will increase the annual yield from individual returns to about \$8,000,000,000 and the new gross individual Victory tax, after deducting post-war credits, will yield about \$1,955,300,000.

"Use of the simplified form No. 1040-A for regular individual income tax returns on incomes of \$3,000 or less derived from specified sources—salary, wages, compensation for personal services, dividends, interest, and annuities—will be continued, and its popularity is expected to increase. About 9,000,000 persons used this form in reporting 1941 incomes.

"The new Revenue Act prevents use of form 1040-A by taxpayers reporting rents and royalties as part of their income. Another new restriction is that both spouses of a married couple making separate returns must use the same type of form. Heretofore, one spouse could use 1040 and the other 1040-A, if desired.

"In accordance with another departure in the new law, all individual income tax return forms are being revised to substitute a simple affirmation as to correctness for the oath previously required.

"A new deduction which is au-

thorized by the Revenue Act is for extraordinary medical expenses not compensated for by insurance or otherwise. Such expenses become deductible to the extent that they exceed 5% of net income. Where a joint return is filed or the taxpayer is the head of a family, the maximum deduction allowed is \$2,500; in other cases the maximum is \$1,250.

"Total tax collection costs of the Government for the current fiscal year will be increased substantially by the new tasks which the Treasury faces, but Treasury officials said the cost per \$100 of taxes collected is expected to show a further decline.

"For the fiscal year 1942, ending last June 30, with \$12,976,589,177 collected, the cost per \$100 was 57 cents. These 1942 figures exclude the yield of, and the cost of collecting, the vehicle taxes collected through post offices.

Collections for the fiscal year 1941 were \$7,370,108,377 and the cost per \$100 was 89 cents.

In the depression year 1932, the cost per \$100 was \$2.17, with \$1,557,729,042 collected.

## Need Purchasing Officers For Civilian War Service

The Civil Service Commission announces that the enormous expansion programs of Government establishments vitally connected with the war effort have vastly increased the volume and importance of the work of the Government purchasing officers. In order that Government establishments may operate at maximum capacity, it is imperative that purchasing officers be recruited who are skillful, resourceful and far-seeing. The announcement further states:

"Purchasing officers are now being sought for positions which pay from \$2,000 to \$4,600 a year. They will prepare specifications for the purchase of Government supplies; prepare invitations to bid; and maintain current information with respect to market trends, fluctuations, sources of supply and laws and regulations pertaining to Federal procurement.

"The civil service examination announced for filling these positions calls for persons who have had from two to six years of responsible experience as purchasing or procurement officer handling large lots of materials of considerable variety. This experience may have been acquired with a large railroad, or other public utility, a large industrial or commercial establishment, a branch of the Federal Government or with the government of a State or large municipality.

"Applications are not sought from persons engaged in war work unless a change of position would result in utilization of higher skills possessed by the applicant. In keeping with War Manpower Commission policy, individuals engaged in any production and maintenance occupations in non-ferrous metal mining, milling, smelting and refining, and logging and lumbering industries in the critical labor area which includes the States of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, Washington and Wyoming, cannot be considered for appointment in the Federal Government unless a certificate of separation from the United States Employment Service has been obtained by the Civil Service Commission.

"There are no age limits for this examination. No written tests are required. Applications will be accepted until the needs of the service have been met. Announcements and application forms may be obtained at any first or second-class post office or from the Civil Service Commission, Washington, D. C."

## War Damage Corp. To Offer Banks Four Types Of Insurance, All Within One Policy

Four types of war damage insurance coverage, all within one policy, will be offered to banks shortly by the War Damage Corporation through casualty and surety companies, according to the Insurance and Protective Committee of the American Bankers Association. Announcement of the new policy on Oct. 15 follows several months of cooperative effort between the A. B. A.'s Insurance and Protective Committee, the WDC, and insurance company executives. On Oct. 1, the WDC placed into effect insurance coverage for registered mail and express shipments of money and securities. The new four-coverage policy is separate and distinct from this previously announced policy.

"To provide WDC coverage against loss of money and securities on insured premises and in transit by messenger required the drafting of a new policy and application," the Committee states in the current issue of its Protective Bulletin. "This policy will cover the same hazards as other WDC insurance contracts, namely, damage and destruction resulting from enemy attacks including any action taken by the military, naval or air forces of the United States in resisting enemy attacks." It is added:

"This policy is expected to cover exposures at specified locations and in transit (other than by registered mail or express) up to the amounts of insurance purchased. In the event of loss, however, the effective amounts of insurance will be reduced by any loss payments."

Representatives of casualty and surety companies will be authorized to accept premiums and issue policies covering both money and securities, and the four classifications of coverage will be determined by the location of the money and securities. These four classifications are expected to be as follows:

"A. While within a 'preferred' vault on premises designated in the schedule which is part of the policy application.

"B. While within any safe or vault regardless of preferred classification as shown in the schedule.

"C. While within the premises shown by the schedule, including safes and vaults.

"D. While in transit or otherwise outside of premises defined in the policy, for any business reason."

The Bulletin states: "Because of the greater salvage possibilities through replacement the rates on securities coverage will be lower than those which apply to coverage of money.

"Banks with vaults which do not meet the 'preferred' specifications will not qualify for coverage 'A' but can secure WDC protection under coverage 'B' at higher rates.

"The amounts of coverage under 'B' and 'C' may be cumulative when money and securities are moved into a safe or a vault of less than preferred quality, for example, at the close of a business day or because of an air raid alarm. Likewise, the amounts of coverage under 'A,' 'B' and 'C' may be cumulative when money and securities are moved into a vault of preferred quality."

## Perkin Chemical Medal To R. E. Wilson

Dr. Robert E. Wilson, President of the Pan American Petroleum & Transport Co., has been selected to receive the Perkin Medal of the Society of Chemical Industry for 1943. This medal is awarded annually for outstanding work in applied chemistry and the medalist is selected by a committee representing the five chemical societies in the United States. The medal will be presented to Dr. Wilson at a meeting to be held at the Chemists' Club, New York City, on Jan. 8.

## To Stagger Pay Days For Govt. Employees

The Treasury Department announced on Oct. 16 a new plan, approved by the President, for the staggering of pay days for Government employees in Washington and immediate vicinity. According to the announcement, the new plan has for its purpose the alleviation of shopping, banking and check-cashing difficulties encountered by employees under the present system and of more evenly spreading the work load incident to the payment of salaries. The large increase in personnel in Washington during the past year has caused serious congestion, officials said. From the Department's announcement we also quote:

"The new system will be inaugurated Nov. 16. In establishing the new staggered pay day schedule for employees whose salaries are paid by its Division of Disbursement, the Treasury pointed out that consideration was given to payroll payments made by other disbursing officers on various days of the month. Employees whose pay days are changed will receive either an extra check or a larger check to cover the period from the end of their present pay periods to the beginning of the new pay periods.

"It is estimated that by next July 1 there will be about 336,000 employees in Washington receiving pay twice a month. Spread evenly over 20 pay days, the average number of employees to be paid on each pay day under the new plan will be about 33,600."

## 1943 Cotton Bagging

The U. S. Department of Agriculture announced on Oct. 16 the 1943 cotton-bagging-for-cotton-bales program, calling for the manufacture and sale of up to 8,000,000 cotton "patterns," or bale covers, to encourage the use of domestic cotton for this purpose and to aid in establishing eventually a self-sustaining market for bale covers made of cotton. The program will be similar to the cotton-bagging programs conducted by the Agricultural Marketing Administration in the past four years.

The Department's announcement states:

"Under the 1943 program, payments of 35 cents per pattern will be made to the manufacturers, holding approved applications, who make cotton patterns according to approved specifications and sell them to cotton producers, cotton ginners, cotton-seed oil mills, other distributors of bagging for cotton. Patterns must be either manufactured or sold before July 1, 1943.

"The cotton-bagging-for-cotton-bales program is one of the projects the USDA has undertaken to stimulate development of new uses and new markets for domestic cotton. As these projects develop on a commercially self-supporting basis they are expected to contribute to increased domestic use of cotton. The 1943 program provides for double the number of cotton bale covers called for under the 1942 program.

"Manufacture of the maximum quantity of bale covers called for under the 1943 program would require approximately 88,000 bales of cotton."

## Byrnes Acts To Control All Salaries, Asks Detailed Data On Problems Of Nat'l Economy

James F. Byrnes, Director of Economic Stabilization, announced on Oct. 16 that he had arranged with the War Labor Board and the Treasury Department to bring all salaries under control.

At the first meeting with the 14-man Board assigned to advise him, Mr. Byrnes explained that "all salaries under \$3,000 and those salaries up to \$5,000 which are covered in wage agreements are to be regulated by the War Labor Board." He added that "for salaries over \$3,000 other than those handled by the War Labor Board as part of wage agreements; the Treasury Department is preparing regulations."

The Presidential order providing for stabilization of the national economy only prohibited increases for salaries over \$5,000, as was indicated in these columns Oct. 8, page 1265.

Declaring that "every man and woman, dollar and thing, everything must be utilized for the quickest winning of the war," Director Byrnes revealed that he had delegated to the Office of Price Administration the power to intervene in cases involving proposed increases in utility rates.

In addition, Mr. Byrnes told the Board that he is working with the agencies concerned on regulations to cover these things:

"Limiting salaries to \$25,000 after certain taxes and other permissible deductions.

"Machinery for handling wage increases which may affect price ceilings. This necessitates close cooperation between the War Labor Board and Office of Price Administration. A liaison official has been appointed by each of these agencies.

"Machinery for the control of agricultural prices. This necessitates similar cooperation between the Department of Agriculture and the Office of Price Administration."

Mr. Byrnes also said that he has begun to review the situation with the various agencies to determine if there is need for additional legislation.

He also has asked for detailed reports on some of the more important problems that lie ahead, among them being:

"Compulsory savings and other proposed measures to control excess spending power.

"Prospects as to future rationing needs.

"The spacing of military and lend-lease purchasing.

"Prospective subsidy needs and considerations which should govern or limit the use of subsidies.

"Wages of farm labor.

"The effect of the stabilization of wages on manpower problems, particularly on the migration of workers."

In a prepared statement read to the meeting, Mr. Byrnes said:

"Living costs must be kept from spiraling upward so all of us can be free to contribute our utmost to winning the war. Reductions in living standards that the war will impose must be shared equitably by all of the people, without profiteering. If we are to avert a repetition of the collapse that followed the last war, we must prevent runaway price increases now."

He further said that suggestions to keep down the cost of living will be looked forward to from all members of the Board.

"While ours is an economy based on personal incentive and the profit system," Mr. Byrnes said, "we must at this time give more attention to keeping prices down than keeping profits up."

Director Byrnes also laid down this policy:

"In most cases common counsel should result in common agreement. But we are at war and we cannot wait upon the counsel of perfection. We will make mistakes. But in war, inaction is the greatest of mistakes. If after an adequate interchange of views differences still persist, I shall resolve those difference and promptly communicate to you my decisions."

## Newspaper Industry Advisory Committee

Donald M. Nelson, Chairman of the War Production Board, announced on Oct. 21 formation of a Newspaper Industry Advisory Committee to serve as a channel for discussion of the wartime problems of the American newspaper industry. It is noted in the announcement, because of the impact of war on the American economy, increasing materials requirements and other difficulties, the newspaper publishing industry faces a number of operating problems, and it is added that it is felt in the War Production Board that all of these problems should be fully discussed with representatives of the industry and all possible solutions explored.

At the Committee's first meeting in Washington on Oct. 27, the discussion centered around manpower and materials problems, the newsprint situation, and other questions. Among the list of subjects considered was the manpower shortage developing in the industry because of the demands of Selective Service and war industry, and the increasing effect on newspaper production of curtailed supplies of copper, zinc, steel stitching wire, and several vital chemicals.

The group also considered the effects on the nation's newspapers of a proposed reduction in newsprint production in the United States and Canada, as well as measures to distribute consumption of this commodity equitably in the event of the limitation. A cut in newsprint output has been considered to conserve manpower, transportation, and lumber for use in the war effort. It is indicated that in this connection the newspapers' own plan to conserve newsprint, transportation and labor, as set forth in the "ANPA Bulletin" of April 21, was also discussed. This plan relies on such methods as the elimination of sample copies and of "returns," a decrease in the number of editions, and other technical steps to effect the necessary savings.

Attention also was given to metal salvage problems within the newspaper industry.

The committee appointed by Mr. Nelson is expected to include the following newspaper executives:

E. F. Abels, Publisher, "The Outlook," Lawrence, Kan.

O. G. Andrews, General Manager, "The Day," New London, Conn.

W. G. Chandler, General Manager, Scripps-Howard Newspaper, New York, N. Y.

Robert Choate, Publisher, "Herald Traveller," Boston, Mass.

Howard Davis, Business Manager, "New York Herald Tribune," New York, N. Y.

Walter M. Dear, General Manager, "Jersey City Journal," Jersey City, N. J.

F. M. Flynn, Business Manager, "New York Daily News," New York, N. Y.

J. D. Gortatowsky, General Manager, Hearst Corporation, New York, N. Y.

J. S. Gray, Publisher, "Monroe News," Monroe, Mich.

James L. Knight, General Manager, "Miami Herald," Miami, Fla.

Charles Manship, Publisher, "Baton Rouge Times & Advocate," Baton Rouge, La.

J. M. North, Jr., Editor, "Star-Telegram," Fort Worth, Tex.

John S. McCarrens, President, "Cleveland Plain Dealer," Cleveland, Ohio.

Fleming Newbold, General Manager, "The Evening Star," Washington, D. C.

John Potter, Publisher, "Argus," Rock Island, Ill.

Arthur H. Sulzberger, President, "New York Times," New York, N. Y.

Frank E. Tripp, General Manager, Gannett Newspapers, Elmira, N. Y.

S. E. Thomason, President and Publisher, "Chicago Times," Chicago, Ill.

S. R. Winch, General Manager, "Journal," Portland, Ore.

A complete membership list of the Committee will be made public shortly.

## U.S. Commerce Names Hilton to Dept.

Incident to plans recently announced for the expansion and intensification of the insurance services of the Chamber of Commerce of the United States as a war-time measure, announcement is made of the appointment of H. E. Hilton as assistant manager of its Insurance Department. Mr. Hilton brings with him to the Chamber 14 years of insurance experience. Until assuming his new duties he was associated with the Commercial Credit Co. of Baltimore in supervisory direction of that company's insurance operations, which include the Calvert Fire Insurance Co. and the Cavalier Insurance Corporation. Previously, he was examiner in the Iowa Insurance Department, serving under three State insurance commissioners. As a part of his duties as General Assistant in the Chamber's Insurance Department, Mr. Hilton will give special attention to national and State legislation, and will assist in necessary studies of government war-time insurances, and of activities of government departments that relate to the insurance industry.

## Restrictions On Use Of School Buses

The New York State War Council has formally recommended that operation of school owned buses in the transportation of contestants and spectators to athletic events or practice places be restricted. The announcement dated Oct. 9 stated that this conforms with transportation conservation measures of the New York State War Council and the Office of Defense Transportation, and is in line with a recent ODT statement that "no special train or bus service, including charter bus service, to football games or other sport events, will be permitted." The New York State War Council further recommended that the use of school owned buses be limited to only essential student transportation, and that special convenience trips for observation, recreation or social purposes be eliminated. The announcement likewise said:

"School officials are requested to use their buses only when public facilities are not readily available or adequate. However, allowances should be made for the use of school buses for the transportation of elementary students whose age might prohibit their safe use of public facilities.

"This action would place schools owning their own vehicles on a par with schools who have previously chartered buses from private owners. The use of charter buses for the same purposes as outlined are prohibited under both Federal and State orders.

"These recommendations were made in accordance with an ODT request that the use of charter or school owned buses for transportation to athletic events no longer be permitted, regardless of whether the event is a part of a physical fitness program or a part of a school athletic program."

## Subscription And Allotment Figures On Treasury Bond And Note Offering

Secretary of the Treasury Morgenthau announced on Oct. 13 the final subscription figures with respect to the recent offering of \$4,000,000,000 of 2% Treasury Bonds of 1950-52 and of the additional issue of 1 1/2% Treasury Notes of Series B-1946. Total subscriptions for both issues aggregated \$4,100,677,600, or \$1,960,785,000 and \$2,139,892,600, respectively, and all subscriptions were allotted in full. Of the total subscriptions, about 25% came from sources other than banks which accept demand deposits.

Since the offering, which was open two days (Oct. 8-9), was not substantially oversubscribed, as is usually the case, Secretary Morgenthau indicated on Oct. 12 that in the future the books will be open for a longer period, depending on the size of the issue. Mr. Morgenthau also told his press conference on Oct. 12 that it is the Treasury's intention to continue to finance the war, so far as the commercial banks are concerned, at the 2% bond rate with a maturity of 7 to 10 years. He pointed out that during the first World War the interest rates on the Liberty loans ranged from 3 1/2 to 4 3/4%. The Secretary also said that before the \$4,000,000,000 offering was made investors had sought a 2 1/4% bond rate. He issued the following statement regarding the action taken and planned on future issues:

"After very careful consideration of all the factors by the Federal Reserve Open Market Committee and the Treasury we decided that in the best interest of all citizens of this country we should offer the financial community a 7 1/2- to 9 1/2-year bond at 2%. Now that we have successfully raised \$4,000,000,000 at 2% with the cooperation of the investors of the nation, I sincerely hope we will be able to continue to finance this war in the 7- to 10-year range at 2%. If we are able to accomplish this, as I sincerely hope we will be, we will save not only this but future generations many millions of dollars of interest on the public debt."

The details of the \$4,000,000,000 offering of bonds and notes were noted in these columns of Oct. 15, page 1356.

Subscriptions and allotments were divided among the several Federal Reserve Districts and the Treasury as follows:

Federal Reserve District	Treasury Bonds of 1950-52		Treasury Notes of Ser. B-1946	
	Subscriptions Received	Allotted	Subscriptions Received	Allotted
Boston	\$80,284,600	\$76,260,500	\$109,568,800	\$62,571,700
New York	876,260,500	876,260,500	862,571,700	862,571,700
Philadelphia	101,933,200	101,933,200	93,138,000	93,138,000
Cleveland	95,916,600	95,916,600	105,789,800	105,789,800
Richmond	80,838,300	80,838,300	75,482,500	75,482,500
Atlanta	88,697,500	88,697,500	67,752,500	67,752,500
Chicago	247,398,100	247,398,100	402,408,800	402,408,800
St. Louis	59,203,700	59,203,700	94,359,900	94,359,900
Minneapolis	34,568,200	34,568,200	57,115,200	57,115,200
Kansas City	70,184,300	70,184,300	74,564,100	74,564,100
Dallas	59,944,300	59,944,300	51,352,200	51,352,200
San Fran.	159,214,700	159,214,700	143,586,000	143,586,000
Treasury	6,341,000	6,341,000	2,203,100	2,203,100
Total	\$1,960,785,000	\$1,960,785,000	\$2,139,892,600	\$2,139,892,600

## WPB Suggests Meat Saving Plan For Eating Places

The War Production Board's Food Requirements Committee issued on Oct. 19 an eight-point program under which restaurants and hotels can cooperate in the voluntary meat rationing plan.

Developed in cooperation with the American Hotel Association and the National Restaurant Association, the program is designed to reduce meat consumption until actual rationing is introduced, probably around Jan. 1.

The following are the recommendations:

(1) Maintenance of the standard sizes of meat portions at present prices except where the price of meat increases.

(2) Half portions at reduced prices for patrons who wish to cut down on meat.

(3) The display on table cards, menu stickers and walls of a summary of the share-the-meat pro-

gram, enlisting patrons' cooperation.

(4) Indicating to patrons the approximate uncooked weight of restricted meat in each portion to help them stay within their shares.

(5) Reducing the number of meat dishes served.

(6) Not emphasizing meat dishes on menus.

(7) Serving only one meat at a meal to a customer.

(8) Providing more dishes prepared from unrestricted meats, poultry, fish and meat alternates such as cheese and beans.

The limits apply to all forms of beef, veal, lamb, mutton and pork, excluding the so-called variety meats, which include liver, heart, kidneys, sweetbreads, tongue and meats made from the heads and feet of animals.

The WPB Committee suggests that persons stay within these limits: Children under six years, 3/4 pound a week; children six to twelve years, 1 1/2 pounds; all above twelve, 2 1/2 pounds.

Although the program did not call for a meatless day, New York City observed on Oct. 19 its first "meatless Tuesday" when hotels and restaurants generally complied with Mayor F. H. LaGuardia's request to conserve meat. It is expected that New York's public eating places will serve meatless meals on Tuesday each week until the war ends.

## Migratory Workers To Get Extra "Gas" Rations

Migratory workers, including farm laborers who move with the harvest from one section of the country to another, need have no fear of being stranded away from home by the advent of national gasoline rationing, William M. Jeffers, WPB Rubber Director, announced on Sept. 24.

Under present gasoline rationing in the East, and under plans being prepared for the entire nation to conserve the country's auto tires, workers engaged on farms and war construction projects rank as essential workers in the war effort. They therefore are entitled to supplementary gasoline rations to move about as their work requires.

Those now away from home who decide to stay in the areas where they are now working will be entitled to gasoline rations necessary to enable them to carry on their work, and to get back to their home towns when their work has been completed, the announcement added.

## Cotton Spinning Industry For September, 1942

The Bureau of the Census announced on Oct. 20 that, according to preliminary figures, 23,924,456 cotton spinning spindles were in place in the United States on Sept. 30, 1942, of which 22,956,224 were operated at some time during the month, compared with 22,973,572 for August, 23,109,576 for July, 23,094,560 for June, 23,117,204 for May, 23,102,176 for April and 22,977,528 for September, 1941. The aggregate number of active spindle hours reported for the month was 11,190,894,482. Based on an activity of 80 hours per week, the cotton spindles in the United States were operated during September, 1942, at 134.9% capacity. This percentage compares, on the same basis, with 136.4% for August, 130.2% for July, 133.7% for June, 138.5% for May, 135.2% for April and 124% for September, 1941. The average number of active spindle hours per spindle in place for the month was 468.

## Federal Reserve Board Reports Industrial Activity Increased Further In September

In its summary of general business and financial conditions, the Board of Governors of the Federal Reserve System reported on Oct. 23 that "industrial activity expanded further in September and the first half of October. Prices of uncontrolled commodities continued to advance in September. Early in October an Office of Economic Stabilization was established with a view to more effective control of prices and wages affecting the cost of living."

The Board's summary continued:

### Production

Industrial production increased more than seasonally in September and the Board's adjusted index rose 2 points to 185% of the 1935-1939 average. Armament production continued to advance. Steel production was maintained at a high level during September and then increased during October, reaching 101% of rated capacity in the third week of the month. Cotton consumption continued at a high rate and output of manufactured food products rose more than seasonally owing chiefly to increased activity in the meatpacking and canning industries. Coal production, which had been maintained in large volume during the summer months, did not show the usual sharp seasonal rise in September and the first half of October. Output of crude petroleum showed little change following a considerable increase in August.

Value of construction contracts awarded in September was about the same as in August, according to reports of the F. W. Dodge Corp. As in other recent months, awards were mainly for publicly-financed work which, in September, amounted to over 90% of the total.

Contracts for manufacturing buildings reached the highest total yet reported, and increased awards for defense housing raised the total for residential building by about one-fourth despite a decline in privately-financed work. Awards for public works and utilities and for commercial buildings dropped substantially.

### Distribution

Department store sales, which had been unusually large in August, showed somewhat less than the usual sharp seasonal rise during September. In the first half of October sales were sustained near the high level prevailing at the beginning of the month. Variety store sales increased seasonally from August to September, while sales in small towns and rural areas rose by more than the usual seasonal amount.

Railroad freight-car loadings increased further in September and the first half of October. The rise was small for this time of year, however, owing mainly to the fact that shipments of many commodities, particularly coal, had been maintained at unusually high levels during the summer months.

### Commodity Prices

Prices of uncontrolled commodities advanced further in September. During the first half of October, after passage of an amendment to the Price Control Act of 1942, more widespread controls were announced. Maximum prices at the highest levels reached around the end of September were established for butter, cheese, eggs, and various other foods. These items constitute nearly one-third of the food budget and now the proportion of the total under control is about 90%. Another action directed residential rents throughout the country to be limited to the levels of March 1, 1942, wherever rent control procedures were not already in effect.

### Agriculture

The Oct. 1 official crop report confirmed earlier prospects that unusually heavy crop yields were in sight. The Department of Agriculture pointed out, however, that, as the harvest progresses, under

difficulties, particularly as to labor supply, farmers are showing less assurance that it can be completed in season. Record crops of grain, hay, oilseeds, sugar, vegetables, and probably fruits are still likely.

### Bank Credit

Following a temporary peak of \$3,000,000,000 in mid-September, excess reserves of member banks declined to \$1,700,000,000 in the latter half of September but increased considerably in the first three weeks of October. This increase resulted in part from the action of the Board of Governors of the Federal Reserve System in reducing reserve requirements on demand deposits at central reserve city banks from 22 to 20%, which added about \$400,000,000 to excess reserves. In addition member bank reserves were increased through purchases of Government securities by the Federal Reserve Banks. As a result of these developments excess reserves of all member banks on Oct. 21 amounted to \$2,400,000,000 of which about \$500,000,000 were in New York City.

At reporting banks in leading cities heavy purchases of new Treasury certificates of indebtedness and Treasury notes were reflected in an increase of \$1,600,000,000 in Government security holdings during the four weeks ending Oct. 14. Further large increases occurred in the following week as banks received their allotments of the new 1½% notes and 2% bonds. Commercial loans, after declining in August and September, increased in the first two weeks of October, mainly in New York City, while other loans declined further.

### United States Government Security Prices

Prices of United States Government securities continued steady last month. Long-term taxable bonds are yielding 2.33% on the average and long-term partially tax-exempt bonds are yielding 2.05%.

## N. Y. State Factory Jobs Higher In September

In a statement released Oct. 15, Industrial Commissioner Frieda S. Miller reported gains at New York State factories of 2.1% in employment and of 4.2% in payrolls between August and September. The continued expansion at war plants and the large seasonal increases at canneries were the main factors that produced the gains this month. Average weekly earnings rose from \$38.90 in August to \$39.89 in September. A good part of this gain in earnings was caused by the payment of overtime premium rates at many war plants for work on Labor Day, which fell in the reported pay period this September. From the Board's advices we also quote:

"The New York State Department of Labor's index of factory employment, based on the 1935-39 average as 100, rose to 149.5 (preliminary) for September. The corresponding payroll index was 239.5. Compared with September a year ago, there were 4.9% more workers employed this September on a payroll that was 23.1% higher. Most consumer goods industries were operating with fewer employees this September than in September 1941. However, metals and machinery plants, in which most of the State's war industry is concentrated, increased their

working force during the year by about 25%.

"Preliminary tabulations covering reports from 2,682 representative factories throughout the State from the basis for the statements made in this analysis. These firms employed 613,974 wage earners this September on a total payroll for the middle week of the month of \$24,489,515. The Division of Statistics and Information, under the direction of Dr. E. B. Patton, is responsible for the collection, tabulation and analysis of these reports.

"From August to September, the metals and machinery group of industries added 2.5% more workers to a payroll that expanded by 7.4%. The largest gains in the month were reported by war plants making airplanes, ships, tanks and electrical equipment. Smaller gains were reported by steel mills, machinery, non-ferrous metal and automobile plants. Manufacturers of most types of civilian metal goods, such as castings, tin cans, razors, heating equipment, jewelry, agricultural machinery and bicycles laid off workers. Workers at several steel mills and electrical equipment plants received wage rate increases of about 5½ cents per hour. Those metal plants that operated on Labor Day paid their workers at a premium rate. Almost all manufacturers of instruments, photographic and optical goods continued to expand this month.

"The percentage gains in forces and payrolls between August and September were somewhat better in New York City than in the rest of the State. In the absence of major losses in the other industries, the sizable gains at women's dress, shipbuilding, food, instrument, machinery and printing firms were mainly responsible for the increases in the totals."

## New Unit Formed To Increase Scrap Yield

An increase in the amount of scrap iron and steel obtained from structures where the cost of demolition exceeds the value of the metals was assured on Oct. 16 with the announcement of a working relationship between the Conservation Division's Special Projects Salvage Section and War Materials, Inc., newly organized at the instance of the Metals Reserve Co., a subsidiary of the Reconstruction Finance Corporation. The WPM in indicating this said: "The Special Projects Salvage Section was established to expedite the movement of iron and steel scrap available in large structures where salvage is impeded by legal, financial, and other obstacles.

"Projects will be located and investigated by the field force of the Special Projects Salvage Section of the War Production Board, which also will advise the owner regarding the transfer of title to War Materials, Inc.

"War Materials, Inc. will engage and pay contractors to demolish the structures.

"Many of the problems that impede the demolition of large structures are other than financial. The Special Projects Salvage Section has, since March, arranged for the movement of 1,800,000 tons of iron and steel scrap, mostly without financial assistance, except in the case of street car rail handled by the Work Projects Administration. Work Projects Administration is continuing to handle projects of this type but where it does not have labor available, War Materials, Inc., will take care of the demolition.

"The Special Projects Salvage Section has solved a variety of problems such as obtaining local bank loans for worthy salvage projects. For instance, slag dumps adjacent to steel mills are being

excavated with financial assistance of this sort.

"Legal problems also have been solved in many instances by use of the requisitioning power vested in the War Production Board. Other activities have included the salvaging of a number of ships in the Great Lakes; sunken material of all kinds in the Mississippi River and its tributaries; iron and steel from abandoned mines, quarries, city dumps, Indian Reservations, logging camps; abandoned radio towers, bridges, and buildings; rails used to pave grade crossings; oil wells and pipe lines and even such objects as 100 old wooden ships from World War I, which have been found to contain 100 tons of iron and steel each.

## Service Men's Civil Rights Bill Signed

A bill protecting the civil rights of men in the armed forces was signed by President Roosevelt on Oct. 6. The bill is an amendment to the Soldiers' and Sailors' Civil Relief Act of 1940, growing out of experience in the operation of that statute. The legislation provides in average cases for stays of court proceedings, foreclosures and evictions and for protection of private life insurance policies.

With respect to the insurance provision, the new legislation raises from \$5,000 to \$10,000 the amount of private insurance on which the Government will guarantee payment of premiums, with the insured to liquidate the unpaid premiums after his return to civilian life.

The amended bill it is understood gives men in the armed forces protection on any debts incurred prior to their induction into service, whereas, it is stated, under the old law this protection applied only to debts incurred prior to Oct. 17, 1940, and also covers endorsers and guarantors on debts of service men.

Final Congressional action on the legislation came on Sept. 28, when the House adopted a conference report, which the Senate had agreed to on Sept. 24. The House had originally passed the bill on June 18 and the Senate on July 30.

## Cotton Consumption In September Higher

Under date of October 15, 1942 the Census Bureau at Washington issued its report showing cotton consumed in the United States; cotton on hand, and active cotton spindles for the month of September.

In the month of September, 1942, cotton consumed amounted to 966,149 bales of lint and 114,537 bales of linters, as compared with 925,089 bales of lint and 122,138 bales of linters in August, 1942 and 877,971 bales of lint and 129,608 bales of linters in September, 1941.

For the two months ending with September 30, cotton consumption was 1,891,238 bales of lint and 236,675 bales of linters, against 1,750,000 bales of lint and 260,573 bales of linters in the same two months a year ago.

There were 1,812,204 bales of lint and 337,317 bales of linters on hand in consuming establishments on Sept. 30, 1942, which compares with 1,635,413 bales of lint and 445,030 bales of linters on Sept. 30, 1941.

9,724,038 bales of lint and 71,123 bales of linters were on hand in public storage and at compresses on Sept. 30, 1942, and 11,526,209 bales of lint and 79,075 bales of linters on Sept. 30, 1941.

There were 22,956,224 cotton spindles active during September, 1942 which compares with 22,977,528 active cotton spindles during September, 1941.

## War Industry Strikes In September

Man-days lost from war production by strikes in September were one-tenth of 1% of total man-days worked, the National War Labor Board announced on Oct. 19. The announcement also added:

The number of man-days lost rose from 266,353 in August to 318,892 in September. At the same time, the number of man-days worked rose from approximately 300,000,000 in August to 332,000,000 in September. The number of men involved rose from 79,414 to 80,799, while the number of strikes in progress during the month fell from 229 to 187.

The strike statistics were gathered by an interdepartmental committee on war strike statistics consisting of representatives of the War, Navy and Labor Departments, the War Production Board, the Maritime Commission, and the War Labor Board. The term "strike" is used to include all stoppages of work due to labor disputes whether strikes or lock-outs.

The following table gives a detailed picture of the strike situation as it affected war production during September, compared with August of this year:

	Sept., 1942	Aug., 1942
Man-days lost	318,892	266,353
Man-days worked (estimated)	332,000,000	300,000,000
Percentage-Time lost to time worked	1/10 of 1%	9/100 of 1%
Number of strikes in progress in month	187	229
Beginning in month	156	195
Number of men involved—		
Strikes in progress	80,799	79,414
Strikes beginning	71,912	70,352

## Lead Women's Safety Campaign

The National Council of Women of the United States has accepted an invitation by the National Safety Council to lead an intensive safety campaign among the women of the nation, it is announced by Ned H. Dearborn, Executive Vice-President of the Safety Council.

The women's safety drive will be part of the nationwide emergency safety campaign now being conducted by the National Safety Council at the direct request of President Roosevelt to stop accidents that are hindering the nation's war effort by wasting manpower, material and time vital to victory. The National Council of Women represents 20 national women's organizations with a combined membership of more than 5,000,000. An advisory committee of outstanding women leaders is being formed to direct the women's safety campaign. Its secretary will be Miss Elizabeth Hartung, of the National Safety Council staff. The women's campaign will have four specific aims, according to Mrs. Harold V. Milligan, President of the National Council of Women. They are:

1. To enlist housewives of the nation in a concerted effort to reduce home accidents through elimination of the simple factors which cause such accidents.

2. To bring about more active participation by women in community safety programs.

3. To show housewives how they can influence war workers in the household to be more safety conscious and to avoid accidents on and off the job—at work, on the highway, at home.

4. To help reach the vast army of women war workers and aid them in guarding against accidents.

## Further Anti-Inflationary Measures Needed To Immobilize Purchasing Power

Anti-inflation measures "far beyond those already taken" are necessary to prevent explosive price rises which threaten this nation's economy for 1943, the annual conference of the National Tax Association was told on Oct. 22 at Cincinnati by Roy Blough, Director of Tax Research for the Treasury Department. The price rise threat stems, he said, from the prospect that consumer purchasing power after taxes in 1943 will exceed by

more than \$40,000,000,000 the sum total of consumer goods and services which will be available at present prices. Steps to withdraw and immobilize this excess purchasing power are required, Mr. Blough explained. Speaking on the subject, "Tax Policy and the Inflation Problem: The Treasury View," Mr. Blough said in part: "The avoidance of inflation becomes a vital aim of wartime fiscal policy.

"The threat of inflation is not a bogey which has been conjured up for the purpose of scaring people. Prices have risen substantially in the past two years.

The situation for the future is more threatening.

"Income payments to individuals are currently running at the rate of about \$115,000,000,000 a year, and at present prices may rise to a level of about \$125,000,000,000 in 1943 if price and wage stabilization is successful. Federal, State and local taxes paid directly by individuals will take not more than \$15,000,000,000 of this income, leaving individuals with \$110,000,000,000 to spend or to save as they please.

"The flow of consumer goods and services, now running at the rate of about \$80,000,000,000 a year, seems bound to fall in 1943 to a level, at present prices, of at most \$70,000,000,000. This leaves the prospect in 1943 of more than \$40,000,000,000 of income in excess of goods and services at present prices. If that \$40,000,000,000 is spent, it will mean explosive price rises; to prevent such price rises, legal and illegal, the \$40,000,000,000 must not be spent. The problem is accordingly to keep the \$40,000,000,000 from being spent.

"To supplement and support voluntary saving measures far beyond those already taken will be necessary to withdraw and immobilize purchasing power.

"Compulsory saving enforced by punishing people who save less than they are directed to would be a method of immobilizing purchasing power, though perhaps a harsh one. Expenditure rationing or limitation is in effect another approach to compulsory saving. Under expenditure rationing, the total amount which an individual could spend would be limited.

"The appropriate solution would appear to be a reduction in consumer purchasing power through taxation. This is reinforced by the fact that financing through borrowing postpones the final distribution of the financial burden among the various elements of the population.

"It may be possible to administer compulsory saving or expenditure rationing, or extensive rationing of goods, without serious evasions and creation of black markets. Taxes are a surer way, since when purchasing power is withdrawn at its source the pressure to evade disappears.

"Taxes have a further advantage in the post-war period. If vast sums are borrowed during the war from consumers, or if funds are immobilized in the hands of consumers, there may be a dangerous surge of purchasing power immediately after the war.

"A tax measure that combines withdrawal of purchasing power with the immobilization of additional purchasing power is the spendings tax. . . . The taxpayer can spend if he is willing to pay the price, but he is strongly induced to postpone his spending until such time as goods once more become plentiful.

"Heavy reliance on direct taxes related to income for reaching

small taxpayers requires a reappraisal of our collection methods. It comes imperative to collect as much as possible of our taxes at the source.

"Important steps have been taken to meet the inflation problem. A large revenue measure has just been passed. The power to stabilize prices and wages has been conferred upon the President and is being exercised. Some commodities are already being rationed and others will be rationed.

"Other controls such as those on credit have been placed in effect.

"But they are not enough. Measures are required further to cut by many billions the amount of funds entering into consumer demand.

"Inflation often looks easy and taxes look hard. But at the end, inflation is the hardest way and taxes the easiest."

### The Business Man's Bookshelf

#### "The Tax Law of the State of New York"

The 1942 edition of "The Tax Law of the State of New York" has just been published by Commerce Clearing House, Inc., of Chicago and New York.

This book presents the complete text of the effective articles of Chapter 60 of the Consolidated Laws of New York as of July, 1942, together with Article 4, Secs. 130-139 of State Departments Law.

Prior effective articles, new amendments and changes are all woven together into one coordinated unit that shows just how the basic tax law of the State stands today.

A list of 1942 amendments, repeals or additions is a special helpful feature.

Authoritative—the material is reproduced from "N. Y. State—The Law," division of the CCH New York Tax Service.

The book comprises 348 pages, size 6x9 inches, and is priced at \$2.00 per copy.

#### Rand McNally Bankers Directory Published

According to figures digested from The Final 1942 Edition of Rand McNally Bankers Directory (BLUE BOOK) just published, the 15,009 commercial banks of the United States are in a far sounder condition than they were at the comparable period of World War I, and the consolidated statements for all American banks show six high points—several being all-time records.

Total banking resources of the country stand today at over \$93,000,000,000—the highest in history. Deposits also are the highest on record (\$83,861,110,000) and banks have never before held as large a total of Government bonds. Surplus is the highest since 1933, undivided profits and reserves are the highest in 10 years, while total invested funds have increased nearly \$3,000,000,000 since December, 1941 (this gain being all in Governments, both "other securities" and "loans and discounts" having decreased during the same period.)

This new edition of the Blue Book, corrected to September, 1942, contains the latest, dated

statement of every bank, broken down into 11 items—capital, surplus, undivided profits and/or reserves, deposits, other liabilities, cash, U. S. Government securities, other securities, loans and discounts, other resources, total resources and total liabilities — for easy reference and quick comparison. Each bank's personnel, directors and principal correspondents are listed, and FDIC memberships indicated. The location and personnel of all Government banking agencies are shown. Other regular features, upon which bankers have come to rely, include the officers of all bank associations, the nearest banking point to a non-bank town, a five-year list of discontinued bank titles, a selected list of investment dealers, and a list of commercial banks with total resources of \$25,000,000 and over.

For the greater convenience of Directory users, the List of Bank Recommended Attorneys is bound separately, and a copy mailed to all subscribers of the Directory.

The Blue Book also gives official personnel and statements where available of Canadian and foreign banks and bankers. Particular attention has been given to the banking institutions of Central and South America.

The current edition contains 2,558 pages, including 73 Rand McNally maps. The price is \$15.00 per copy, delivered.

#### "State Income Taxes"

"State Income Taxes," by Roy G. Blakey and Violet Johnson, has just been published by the Commerce Clearing House, Inc., of Chicago and New York.

This study, which has been revised to include 1941 legislation since it was first published in instalments in Taxes — The Tax Magazine, March-July, 1941, attempts to bring up to date the most important developments during the last 30 years and, particularly, during the last decade.

Answers to the following and other queries are to be found in this survey of the growth and trend in State taxation on income:

Does your State have the best income taxes it might have? Are they fair to individuals and business of the home State? Are they fair to individuals and corporations of other States doing business in the home State? Do these States get more or less revenue than they should from their taxes? Are the costs of administration out of line with costs in other States?

Unusually complete and informative, the text is divided into well-rounded discussions of Definition of Income; Rates and Exemptions; Special Tax Problems; Administration; Yields and Trends of Taxation, among others. Forty-three explanatory tables and graphic charts enrich and enliven the text. The book contains 162 pages, 6x9 inches, and is priced at \$3.00 per copy.

#### Farr & Co. Issues 1942 Sugar Manual

Farr & Co., 90 Wall Street, New York City, members of the New York Stock Exchange, have just issued the "1942 Manual of Sugar Companies," the 20th edition of this manual.

With a few exceptions, features of previous manuals have been continued this year in the new 190-page handbook. This includes fully revised full-page descriptions of important sugar producing and refining companies and the synopses of miscellaneous sugar companies. Information is also given of companies discontinued through organization, merger, liquidation, etc.

Among the special subjects treated in the new edition are United States Sugar Control, with outline of the Sugar Act of 1937 and Amended Acts, Sugar Quotas of 1941, Ceiling Prices and Rationing in 1942, etc.; historical and descriptive sketches of the beet sugar industry of the United

States (with complete list of factories), and the cane sugar industries of Louisiana (also listing factories), Puerto Rico and the Dominion Republic, with complete lists of active sugar centrals showing ownership and four-year production records; sketch of the sugar industry of the British West Indies with factories listed; also a description of the Hawaiian sugar industry with tables of yields and comparative five-year statistics of leading companies. The tabulation of active Cuban sugar centrals shows individual production records for three years and original quotas for the 1941-42 crop, publication of the actual production for this year's crop now being prohibited by Cuban law.

As far as possible, the usual statistical tables are continued, covering production, yields, prices, consumption, etc.

Copies of the manual may be obtained from Farr & Co. The price is \$1.00 per copy, postpaid.

#### "Dominion of Canada Income War Tax Act"

The 1942 edition of "Dominion of Canada Income War Tax" has just been published by Commerce Clearing House, Inc., Chicago and New York.

This book contains vitally important tax changes recently enacted by the Dominion Parliament. Included were amendments providing for substantially increased income and excess profits tax rates.

Broader taxes on non-residents, additional requirements as to withholding at the source, new requirements as to payments, and carryover of business losses for previous years were among the new developments in the 1942 tax program.

All pertinent laws, as amended, are reproduced in this new 1942 edition, together with carefully edited annotations that explain how, in terms of taxation periods past and present, the law applies. Special tables show deductions at source to be made by all employers from salaries and wages. Indexed.

The book has 170 pages, size 6x9 inches, and is priced at \$1.00 per copy.

## 'Alien Enemy' Label Lifted From Italians

Attorney General Francis Biddle announced on Oct. 12 that, beginning Oct. 19, the 600,000 Italian aliens in the United States will no longer be classed as alien enemies.

Speaking at a Columbus Day celebration in New York City, Mr. Biddle said that ten months of an unprecedented exercise of wartime vigilance has proved that, "with a very few exceptions, these 600,000 Italian 'alien enemies' were not enemies at all." He revealed that out of the total of 600,000 persons, there had been cause to intern only 228, or fewer than one-twentieth of 1%.

The Attorney General stated: "The test of time, of actual performance, was essential. We wanted proof. We were right in requiring it. But now the proof has been given; and the stigma of 'alien enemy' would be unfortunate from now on, not only in name; if continued against the Italian population of this country, it would be 'unfortunate in deed.'"

Mr. Biddle explained that removing the label of alien enemy from Italians "does not mean that dangerous or disloyal persons are no longer subject to apprehension or internment. We still will take no chances."

He further stated: "It does mean that the regulations applying, up to now, to alien enemies no longer apply to Italian aliens. Those persons, though they are still aliens, are not, from this time forth, subject to the restrictions imposed by existing regulations

on alien enemies. They will be free to travel and go about their lives as any other person.

"I wish to emphasize that in thus removing the label of alien enemy from Italians, we do not forget that there are other loyal persons now classed as alien enemies. Their situation is now being carefully and sympathetically studied by the Department of Justice."

Mr. Biddle also disclosed that he had recommended enactment of a bill now under consideration in Congress which would grant to an alien, otherwise eligible, citizenship without taking the literacy test—provided he is 50 years of age or older and provided that he came to this country before July 1, 1924, and has lived here continuously since.

"This measure would, I think," he added "remove the greatest single difficulty that has stood in the way of citizenship for a large number of the older generations of Italians, who, in all other respects, have made this country their own," Mr. Biddle said. "Some 200,000 Italians would be affected by this new law."

## Ass'n Of S. E. Firms Renames Governors

The nominating committee of the Association of Stock Exchange Firms has renominated the 13 Governors of the Association whose terms expire this year, proposed two members to fill vacancies in the Board, and has also nominated a successor nominating committee. The following slate has been distributed to members of the Association Oct. 21, and will be balloted upon at the annual election on Nov. 16:

For the Board of Governors, to Serve for Three Years: Frank E. Baker, Baker, Weeks & Harden, Philadelphia; Eugene Barry, Shields & Co., New York; Herbert F. Boynton, F. S. Moseley & Co., New York; Richard P. Dunn, Auchincloss, Parker & Redpath, Washington; William J. Fleming, A. E. Masten & Co., Pittsburgh; William B. Haffner, Wilcox & Co., New York; Randal H. Macdonald, Dominick & Dominick, New York; Winthrop H. Smith, Merrill Lynch, Pierce, Fenner & Beane, New York.

To Serve for Two Years: Gilbert U. Burdett, Laidlaw & Co., New York.

To Serve for One Year: Sidney J. Adams, Paul Brown & Co., St. Louis; Albert P. Everts, Paine, Webber, Jackson & Curtis, Boston; George T. Purves, Graham, Parsons & Co., New York; Archie M. Reid, Carlisle & Jacquelin, New York; and to fill two vacancies:

To Serve for Three Years: John W. Watling, Watling, Lerchen & Co., Detroit, and John Witter, Dean Witter & Co., San Francisco.

Nominees for the New Nominating Committee: Charles W. Baker, Jr., Laird, Bissell & Meeds, Wilmington; Paul H. Davis, Paul H. Davis & Co., Chicago; Albert H. Gordon, Kidder, Peabody & Co., New York; Laurence M. Marks, Laurence M. Marks & Co., New York; Frank C. Trubee, Jr., Trubee, Collins & Co., Buffalo.

M. Donald Grant, of Fahnstock & Co., is Chairman of the present nominating committee. Other members are James M. Hutton, Jr., John C. Legg, Jr., and Joseph A. Rushton. In submitting its slate, the Committee stated:

"There were several reasons for renominating the present group of Governors, the most important of which was the splendid work they have done during the past year. Furthermore, since all of them had served only one year or less, the Committee felt that the Association could best be served by returning them to office, particularly in view of the fact that the Association has been in existence for only one year in its reorganized form."

## Willkie Calls For New Fronts In Europe And Asia Urges Greater Aid To Allies & Defining War Aims

(Continued from page 1548)

dence in each other which we will need to win the peace.

"There will be lots of tough problems. And they will differ in different mandates, different colonies. Not all the peoples of the world are ready for freedom, or can defend it, the day after tomorrow. But today they all want some date to work toward, some guarantee that the date will be kept. For the future, they do not ask that we solve their problems for them. They are neither so foolish nor so faint-hearted. They ask only for the chance to solve their own problems with economic as well as political cooperation. For the peoples of the world intend to be free not only for their political satisfaction but, also, for their economic advancement.

"Now there are other holes that we are blindly punching in our reservoir of goodwill which can be more easily repaired. One of them is the half-ignorant, half-patronizing way in which we have grown accustomed to treat many of the peoples in Eastern Europe and Asia.

"The rulers of our allies and our potential allies are proud and intelligent men. The Shah of Iran, the Prime Minister of Iraq, the Prime Minister or the Foreign Minister of Turkey, the Generalissimo of China—to mention just a few—are men who understand the world and who have important ideas about the future. They are in substantial agreement, for example, as to the necessity of abolishing imperialism, of liberating the peoples of the world, of making freedom a reality, instead of just a nice word.

"They feel unanimously, I think, that the United States can, and must, make an enormous contribution to the new solutions. They are able and eager to work with representatives of the United States, and to begin now.

"But consider our policy. We have consistently failed to send to these men representatives with authority to discuss such problems intelligently and to take realistic steps toward their solution.

"One of our representatives to a great power, for example, although he has worked for more than 20 years in the country where he is stationed, has not troubled to learn the language of a proud and sensitive people to which he is accredited. On our special missions to Russia no one of Cabinet rank has been sent from this country to talk to Mr. Stalin. It was the British Prime Minister who primarily spoke for us on the last such mission. Between Cairo and Teheran live the Arab-speaking peoples, in half a dozen lands, with great traditions and great futures. Yet, when I was there, we had in all this area no Minister or Ambassador in residence.

"We must wipe out the distinction in our minds between 'first-class' and 'second-class' allies. We must send to represent us among all our allies really distinguished men who are important enough in their own right to dare tell our President the truth.

"There is one more leak in our reservoir of good-will which I must report to you. It can be plugged, I believe, by resolute and aggressive action by the people of democratic nations, and especially of the United States. This is the atrophy of intelligence which is produced by stupid, arbitrary or undemocratic censorship.

"It has been suggested much of late, for example, that private citizens, particularly those not expert in military affairs or those unconnected with government, should refrain from making suggestions about the conduct of the war—military, industrial, economic or polit-

ical. It is said that we must remain silent and allow our leaders and the experts to solve these problems unmolested.

"This position threatens, I believe, to become a tight wall which will keep the truth out and lock misrepresentation and false security within. Now I have reported to you tonight that in many important respects we are not doing a good job; that we are on the road, perhaps, to winning the war, but that we run a heavy risk of spending far more in men and materials than we need to spend. This report is based on facts. Such facts should not be censored. They should be given to all of us. For unless we recognize and correct them, we may lose the friendship of half of our allies before the war is over and then lose the peace.

"It is plain that to win this war we must make it our war, the war of all of us. In order to do this we must all know as much about it as possible, subject only to the needs of military security. A misdirected censorship will not accomplish this.

"You all recall that France had a military leader by the name of Maginot. When a far-sighted citizen of France occasionally suggested that perhaps conditions of modern warfare were such that fortresses built underground would not be adequate against airplanes and tanks, he was reminded that he should leave such matters to the experts.

"The record of this war to date is not such as to inspire in us any sublime faith in the infallibility of our military and naval experts. Now let's have no more of this nonsense. Military experts, as well as our leaders, must be constantly exposed to democracy's greatest driving power—the whirlwind of public opinion, developed from honest, free discussion. Men with great power usually like to live free of criticism. But when they get that way, that's the time to increase the criticism.

"For instance, it was public criticism of the constant failures in North Africa that brought about a change of command there. When I was in Egypt, that new command stopped Rommel. It has now begun aggressive fighting. I hope our aid to this action will be adequate and prompt, so that Britain and America will be able to eliminate Rommel, free North Africa from Axis domination and begin an assault on the soft spots of Southern Europe.

"I reiterate: We and our allies must establish a second fighting front in Europe. I also hope that shortly we can put the considerable force in India to aggressive use in an all-out attack on Burma, as General Wavell has urged. Thus we will relieve the pressure of our enemies on China and on Russia, those two superb fighting Allies.

"Now I have tried to outline to you the major conclusions of a trip around the world, in the middle of the war. I have told you of our greatest asset, our reservoir of good-will, and I have told you of the holes we have punched in that reservoir. I have told you of certain real accomplishments and I have also told you that in many respects we are not doing a good job. You may well ask—What does it all add up to? I will try to state it briefly.

"I believe that in a military sense we can win this war. I believe we have the resources, the manpower and the courage to do so. But a victory from a military standpoint, as such, will not be enough.

"Now, I have a son in the service, as so many of you have. And when I set this boy of mine against the background of what I have seen all over the world, I am absolutely positive that a military

victory will not be enough. The total defeat of the Japanese warlords and the total crushing of the German army could not in themselves solve the problems of this great, tumultuous earth. We must fight our way through not alone to the destruction of our enemies but to a new world idea. We must win the peace.

"But to win that peace three things seem to me necessary—first, we must plan now for peace on a global basis; second, the world must be free, economically and politically, for nations and for men that peace may exist in it; third, America must play an active, a constructive part in freeing it and keeping its peace.

"When I say that peace must be planned on a global basis, I mean quite literally that it must embrace the earth. Continents and oceans are plainly only parts of a whole, seen, as I have just seen them, from the air. Russia and China, Egypt, Syria and Turkey, Iraq and Iran are also parts. And it is inescapable that there can be no peace for any part of the world unless the foundations of peace are made secure throughout all the parts of the world.

"When I say that in order to have peace this world must be free, I am only reporting that a great process has started which no man—certainly not Hitler—can stop. Men and women all over the world are on the march, physically, intellectually and spiritually. After centuries of ignorant and dull compliance hundreds of millions of people in Eastern Europe and Asia have opened the books. Old fears no longer frighten them. They are no longer willing to be Eastern slaves for Western profits. They are beginning to know that men's welfare throughout the world is interdependent. They are resolved, as we must be, that there is no more place for imperialism within their own society than in the society of nations. The big house on the hill surrounded by mud huts has lost its awesome charm.

"Our Western world and our presumed supremacy are now on trial. Our boasting and our big talk leave Asia cold. Men and women in Russia and China and in the Middle East are conscious now of their own potential strength. They are coming to know that many of the decisions about the future of the world lie in their hands. And they intend that these decisions shall leave the peoples of each nation free from foreign domination; free for economic, social and spiritual growth.

"Finally, when I say that this world demands the full participation of a self-confident America, I am only passing on an invitation which these people of the East have given us. They would like the United States to be one of their partners in this grand adventure. They want us to join them in creating a new society, global in scope, free alike of the economic injustices of the West and the political malpractices of the East. But as a partner in that great new combination they want us neither hesitant, incompetent nor afraid. They want a partner who will not hesitate to speak out for the correction of injustice anywhere in the world.

"Our Allies in the East know that we intend to pour out our resources in this war. But they expect us now—not after the war—to use the enormous power of our giving to promote liberty and justice. Other peoples, not yet fighting, are waiting no less eagerly for us to accept the most challenging opportunity of all history—the chance to help create a new society in which men and women the globe around can live and grow invigorated by freedom."

## From Washington

(Continued from First Page)

A few years ago, I suggested to a group of New York industrialists that the Conservatives needed a good rabble rouser like Gerald L. K. Smith. The trouble with the Conservatives, I said, was that they are conservative in their speech just as they are in political philosophy. Consequently they had no chance with the radical demagogues.

Whether I had anything to do with what subsequently happened, I don't know, but presently Gerald L. K. Smith bobbed up in turbulent Michigan and began operating as the offset to the CIO. He joined the Republican Party and rapidly gave it that "vigor" which it so sadly lacks. He developed to be one of the most effective anti-New Deal mouthpieces in the country.

Gerald did so well, built up such a following that he never lacked for finances and there are pretty authenticated stories as to their source. When the primaries came along this year, Gerald decided he wanted to be the Republican Senatorial nominee. It almost frightened the Republicans to death. They liked the job he was doing on the New Deal, but to have him as their Senatorial standard bearer was just too much. They searched around and pressed Judge Homer Ferguson, Detroit's Tom Dewey, a very high caliber man, into the race. He had little or no trouble in defeating Gerald, and the Republicans thought that was that. But Gerald, now determined to make the Republicans "accept" him, take him into their homes, so to speak, is conducting a sticker campaign. He is leveling his constant barrage at Ferguson. He threatens the Judge's defeat. The same influences that launched him upon his Michigan career have tried unsuccessfully to get him out of the race. No luck.

Those purge boys who were going to read the pre-Pearl Harbor isolationists out of existence would undoubtedly be amazed at the campaign in Michigan. The term "isolationist" is never heard. Instead of there being any accusations against the isolationists, their opponents are afraid to even identify them because it would help, rather than hurt them. Particularly is this true in the race between Judge Ferguson and the New Deal incumbent, Prentiss M. Brown. Michigan is looked upon as a Republican State; it even went for Willkie. Brown's chance for reelection lies in his contention that he has not gone along with the New Deal, that he has at times asserted his independence. Many business men are accepting him on that score. The Judge's job is to tie him up with the New Deal. If he presses Brown to give instances of his independence, Brown very likely would cite the fact that he voted against the draft, or more to the point, that he voted against the extension of the draft. Yet he now wants to go back to Washington to see that Roosevelt doesn't suffer the fate of Woodrow Wilson in the peace making. He is on utterly untenable ground, of course, but Judge Ferguson can't very well develop this without emphasizing that Brown voted against the draft and its extension. This would help him. Funny thing about it, is that the Judge was a pre-Pearl Harbor internationalist. He was active in the Foreign Policy Association.

The isolationist issue has certainly taken a queer turn in Michigan.

Senator Millard Tydings of Maryland, after a thorough investigation, insists that if he were permitted to clean up Washington he could get an army of 15 divisions, 150,000 men, from the countless bureaus.

## OPA Extending Rent Control To New Areas

The Office of Price Administration has extended its rent control program to 97 more defense-rental areas, affecting 20,000,000 persons, extending across the entire nation and including Alaska. The orders, effective Nov. 1, will bring under Federal control the residential rents in every large city except New York.

In 96 of the newly-affected areas, rents were ordered cut back to the levels which prevailed last March 1, and in the other one—Orlando, Fla., where a March 1 date would have put rents at the height of the winter tourist season—the maximum rent date was moved back to Oct. 1, 1941.

The latest action brings under the rent control program such cities as Los Angeles, Cincinnati, Boston, Syracuse, Minneapolis, St. Paul, Wilmington, Knoxville, Providence, Ft. Worth, Dallas, Houston, Baton Rouge, Toledo and Harrisburg.

With regard to New York City, Price Administrator Leon Henderson said:

"In the metropolitan area of New York there still exists a percentage of vacancies of residential dwelling units. However, that does not mean that the residents of the nation's largest city are not entitled to protection against increases which may take place or has taken place since March 1, 1942.

"A survey of rental conditions in the New York area is now under way. In addition, we are giving consideration to the development of administrative techniques which will extend the protection of rent regulation to New York, even though a substantial number of vacancies in the house market still prevail.

"Meantime, I call upon all landlords to comply with the provisions of the rent declaration and maintain or reduce rents at the March 1 level."

Mr. Henderson further said:

"Legal control of rents and complete stoppage of unwarranted evictions will be in effect for over half the nation's entire population by Nov. 1. This control in reality will be in effect for nearly all of America's urban population and contiguous rural communities within the area. And just as rapidly as we can, and as funds are made available to the program, we will continue to extend rent control throughout the country."

The OPA issued a blanket order on Oct. 5 designating the entire nation as a defense-rental area in accordance with President Roosevelt's anti-inflation program (reported in these columns Oct. 15, page 1359). Nationwide rent control under the Price Control Bill becomes effective 60 days after issuance of the order, or Dec. 5.

## Independent Labor Group Organized

The Confederated Unions of America, national labor organization composed of independent unions, was recently formed at a convention in Chicago. The new federation is said to oppose certain policies of the Congress of Industrial Organization and the American Federation of Labor.

According to Chicago advices Oct. 3 to the New York "Herald Tribune," announcement was made by Matthew Smith, of Detroit, Secretary of the Mechanics Education Society of America, that the Brotherhood of Welders, Cutters and Helpers, an independent union claiming 28,000 members, has become an affiliate of the new organization. The welders sent representatives to the Oct. 2 preliminary session as observers, but these became delegates Oct. 3.

### Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES\*  
(Based on Average Yields)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Oct. 27	117.38	107.44	117.00	114.08	108.52	92.50	97.31	111.81	114.27
26	117.38	107.44	117.00	114.08	108.52	92.64	97.31	111.81	114.27
24	117.38	107.44	117.00	114.08	108.70	92.64	97.31	111.81	114.46
23	117.38	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.27
22	117.40	107.44	117.00	114.08	108.70	92.64	97.31	111.81	114.46
21	117.40	107.44	117.00	114.08	108.70	92.64	97.31	111.81	114.46
20	117.40	107.44	117.00	114.08	108.70	92.64	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
18	117.37	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	107.62	117.00	114.08	108.70	92.64	97.47	111.81	114.46
13	117.37	107.62	117.00	114.08	108.70	92.64	97.47	111.81	114.46
12									
10	117.36	107.62	117.00	114.08	108.70	92.64	97.47	111.81	114.46
9	117.38	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
8	117.38	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
7	117.33	107.44	117.00	114.08	108.70	92.35	97.31	111.81	114.46
6	117.30	107.44	117.00	114.08	108.70	92.35	97.31	111.81	114.27
5	117.40	107.27	117.00	113.89	108.70	92.20	97.16	111.62	114.27
4	117.39	107.27	117.00	113.89	108.52	92.35	97.16	111.81	114.27
3	117.39	107.27	117.00	113.89	108.52	92.35	97.16	111.81	114.27
2	117.39	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	113.50	108.16	91.77	96.07	111.44	114.27
24	118.22	106.74	116.61	113.31	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	113.31	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. 27, 1941	119.92	108.16	118.40	115.82	109.42	91.91	97.31	112.19	116.02
2 Years ago									
Oct. 26, 1940	116.92	105.00	117.40	113.12	104.83	88.27	94.12	109.79	112.37

MOODY'S BOND YIELD AVERAGES\*  
(Based on Individual Closing Prices)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Oct. 27	2.05	3.31	2.80	2.85	3.25	4.24	3.92	3.07	2.94
26	2.05	3.31	2.80	2.85	3.25	4.23	3.92	3.07	2.94
24	2.05	3.31	2.80	2.85	3.24	4.23	3.91	3.07	2.93
23	2.05	3.31	2.80	2.85	3.24	4.23	3.92	3.07	2.94
22	2.05	3.31	2.80	2.85	3.24	4.23	3.92	3.07	2.93
21	2.05	3.31	2.80	2.85	3.24	4.23	3.92	3.07	2.93
20	2.05	3.31	2.80	2.85	3.24	4.23	3.92	3.07	2.93
19	2.05	3.31	2.80	2.85	3.24	4.24	3.92	3.07	2.93
18	2.05	3.31	2.80	2.85	3.24	4.24	3.92	3.07	2.93
17	2.05	3.31	2.80	2.85	3.24	4.24	3.92	3.07	2.93
16	2.05	3.31	2.80	2.85	3.24	4.24	3.92	3.07	2.93
15	2.05	3.31	2.80	2.85	3.24	4.24	3.92	3.07	2.93
14	2.05	3.31	2.80	2.85	3.24	4.23	3.91	3.07	2.93
13	2.05	3.30	2.80	2.85	3.24	4.23	3.91	3.07	2.93
12									
10	2.05	3.30	2.79	2.85	3.24	4.23	3.91	3.07	2.93
9	2.05	3.31	2.79	2.85	3.24	4.24	3.92	3.07	2.93
8	2.05	3.31	2.79	2.85	3.24	4.24	3.92	3.07	2.93
7	2.06	3.31	2.79	2.85	3.24	4.25	3.92	3.07	2.93
6	2.06	3.31	2.80	2.85	3.24	4.25	3.92	3.07	2.94
5	2.05	3.32	2.80	2.86	3.24	4.26	3.93	3.08	2.94
4	2.05	3.32	2.80	2.86	3.25	4.25	3.93	3.08	2.94
3	2.05	3.32	2.80	2.86	3.25	4.25	3.93	3.07	2.94
2	2.05	3.32	2.80	2.86	3.25	4.25	3.93	3.07	2.94
1	2.05	3.32	2.80	2.86	3.25	4.25	3.93	3.08	2.94
Sep 25	2.04	3.32	2.80	2.86	3.24	4.27	3.94	3.08	2.95
18	2.03	3.32	2.80	2.87	3.25	4.27	3.95	3.07	2.95
11	2.03	3.33	2.81	2.88	3.26	4.27	3.96	3.07	2.96
4	2.03	3.33	2.80	2.89	3.26	4.27	3.97	3.08	2.95
Aug 28	2.03	3.34	2.81	2.89	3.27	4.27	3.97	3.08	2.95
21	2.02	3.34	2.81	2.89	3.27	4.27	3.98	3.09	2.95
14	2.02	3.34	2.81	2.89	3.27	4.28	3.99	3.09	2.95
7	2.02	3.34	2.82	3.00	3.27	4.28	3.99	3.09	2.94
July 31	2.01	3.34	2.83	2.98	3.27	4.29	4.00	3.09	2.94
24	2.00	3.35	2.82	2.99	3.28	4.29	4.01	3.08	2.95
17	1.99	3.35	2.83	3.00	3.28	4.30	4.02	3.09	2.94
10	1.98	3.35	2.83	2.99	3.29	4.30	4.02	3.10	2.95
3	1.98	3.36	2.84	3.00	3.28	4.32	4.02	3.10	2.96
June 26	1.96	3.37	2.84	3.01	3.29	4.34	4.04	3.12	2.96
May 29	1.95	3.37	2.85	3.01	3.31	4.29	4.00	3.13	2.97
Apr. 24	1.99	3.35	2.84	3.00	3.30	4.27	3.96	3.13	2.97
Mar. 27	1.96	3.35	2.84	2.98	3.30	4.28	3.94	3.15	2.98
Feb. 27	2.11	3.37	2.87	2.99	3.30	4.30	3.95	3.16	2.99
Jan. 30	2.05	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.95	3.24	4.23	3.91	3.07	2.93
High 1941	2.13	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	1.84	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.93
1 Year ago									
Oct. 27, 1941	1.85	3.27	2.73	2.86	3.20	4.28	3.92	3.05	2.85
2 Years ago									
Oct. 26, 1940	2.10	3.45	2.78	3.00	3.46	4.54	4.13	3.18	3.04

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

†The latest complete list of bonds used in computing these indexes was published in the issue of Sept. 17, 1942, page 995.

### Electric Output For Week Ended Oct. 24, 1942 Shows 12.3% 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. 24, 1942, was 3,752,571,000 kwh., which compares with 3,340,768,000 kwh. in the corresponding week last year, an increase of 12.3%. The output for the week ended Oct. 17, 1942, was 12.2% in excess of the similar period in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended			
	Oct. 24	Oct. 17	Oct. 10	Oct. 3
New England	4.1	5.5	1.0	1.4
Middle Atlantic	5.6	6.2	2.1	4.2
Central Industrial	7.9	10.2	6.2	6.3
West Central	10.6	10.9	10.8	10.2
Southern States	17.6	17.6	15.6	15.3
Rocky Mountain	13.1	8.9	8.4	9.0
Pacific Coast	30.7	28.1	30.8	29.1
Total United States	12.3	12.2	10.3	10.6

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change				
			1942 over 1941	1940	1932	1929	
July 4	3,424,188	2,903,727	+17.9	2,425,229	1,341,730	1,592,075	
July 11	3,428,918	3,178,054	+7.9	2,651			

### Federal Reserve September Business Indexes

The Board of Governors of the Federal Reserve System issued on Oct. 23 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time the Board made available its customary summary of business conditions. The indexes for September, together with comparisons for a month and a year ago, are as follows:

	BUSINESS INDEXES					
	1935-39 average = 100 for industrial production and freight-car loadings; 1923-25 average = 100 for all other series					
	Adjusted for Seasonal Variation—		Without Seasonal Adjustment—			
	Sept. 1942	Aug. 1942	Sept. 1941	Sept. 1942	Aug. 1942	Sept. 1941
Industrial production—						
Total	1185	183	161	1191	187	167
Manufactures—						
Total	1195	192	166	1201	196	172
Durable	1263	257	202	1265	260	205
Nondurable	1140	140	137	1149	144	145
Minerals	1130	133	131	1137	136	138
Construction contracts, value—						
Total	1172	182	161	1173	194	162
Residential	165	65	105	165	64	105
All other	1259	278	206	1262	300	208
Factory employment—						
Total	145.0	132.3	145.9	135.2	142.1	142.1
Durable goods	165.7	141.3	165.4	142.1	142.1	142.1
Nondurable goods	125.2	123.8	125.2	123.8	123.8	123.8
Factory payrolls—						
Total	214.7	162.6	214.7	162.6	162.6	162.6
Durable goods	266.7	183.3	266.7	183.3	183.3	183.3
Nondurable goods	156.6	139.5	156.6	139.5	139.5	139.5
Freight-car loadings	136	143	130	152	144	145
Department store sales, value	123	130	116	133	103	125
Department store stocks, value	1135	92	1130	95	95	95

†Preliminary or estimated. ‡Revised. \*Data not yet available.  
Note—Production, cartloadings, and department store sales indexes based on daily averages. To convert durable manufactures, non-durable manufactures and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, non-durable by .469, and minerals by .152.

Construction contract indexes based on three-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by \$410,269,000, residential by \$184,137,000, and all other by \$226,132,000.

Employment index, without seasonal adjustment, and payrolls index compiled by Bureau of Labor Statistics.

#### INDUSTRIAL PRODUCTION (1935-39 average = 100)

	Adjusted for Seasonal Variation—						Without Seasonal Adjustment—					
	Sept. 1942		Aug. 1942		Sept. 1941		Sept. 1942		Aug. 1942		Sept. 1941	
Manufactures—	1942	1942	1941	1942	1942	1941	1942	1942	1941	1942	1942	1941
Steel	219	2218	2200	219	2218	2200	219	2218	2200	219	2218	2200
Open hearth and Bessemer	179	1177	1174	179	1177	1174	179	1177	1174	179	1177	1174
Electric	503	3507	3388	503	3507	3388	503	3507	3388	503	3507	3388
Machinery	305	299	228	305	299	228	305	299	228	305	299	228
Transportation equipment	481	460	245	481	460	245	481	460	245	481	460	245
Non-ferrous metals & products	190	189	192	190	189	191	190	189	191	190	189	191
Lumber and products	123	127	136	123	127	136	123	127	136	123	127	136
Lumber	119	125	129	119	125	129	119	125	129	119	125	129
Furniture	132	132	149	132	132	149	132	132	149	132	132	149
Stone, clay, & glass products	139	139	157	139	139	157	139	139	157	139	139	157
Cement	167	160	154	167	160	154	167	160	154	167	160	154
Polished plate glass	38	36	120	38	36	120	38	36	120	38	36	120
Textiles and products	155	153	151	155	153	151	155	153	151	155	153	151
Cotton consumption	172	169	157	172	169	157	172	169	157	172	169	157
Rayon deliveries	169	168	168	169	168	168	169	168	168	169	168	168
Wool textiles	153	153	169	153	153	169	153	153	169	153	153	169
Leather products	105	108	120	105	108	120	105	108	120	105	108	120
Tanning	115	115	125	115	115	125	115	115	125	115	115	125
Cattle hide leathers	139	139	136	139	139	136	139	139	136	139	139	136
Calf and kip leathers	95	95	101	95	95	101	95	95	101	95	95	101
Goat and kid leathers	71	71	115	71	71	115	71	71	115	71	71	115
Shoes	99	103	118	99	103	118	99	103	118	99	103	118
Manufactured food products	148	144	130	148	144	130	148	144	130	148	144	130
Wheat flour	101	105	99	101	105	99	101	105	99	101	105	99
Meat packing	165	153	126	165	153	126	165	153	126	165	153	126
Other manufactured foods	151	146	132	151	146	132	151	146	132	151	146	132
Tobacco products	133	130	121	133	130	121	133	130	121	133	130	121
Cigars	107	112	104	107	112	104	107	112	104	107	112	104
Cigarettes	159	152	137	159	152	137	159	152	137	159	152	137
Manufactured tobacco & snuff	91	88	99	91	88	99	91	88	99	91	88	99
Paper and products	131	131	144	131	131	144	131	131	144	131	131	144
Paperboard	123	121	158	123	121	158	123	121	158	123	121	158
Newsprint production	106	108	107	106	108	107	106	108	107	106	108	107
Printing and publishing	107	110	125	107	110	125	107	110	125	107	110	125
Newsprint consumption	101	108	105	101	108	105	101	108	105	101	108	105
Petroleum and coal products	120	120	122	120	120	122	120	120	122	120	120	122
Petroleum refining	113	113	128	113	113	128	113	113	128	113	113	128
Gasoline	106	106	130	106	106	130	106	106	130	106	106	130
Fuel oil	133	133	124	133	133	124	133	133	124	133	133	124
Lubricating oil	117	117	130	117	117	130	117	117	130	117	117	130
Kerosene	106	106	119	106	106	119	106	106	119	106	106	119
Coke	165	165	153	165	165	153	165	165	153	165	165	153
Byproduct	156	155	145	156	155	145	156	155	145	156	155	145
Beehive	497	504	449	497	504	449	497	504	449	497	504	449
Chemicals	172	173	146	172	173	146	172	173	146	172	173	146
Minerals	127	129	129	127	129	129	127	129	129	127	129	129
Fuels	144	152	141	144	152	141	144	152	141	144	152	141
Bituminous coal	134	160	132	134	160	132	134	160	132	134	160	132
Anthracite	119	118	124	119	118	124	119	118	124	119	118	124
Crude petroleum	153	153	145	153	153	145	153	153	145	153	153	145
Metals	240	240	192	240	240	192	240	240	192	240	240	192
Iron ore	135	154	133	135	154	133	135	154	133	135	154	133

#### FREIGHT-CAR LOADINGS (1935-39 average = 100)

	1942		1941		1940	
	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.
Coal	135	154	133	142	136	140
Coke	188	208	176	184	175	172
Grain	126	106	111	139	129	122
Livestock	102	106	84	135	100	111
Forest products	154	165	140	167	173	151
Ore	174	176	149	304	308	261
Miscellaneous	146	152	135	162	152	150
Merchandise, l.c.l.	57	57	97	57	57	102

\*Data not yet available. †Preliminary or estimated. ‡Revised.  
In computing daily average output for these series the use of all holiday allowances has been discontinued beginning with September, 1941, and the bases for the indexes changed accordingly. Revised figures for 1941 and 1942 will be published in the November issue of the Federal Reserve Bulletin.  
Note—To convert coal and miscellaneous indexes to points in total index, shown in the Federal Reserve Chart Book, multiply coal by .213 and miscellaneous by .548.

respectively, than in the 1941 week, and in the preceding week. The report also said:

The current week's construction brings 1942 volume to \$8,221,303,000, an increase of 60% over the 43-week period in 1941. Private work, \$504,294,000, declines 51% from last year, but public work, \$7,717,009,000, is 87% higher than a year ago as a result of the 136% gain in Federal work.

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

	Oct. 23, '41	Oct. 15, '42	Oct. 22, '42
Total Construction	\$70,326,000	\$157,526,000	\$87,995,000
Private Construction	15,931,000	4,963,000	4,425,000
Public Construction	54,395,000	152,563,000	83,570,000
State and Municipal	20,730,000	8,727,000	3,335,000
Federal	33,665,000	143,836,000	80,235,000

In the classified construction groups, gains over the 1941 week are in waterworks, sewerage, public buildings, and unclassified construction. Increases over last week are in waterworks, sewerage, bridges, industrial buildings, and earthwork and drainage. Subtotals for the week in each class of construction are: waterworks, \$2,472,000; sewerage, \$2,675,000; bridges, \$719,000; industrial buildings, \$1,646,000; commercial buildings, \$2,779,000; public buildings, \$54,437,000; earthwork and drainage, \$3,411,000; streets and roads, \$7,367,000; and unclassified construction, \$12,489,000.

New capital for construction purposes for the week totals \$21,178,000, an increase of 1% over the volume for the week last year. The week's new financing volume is made up of \$20,178,000 in State and municipal bond sales, and \$1,000,000 in RFC loans for public construction.

New construction financing for the year to date, \$9,554,598,000, is 61% above the \$5,930,530,000 reported for the 43-week period in 1941.

### Cotton Ginned From Crop Of '42 Prior to Oct. 18

The Census report issued on Oct. 26, compiled from the individual returns of the ginners is shown below:

Number of bales of cotton ginned from the growth of 1942 prior to Oct. 18, 1942, and comparative statistics to the corresponding date in 1941 and 1940 (running bales, counting round as half bales and excluding linters):

State—	1942	1941	1940
United States	*8,183,839	*6,857,017	*7,027,189
Alabama	727,057	668,877	449,650
Arizona	28,259	54,944	48,735
Arkansas	964,274	1,026,405	691,812
California	32,982	66,022	212,452
Florida	13,724	13,770	16,479
Georgia	685,586	532,039	728,511
Illinois	2,579	3,983	1,096
Kentucky	10,018	12,344	3,584
Louisiana	495,786	277,594	343,610
Mississippi	1,457,609	1,197,129	667,063
Missouri	289,069	357,076	150,910
New Mexico	24,585	17,798	30,208
North Carolina	396,857	397,231	399,799
Oklahoma	332,768		

### Daily Average Crude Oil Production For Week Ended Oct. 17, 1942 Shows Gains of 45,500 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Oct. 17, 1942, was 3,902,250 barrels, an increase of 45,500 barrels over the preceding week, but when compared with the same period last year showed a decline of 208,300 barrels. The current figure also was 163,950 barrels below the daily average figure for the month of October, 1942, recommended by the Office of Petroleum Coordinator. Daily production for the four weeks ended Oct. 17, 1942, averaged 3,838,150 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, 3,709,000 barrels of crude oil daily during the week ended Oct. 17, 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, 78,956,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 11,227,000 barrels during the week ended Oct. 17, 1942.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

District	O.P.C. Recommendations October	State Allowables Beginning Oct. 1	Actual Production—			
			Week Ended Oct. 17 1942	Change From Previous Week	4 Weeks Ended Oct. 17 1942	Week Ended Oct. 18 1941
Oklahoma	417,000	417,000	364,800	+ 1,050	366,200	418,100
Kansas	294,000	294,000	302,900	+ 26,600	289,700	259,800
Nebraska	3,500		3,500	+ 150	3,350	5,700
Panhandle Texas			85,300	+ 100	85,100	80,400
North Texas			140,000		139,250	135,750
West Texas			209,000	+ 3,000	203,800	282,850
East Central Texas			91,000	+ 600	87,400	85,450
East Texas			362,000		344,850	369,900
Southwest Texas			165,400	+ 3,700	158,950	219,350
Coastal Texas			311,000	+ 7,000	305,800	292,000
Total Texas	1,407,600	1,455,261	1,363,700	+ 14,400	1,325,150	1,465,700
North Louisiana			97,500	— 200	98,100	80,150
Coastal Louisiana			229,000	+ 1,000	228,900	265,350
Total Louisiana	337,200	349,200	326,500	+ 800	327,000	345,500
Arkansas	79,500	73,461	73,250	— 150	73,350	71,850
Mississippi	50,000		69,850	+ 1,100	71,350	64,200
Illinois	280,000		258,300	— 13,700	264,900	420,100
Indiana	19,000		116,550	— 1,400	17,150	18,650
Eastern (not incl. Ill. and Indiana)	107,400		96,650	+ 3,050	96,150	94,300
Michigan	65,700		65,900	+ 4,100	63,250	59,200
Wyoming	50,800		90,850	+ 750	92,500	85,500
Montana	24,400		21,550	— 250	21,650	20,050
Colorado	7,000		6,750	— 200	6,800	4,850
New Mexico	101,100	101,100	99,500	+ 1,600	97,950	115,950
Total East of Calif.	3,284,200		3,160,550	+ 33,600	3,116,450	3,449,450
California	782,000	782,000	741,700	+ 11,900	721,700	661,100
Total United States	4,066,200		3,902,250	+ 45,500	3,838,150	4,110,550

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 operation. 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. 14.

†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. 17, 1942

(Figures in Thousands of barrels of 42 Gallons Each)

District	Daily Refining Capacity	Potential % Re-Porting	Crude Runs to Still Daily Average	Gasoline Produced at Refineries	Stocks of Gas and Fuel Oil and Distillate	Stocks of Finished Gasoline	Stocks of Unfinished Gasoline	Stocks of Fuel Oil
Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,440	88.2	1,661	68.1	5,061	38,011	24,953	18,553
Appalachian	176	84.8	164	93.2	454	2,633	723	540
Ind., Ill., Ky.	804	83.3	735	91.4	2,528	13,732	6,010	3,329
Okl., Kansas, Mo.	416	80.1	355	85.3	1,276	6,429	1,866	1,356
Rocky Mountain	147	48.0	100	68.0	272	1,638	447	534
California	817	89.9	694	84.9	1,636	16,513	12,927	54,225
Tot. U. S. B. of M. basis, Oct. 17, 1942	4,800	85.6	3,709	77.3	11,227	78,956	46,926	78,537
Tot. U. S. B. of M. basis, Oct. 10, 1942	4,800	85.6	3,766	78.5	11,511	79,731	46,007	78,681
U. S. Bur. of Mines basis, Oct. 18, 1941			4,131		13,039	81,623	54,143	94,800

\*At the request of the Office of Petroleum Coordinator. †Finished 70,013,000 bbls.; unfinished, 8,943,000 bbls. ‡At refineries, at bulk terminals, in transit and in pipe lines.

### 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. 17 is estimated at 11,400,000 net tons, as compared with 11,460,000 tons in the preceding week and 11,380,000 tons in the corresponding week last year. The production of soft coal to date shows an increase of 15.1% over the same period in 1941.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Oct. 17 was estimated at 1,140,000 tons, a decrease of 19,000 tons (1.6%) from the preceding week. When compared with the output in the corresponding week of 1941, there was a decrease of 139,000 tons (or 10.9%). The calendar year to date shows a gain of 5.3% when compared with the same period of last year.

The U. S. Bureau of Mines also reported that the estimated production of by-product coke in the United States for the week

ended Oct. 17 showed a decrease of 2,700 tons when compared with the output for the week ended Oct. 10. The quantity of coke from beehive ovens decreased 4,900 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. 17, 1942	Oct. 10, 1942	Oct. 18, 1941	Oct. 17, 1942	Oct. 18, 1941	Oct. 16, 1937
Bituminous and lignite coal	11,400	11,460	11,380	457,007	397,088	352,388
Total, incl. mine fuel	1,900	1,910	1,897	1,876	1,635	1,448
Daily average						
*Crude petroleum—Coal equivalent of weekly output	6,251	6,178	6,584	256,533	251,229	230,788

\*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 year 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. 17, 1942	Oct. 10, 1942	Oct. 18, 1941	Oct. 17, 1942	Oct. 18, 1941	Oct. 19, 1929
Penn. anthracite	1,140,000	1,159,000	1,279,000	48,252,000	45,825,000	57,895,000
*Total incl. colliery fuel	1,094,000	1,113,000	1,215,000	45,862,000	43,534,000	53,727,000
†Commercial production						
Beehive coke—United States total	154,200	159,100	165,300	6,306,300	5,198,500	5,478,500
By-product coke—United States total	1,206,600	1,209,300		49,117,900		

\*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. 9, 1923
	Oct. 10, 1942	Oct. 3, 1942	Oct. 11, 1941	Oct. 12, 1940	Oct. 9, 1937	
Alaska	5	5	5	4	3	**
Alabama	364	364	312	288	256	398
Arkansas and Oklahoma	95	95	114	63	94	88
Colorado	167	170	160	131	174	217
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,323	1,242	1,064	905	1,154	1,558
Indiana	498	507	500	305	367	520
Iowa	45	44	62	62	86	116
Kansas and Missouri	175	172	133	109	117	161
Kentucky—Eastern	943	965	986	695	872	764
Kentucky—Western	302	287	202	133	166	238
Maryland	33	33	37	26	35	35
Michigan	9	8	8	10	16	28
Montana (bituminous and lignite)	114	118	80	60	70	82
New Mexico	36	40	22	18	32	58
North and South Dakota (lignite)	65	57	69	69	66	**36
Ohio	705	1,686	679	336	528	817
Pennsylvania (bituminous)	2,623	2,630	2,880	2,394	2,374	3,149
Tennessee	140	142	150	100	110	118
Texas (bituminous and lignite)	8	9	8	8	18	26
Utah	118	115	109	80	91	121
Virginia	400	390	428	305	316	231
Washington	48	52	41	30	43	68
*West Virginia—Southern	2,180	2,180	2,403	1,735	1,962	1,488
*West Virginia—Northern	882	905	904	497	605	805
Wyoming	182	181	167	126	148	184
†Other Western States	1	2	††	1	1	**4
Total bituminous and lignite	11,460	11,412	11,524	8,491	9,704	11,310
§Pennsylvania anthracite	1,159	1,228	1,329	912	1,167	1,968
Total all coal	12,619	12,640	12,853	9,403	10,871	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. ††Revised.

### National Fertilizer Ass'n Price Index Higher

The general level of wholesale commodity prices turned upward last week, after declining for two consecutive weeks, according to the price index compiled by the National Fertilizer Association and made public on Oct. 26. This index in the week ended Oct. 24, 1942 rose to 130.0 from 129.6 in the preceding week. A month ago it registered 129.3, and a year ago, 115.9, based on the 1935-1939 average as 100. The Association's report went on to say:

Changes occurred mainly in the prices of agricultural commodities. The sharpest advance was recorded by the farm product index which regained most of the previous week's loss. Meat prices rallied last week, causing the food index to move upward. Price increases for raw cotton took the textile index up to July levels. During the week none of the group averages in the composite index declined.

Last week prices of 14 commodities advanced and four declined; in the preceding week there were 23 advances and eight declines, in the second preceding week there were 11 advances and 10 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

[\*1935-1939=100]

Each Group Bears to the Total Index	Group	Latest	Preceding	Month Ago	Year Ago
		Oct. 24, 1942	Oct. 17, 1942	Sep. 19, 1942	Oct. 25, 1941
25.3	Foods	132.6	†132.4	131.8	113.2
	Fats and Oils	145.9	145.9	140.9	122.5
	Cottonseed Oil	156.1	156.1	153.9	145.3
23.0	Farm Products	142.5	141.2	139.4	114.0
	Cotton	181.3	179.7	178.9	148.4
	Grains	112.6	112.2	116.2	103.3
	Livestock	143.6	142.1	138.4	109.5
17.3	Fuels	119.3	119.3	119.3	112.3
10.8	Miscellaneous commodities	126.7	126.7	126.7	125.2
8.2	Textiles	148.2	147.7	147.6	137.5
7.1	Metals	104.4	104.4	104.4	104.0
6.1	Building materials	151.4	151.4	151.5	131.5
1.3	Chemicals and drugs	120.7	120.7	120.7	112.3
.3	Fertilizer materials	117.3	117.3	117.9	114.5
.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	130.0	†129.6	129.3	115.9

\*Indexes on 1926-1928 base were: Oct. 24, 1942, 101.3; Oct. 17, 101.0 Oct. 25, 1941, 90.3. †Revised.

### August Retail Instalment Credit Shows Improvement

The Board of Governors of the Federal Reserve System announced on Oct. 15 that installment accounts receivable at furniture, household appliance, and jewelry stores declined further in August while collections continued to improve. These developments are shown by data compiled by the Board from statistics reported by the various respondents to the Federal Reserve Banks. The figures now released by the Board are comparable with those formerly compiled and published by the Bureau of Foreign and Domestic Commerce.

The Board further said: "Furniture Stores—Accounts receivable at furniture stores declined by 6% in August, about the same rate as in the preceding month. Collections during August were 16% of installment accounts outstanding at the beginning of the month compared with 11.7% a year ago.

"Household Appliance Stores—Installment accounts receivable at household appliance stores have been declining at a rate of about 9% a month, and in August were nearly 50% less than at the high level reached in the early fall of 1941. The collection ratio on installment accounts showed little change from the preceding month but was larger than last year.

"Jewelry Stores—Outstandings on installment accounts of jewelry stores declined somewhat less in August than in the two preceding months but were 27% below August 1941. Collections amounted to 24% of receivables on Aug. 1 compared with 17% a year ago."

### Farm Transport Plans

A two-purpose program designed to keep the growing volume of farm products and supplies moving with the least possible wear and tear on the approximately 1,500,000 motor trucks now engaged in such transportation until the war has been won was announced Oct. 16 by Joseph B. Eastman, Director of the Office of Defense Transportation. A plan has been worked out; Mr. Eastman announced, whereby the three big groups principally concerned with the primary movement of farm products—producers, carriers, and processors—may act jointly in their respective areas to conserve motor truck equipment in the movement of farm products from growing and producing areas to storage and processing plants and consumer markets. The ODT announcement adds:

"Mr. Eastman explained that while

### Trading On New York Exchanges

The Securities and Exchange Commission made public on Oct. 23 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. 10, 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. 10 (in round-lot transactions) totaled 1,670,945 shares, which amount was 16.58% of total transactions on the Exchange of 5,039,800 shares. This compares with member trading during the previous week ended Oct. 3 of 1,098,315 shares, or 16.58% of total trading of 3,312,090 shares. On the New York Curb Exchange, member trading during the week ended Oct. 10 amounted to 215,970 shares, or 15.21% of the total volume of that Exchange of 710,020 shares; during the preceding week trading for the account of Curb members of 146,995 shares was 16.69% of total trading of 440,305 shares.

The Commission made available the following data for the week ended Oct. 10:

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.....	962	663
1. Reports showing transactions as specialists.....	176	87
2. Reports showing other transactions initiated on the floor.....	185	13
3. Reports showing other transactions initiated off the floor.....	227	65
4. Reports showing no transactions.....	483	527

Note—On the New York Curb 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 Stock 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. 10, 1942		
A. Total Round-Lot Sales:	Total for Week	% Per Cent
Short sales.....	119,230	
Other sales.....	4,920,570	
<b>Total sales.....</b>	<b>5,039,800</b>	
<b>B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:</b>		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	445,025	
Short sales.....	62,430	
Other sales.....	373,510	
<b>Total sales.....</b>	<b>435,940</b>	<b>8.74</b>
2. Other transactions initiated on the floor—		
Total purchases.....	256,670	
Short sales.....	18,150	
Other sales.....	230,230	
<b>Total sales.....</b>	<b>248,380</b>	<b>5.01</b>
3. Other transactions initiated off the floor—		
Total purchases.....	133,455	
Short sales.....	15,970	
Other sales.....	135,505	
<b>Total sales.....</b>	<b>151,475</b>	<b>2.83</b>
4. Total—		
Total purchases.....	835,150	
Short sales.....	96,550	
Other sales.....	739,245	
<b>Total sales.....</b>	<b>835,795</b>	<b>16.58</b>

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

WEEK ENDED OCT. 10, 1942		
A. Total Round-Lot Sales:	Total for Week	% Per Cent
Short sales.....	5,195	
Other sales.....	704,825	
<b>Total sales.....</b>	<b>710,020</b>	
<b>B. Round-Lot Transactions for the Account of Members:</b>		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	55,985	
Short sales.....	4,375	
Other sales.....	69,210	
<b>Total sales.....</b>	<b>73,585</b>	<b>9.12</b>
2. Other transactions initiated on the floor—		
Total purchases.....	16,825	
Short sales.....	200	
Other sales.....	7,495	
<b>Total sales.....</b>	<b>7,695</b>	<b>1.73</b>
3. Other transactions initiated off the floor—		
Total purchases.....	24,095	
Short sales.....	20	
Other sales.....	37,765	
<b>Total sales.....</b>	<b>37,785</b>	<b>4.36</b>
4. Total—		
Total purchases.....	96,905	
Short sales.....	4,595	
Other sales.....	114,470	
<b>Total sales.....</b>	<b>119,065</b>	<b>15.21</b>
<b>C. Odd-Lot Transactions for the Account of Specialists—</b>		
Customers' short sales.....	0	
Customers' other sales.....	33,689	
<b>Total purchases.....</b>	<b>33,689</b>	
<b>Total sales.....</b>	<b>18,959</b>	

\*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."

### Wholesale Prices Decline For First Time In Three Months, Labor Bureau Reports

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Oct. 22 that prices in primary markets declined during the week ended Oct. 17 for the first time since mid-July, mainly because of weakness of agricultural markets. The Bureau's comprehensive wholesale price index dropped 0.2% to 99.6% of its 1926 average. Prices for farm products and foods moved lower, following several weeks of steady advance, because of anticipated extension of Federal price controls over agricultural products.

The Bureau's announcement further stated: "Farm Products and Foods.—Average price reductions from the previous week amounted to 0.9% for farm products and 0.2% for foods. Present prices are about 20% higher for farm products and 17% for foods than at this time last year. Declines during the week were greatest for grains, including wheat, rye, oats, corn, and barley, and ranged from over 1% for wheat to more than 7% for oats. Quotations for wheat and rye flour were down about 2%. The down turn in these markets followed the Office of Economic Stabilization's order limiting loans on wheat and corn to 85% of parity, and was accelerated by the Department of Agriculture's later announcement of record crop estimates.

"Prices in livestock and poultry markets were also substantially lower, reflecting mainly expectations of Office of Price Administration ceiling orders. Early in the week declines for steers and hogs ranged from nearly 2 to more than 3% below the previous week's levels. Live poultry was down more than 6%. There were also sharp price reductions, largely seasonal, for fresh fruits and vegetables. Higher prices were reported for lard, for which Office of Price Administration ceilings were recently adjusted upward, and for cottonseed oil, hominy grits, corn meal, and peanut butter.

"Industrial Commodities.—Price changes in industrial commodity markets were as usual comparatively few, and continued the stability prevailing since mid-May, when the General Maximum Price Regulation became effective. Quotations for turpentine, maple flooring, and boxboard were fractionally higher. Somewhat lower prices were reported for linseed oil, gum lumber, tar, and acetone."

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 3 weeks, for Sept. 19, 1942 and Oct. 18, 1941, and the percentage changes from a week ago, a month ago, and a year ago:

Commodity groups	(1926=100)				Percentage changes to Oct. 17, 1942 from—			
	10-17 1942	10-10 1942	10-3 1942	9-19 1942	10-18 1941	10-10 1941	9-19 1941	10-18 1941
All commodities.....	*99.9	*99.8	*99.7	*99.3	91.7	-0.2	+0.3	+8.6
Farm products.....	107.9	108.9	108.7	107.1	89.8	-0.9	+0.7	+20.2
Foods.....	103.1	103.3	103.0	102.0	88.4	-0.2	+1.1	+16.6
Hides and leather products.....	118.4	118.4	118.4	118.6	113.2	0	-0.2	+4.6
Textile products.....	96.5	96.5	96.6	96.6	90.2	0	-0.1	+7.0
Fuel and lighting materials.....	79.7	79.7	79.7	79.6	80.0	0	+0.1	-0.4
Metals and metal products.....	*103.9	*103.9	*103.9	*103.9	102.2	0	0	+1.7
Building materials.....	110.2	110.5	110.5	110.4	106.9	-0.3	-0.2	+3.1
Chemicals and allied products.....	96.1	96.2	96.2	96.2	89.7	-0.1	-0.1	+7.1
Housefurnishing goods.....	104.1	104.1	104.1	104.1	99.9	0	0	+4.2
Miscellaneous commodities.....	88.4	88.4	88.4	88.6	85.6	0	-0.2	+3.3
Raw materials.....	102.0	102.6	102.4	101.5	89.2	-0.6	+0.5	+14.3
Semimanufactured articles.....	92.5	92.8	92.8	92.8	89.7	-0.3	-0.3	+3.1
Manufactured products.....	*99.7	*99.7	*99.6	*99.4	93.5	0	+0.3	+6.6
All commodities other than farm products.....	*97.8	*97.9	*97.8	*97.6	92.2	-0.1	+0.2	-6.1
All commodities other than farm products and foods.....	*95.6	*95.7	*95.7	*95.7	93.1	-0.1	-0.1	+2.7

\*Preliminary.

### Non-Ferrous Metals—NWLB Announces Wage Increase For Mines, Subject To Approval

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of Oct. 22, stated: "A wage increase of \$1 per day for miners of copper, lead, and zinc in Idaho and Utah, estimated by some to number 10,000, was authorized on Oct. 16 by the National War Labor Board, subject to approval by the Director of the Office of Economic Stabilization. This action by the Board, in an effort to correct wage inequalities and help production of major non-ferrous metals, opens the way to speculation as to its effect in stimulating requests for increases elsewhere in the industry and the need for higher metal prices or subsidies to meet the higher costs that will result. Aside from this, the outstanding event of the week's news was the cut of \$1 per ton in its premium for chemical lead announced by the St. Joseph Lead Co." The publication further went on to say in part:

meeting in the Capital. The wage increase of \$1 per day authorized for miners in Idaho and Utah by the War Labor Board, if approved, will bring an increase in costs, it is felt, which must be compensated for in some way, whether by price increase or outright subsidy. Word on allocations for November is expected in the very near future.

(According to an Associated Press dispatch from Washington, D. C., Oct. 26, the Anaconda Copper Mining Co. has purchased the 52½% stock interest of Howell P. Eells, Jr. and Associates of Cleveland, O., in Basic Magnesium, Inc. for \$75,000. The dispatch added that the Defense Plant Corporation purchased the ore lands of the Basic Corporation, near Gabbs, Nev., for \$450,000. In our issue of Oct. 8, 1942, page 1277, it was re-

#### Copper

Despite recent comment that the copper production quotas of individual producers were under review in Washington with the purpose of increasing the tonnage of metal that might be sold at the premium price, nothing definite developed up to the close of business Oct. 21, on which day the Copper Advisory Committee was

ported that "the trade was interested in a statement to the press by Senator Bunker, of Nevada, to the effect that the Anaconda Copper Mining Co. has purchased Basic Magnesium, Inc. for \$75,000,000 from the Defense Plant Corporation. Officials of Anaconda did not comment on the report."—Ed.)

#### Lead

During the week Erwin Vogel-sang, Chief of the Tin and Lead Branch, WPB, indicated MRC would continue to stockpile lead, despite the easier supply situation, against unforeseen emergencies. The question of easing the lead conservation order is still under consideration in Washington. St. Joseph Lead Co. announced that beginning Oct. 19 its brand of chemical lead would be priced \$1 per ton above common lead, instead of \$2, thus restoring the price situation on this brand of lead that prevailed before the ceiling was established. The company feels that chemical lead at a premium of only \$1 per ton in many cases can take the place of other lead.

#### Zinc

Developments of interest in the zinc market were lacking. Producers, in view of the wage increase granted by WPB in the West, naturally are hopeful that some adjustment in price will be made to offset the higher operating costs that will result if the Board's action is approved. The producers' Advisory Committee met in Washington Oct. 20.

#### Tin

The Weirton Steel Co. announced that its tin-plate plant at Steubenville, Ohio, has been closed as a result of a drastic reduction in the manufacture of tin-plate products. The company intends to center production at its mills in Weirton. Owing to WPB restrictions, output of the tin-plate industry for the fourth quarter may not exceed 25% of capacity, E. T. Weir, head of the company, said.

Quotations for tin were unchanged. Straits quality tin for future shipment was nominally as follows:

	Oct.	Nov.	Dec.
October 15.....	52,000	52,000	52,000
October 16.....	52,000	52,000	52,000
October 17.....	52,000	52,000	52,000
October 19.....	52,000	52,000	52,000
October 20.....	52,000	52,000	52,000
October 21.....	52,000	52,000	52,000

Chinese tin, 99% spot, 51.125c. all week.

#### Quicksilver

With production for the remainder of the year well sold up, the price situation in quicksilver is expected to remain firm. Quotations in New York continued at \$195@198 per flask.

#### Silver

The Treasury, at a hearing before a Senate Banking subcommittee, indicated that it favored legislation permitting the sale to private industry of silver stocks not held as backing for silver certificates. WPB also sanctioned a bill introduced by Senator Green (R. I.) on condition that all sales be subject to priority regulations. In the event that favorable action is taken on the bill, the Treasury suggested that a clause be inserted establishing a minimum sales price of 50¢ an ounce on such silver. Secretary Morgenthau, in a letter to the Committee, said the average cost of "unpledged" silver was 48½¢ an ounce.

During the last week the silver market in London has been quiet, with the price unchanged at 23½d. The New York Official quotation continued at 44¼¢. The Treasury's buying price was maintained at 35¢.

#### Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" of July 31, 1942, page 380.

## Revenue Freight Car Loadings During Week Ended Oct. 17, 1942, Totaled 900,767 Cars

Loading of revenue freight for the week ended Oct. 17, totaled 900,767 cars, the Association of American Railroads announced on Oct. 22. This was a decrease below the corresponding week in 1941, of 22,117 cars, or 2.4%, but an increase above the same week in 1940, of 86,858 cars, or 10.7%.

Loading of revenue freight for the week of Oct. 17 decreased 9,190 cars, or 1.0% below the preceding week.

Miscellaneous freight loading totaled 432,176 cars, a decrease of 1,531 cars below the preceding week, but an increase of 24,726 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 90,962 cars, a decrease of 1,797 cars below the preceding week, and a decrease of 68,323 cars below the corresponding week in 1941.

Coal loading amounted to 164,213 cars, a decrease of 2,896 cars below the preceding week, and a decrease of 3,404 cars below the corresponding week in 1941.

Grain and grain products loading totaled 50,461 cars, a decrease of 536 cars below the preceding week, but an increase of 12,897 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of Oct. 17 totaled 32,585 cars, a decrease of 1,759 cars below the preceding week, but an increase of 8,701 cars above the corresponding week in 1941.

Live stock loading amounted to 24,477 cars, an increase of 1,967 cars above the preceding week, and an increase of 1,672 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of Oct. 17, totaled 20,164 cars, an increase of 1,965 cars above the preceding week, and an increase of 996 cars above the corresponding week in 1941.

Forest products loading totaled 48,470 cars, a decrease of 1,071 cars below the preceding week, but an increase of 2,153 cars above the corresponding week in 1941.

Ore loading amounted to 75,807 cars, a decrease of 3,048 cars below the preceding week, but an increase of 6,999 cars above the corresponding week in 1941.

Coke loading amounted to 14,201 cars, a decrease of 278 cars below the preceding week, but an increase of 1,163 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
Four 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	917,896	805,004
Week of Oct. 10	909,957	903,877	811,906
Week of Oct. 17	900,767	922,884	813,909
<b>Total</b>	<b>34,954,510</b>	<b>34,012,406</b>	<b>29,021,859</b>

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Oct. 17, 1942. During this period only 50 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	1940
<b>Eastern District—</b>						
Ann Arbor	381	602	605	1,233	1,568	
Bangor & Aroostock	1,455	1,492	854	201	270	
Boston & Maine	6,197	8,368	7,766	14,415	13,585	
Chicago, Indianapolis & Louisville	1,546	1,792	1,458	2,096	2,455	
Central Indiana	48	24	13	34	77	
Central Vermont	955	1,423	1,312	2,562	2,536	
Delaware & Hudson	6,751	7,167	5,218	11,400	11,116	
Delaware, Lackawanna & Western	7,323	9,173	8,944	11,236	9,138	
Delaware & Mackinac	874	447	550	357	149	
Detroit, Toledo & Ironton	1,814	2,469	2,645	1,235	1,223	
Detroit & Toledo Shore Line	385	398	397	2,850	3,902	
Erie	12,717	16,609	13,877	17,280	16,714	
Grand Trunk Western	4,459	5,553	5,491	8,136	9,282	
Lehigh & Hudson River	201	203	192	2,902	2,912	
Lehigh & New England	1,335	2,226	1,987	1,763	2,011	
Lehigh Valley	7,912	10,348	9,227	13,401	10,196	
Maine Central	2,350	3,300	2,617	3,169	2,887	
Monongahela	5,183	6,557	3,004	398	408	
Montour	2,228	2,298	1,592	29	67	
New York Central Lines	50,929	53,362	46,886	55,890	53,405	
N. Y., N. H. & Hartford	9,556	12,701	11,265	17,647	15,935	
New York, Ontario & Western	999	1,238	1,179	2,634	2,424	
New York, Chicago & St. Louis	8,003	7,471	6,195	16,782	14,356	
N. Y., Susquehanna & Western	439	517	404	1,743	1,598	
Pittsburgh & Lake Erie	7,832	8,714	7,902	8,608	9,667	
Pere Marquette	5,873	6,921	6,844	7,196	6,716	
Pittsburgh & Shawmut	760	624	503	11	41	
Pittsburgh, Shawmut & North	389	427	451	295	431	
Pittsburgh & West Virginia	1,077	1,120	528	3,252	2,475	
Rutland	397	570	607	979	1,085	
Wabash	6,342	6,121	6,174	13,414	10,707	
Wheeling & Lake Erie	5,891	5,386	4,879	4,992	4,636	
<b>Total</b>	<b>162,592</b>	<b>185,621</b>	<b>161,564</b>	<b>228,133</b>	<b>213,972</b>	
<b>Allegheny District—</b>						
Akron, Canton & Youngstown	729	866	555	1,049	1,067	
Baltimore & Ohio	40,138	41,651	35,579	28,191	24,453	
Bessemer & Lake Erie	6,477	5,821	6,425	2,435	2,668	
Buffalo Creek & Gauley	336	275	269	3	8	
Cambria & Indiana	1,863	1,930	1,695	8	18	
Central R. R. of New Jersey	7,371	7,931	7,761	18,924	16,913	
Cornwall	705	725	656	52	59	
Cumberland & Pennsylvania	230	301	235	6	34	
Ligonier Valley	134	124	146	56	57	
Long Island	1,167	920	1,064	3,570	2,856	
Penn-Reading Seashore Lines	1,743	1,917	1,522	2,163	1,881	
Pennsylvania System	82,911	91,647	73,231	64,491	58,738	
Reading Co.	14,652	17,749	15,667	25,760	24,591	
Union (Pittsburgh)	21,383	19,808	19,571	7,070	6,350	
Western Maryland	3,638	4,421	3,251	11,965	9,812	
<b>Total</b>	<b>183,477</b>	<b>196,086</b>	<b>165,627</b>	<b>165,743</b>	<b>149,499</b>	
<b>Pocahontas District—</b>						
Chesapeake & Ohio	28,071	29,648	22,265	13,673	15,080	
Norfolk & Western	22,113	25,076	20,071	7,208	6,424	
Virginian	4,540	4,639	4,080	2,548	2,128	
<b>Total</b>	<b>54,724</b>	<b>59,363</b>	<b>46,416</b>	<b>23,429</b>	<b>23,632</b>	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
<b>Southern District—</b>					
Alabama, Tennessee & Northern	328	377	260	411	230
Atl. & W. P.—W. R. R. of Ala.	806	936	831	2,907	2,265
Atlanta, Birmingham & Coast	777	873	691	1,454	1,148
Atlantic Coast Line	10,839	11,640	10,122	9,949	7,313
Central of Georgia	4,429	4,824	4,164	5,325	4,511
Charleston & Western Carolina	412	494	492	1,611	1,661
Clinchfield	1,825	1,822	1,327	2,853	2,838
Columbus & Greenville	481	393	388	305	374
Durham & Southern	124	212	184	503	378
Florida East Coast	855	475	587	1,220	1,063
Gainesville Midland	45	35	31	88	78
Georgia	1,434	1,460	1,314	2,545	2,463
Georgia & Florida	354	394	326	474	668
Gulf, Mobile & Ohio	4,548	4,409	3,671	4,821	3,649
Illinois Central System	32,320	28,591	25,116	18,826	15,296
Louisville & Nashville	26,016	27,764	22,180	11,672	9,073
Macon, Dublin & Savannah	199	212	140	647	767
Mississippi Central	236	181	160	590	382
Nashville, Chattanooga & St. L.	4,048	3,950	3,410	4,892	3,434
Norfolk Southern	643	1,373	1,293	1,614	1,385
Piedmont Northern	289	501	403	1,272	1,793
Richmond, Fred. & Potomac	532	489	407	6,874	6,181
Seaboard Air Line	9,611	10,964	10,098	8,596	7,653
Southern System	24,263	26,340	23,757	25,652	21,277
Tennessee Central	531	559	561	976	710
Winston-Salem Southbound	124	173	160	999	921
<b>Total</b>	<b>126,069</b>	<b>129,441</b>	<b>112,073</b>	<b>117,076</b>	<b>97,508</b>
<b>Northwestern District—</b>					
Chicago & North Western	22,313	22,877	22,922	16,012	13,984
Chicago Great Western	2,416	3,139	2,969	4,131	3,810
Chicago, Milw., St. P. & Pac.	23,244	24,560	22,346	11,740	9,703
Chicago, St. Paul, Minn. & Omaha	3,812	4,305	4,074	4,752	4,593
Duluth, Missabe & Iron Range	25,711	21,531	21,323	457	331
Duluth, South Shore & Atlantic	1,112	1,201	1,078	835	523
Elgin, Joliet & Eastern	10,363	10,055	9,263	10,630	10,525
Fl. Dodge, Des Moines & South	572	565	642	151	165
Great Northern	28,722	26,898	26,038	6,613	4,448
Green Bay & Western	577	722	740	833	680
Lake Superior & Ishpeming	2,332	2,470	2,973	63	52
Minneapolis & St. Louis	2,610	2,319	2,442	3,231	2,586
Minn., St. Paul & S. S. M.	7,924	8,409	7,548	3,326	3,201
Northern Pacific	13,976	14,496	12,880	5,763	5,130
Spokane International	274	211	302	670	325
Spokane, Portland & Seattle	2,487	2,484	2,025	3,551	2,392
<b>Total</b>	<b>148,445</b>	<b>146,240</b>	<b>139,565</b>	<b>72,758</b>	<b>62,448</b>
<b>Central Western District—</b>					
Atch., Top. & Santa Fe System	25,343	25,022	23,332	14,173	9,574
Alton	4,157	3,199	3,241	5,431	2,821
Bingham & Garfield	596	751	470	126	94
Chicago, Burlington & Quincy	22,935	20,837	19,397	14,701	12,325
Chicago & Illinois Midland	2,614	2,907	2,151	1,033	819
Chicago, Rock Island & Pacific	13,717	13,775	13,603	13,023	11,525
Chicago & Eastern Illinois	3,144	3,166	2,573	4,643	2,991
Colorado & Southern	1,269	1,136	1,176	2,332	1,835
Denver & Rio Grande Western	5,308	4,748	5,189	7,290	5,340
Denver & Salt Lake	868	770	496	14	23
Fort Worth & Denver City	1,190	1,195	1,343	1,837	1,323
Illinois Terminal	2,036	2,064	1,831	2,419	2,062
Missouri-Illinois	1,403	1,125	1,103	528	458
Nevada Northern	2,132	1,894	1,620	105	127
North Western Pacific	1,100	1,298	969	669	448
Peoria & Pekin Union	11	22	7	0	0
Southern Pacific (Pacific)	33,209	33,350	28,024	11,426	8,282
Toledo, Peoria & Western	434	382	333	3,053	1,651
Union Pacific System	20,922	23,998	22,139	18,787	14,264
Utah	509	645	349	2	5
Western Pacific	2,586	2,195	1,942	4,938	3,815
<b>Total</b>	<b>145,483</b>	<b>144,479</b>	<b>131,288</b>	<b>105,530</b>	<b>79,782</b>
<b>Southwestern District—</b>					
Burlington-Rock Island	152	169	147	222	245
Gulf Coast Lines	4,945	3,342	2,944	2,613	1,942
International-Great Northern	3,762	1,908	2,008	2,644	2,151
Kansas, Oklahoma & Gulf	441	254	270	1,299	1,236
Kansas City Southern	4,690	2,818	2,155	2,911	2,855
Louisiana & Arkansas	3,788	2,495	2,149	2,202	2,230
Litchfield & Madison	262	336	360	1,176	1,195
Midland Valley	894	738</			

## Items About Banks, Trust Companies

William G. Brady, Jr., President of the National City Bank of New York, has been elected President of the Bankers Club of America. F. W. LaFrenz, Chairman of the American Surety Co., was named Vice-President of the club. Other officers elected were: John C. Traphagen, President of the Bank of New York, as Treasurer; Herbert P. Howell, Chairman of the Commercial National Bank and Trust Co., as Chairman of the Executive Committee, and G. de la Guardia, as Secretary.

At a special meeting of the Board of Directors of The Continental Bank & Trust Co., held on Oct. 26, at 30 Broad Street, Frederick E. Hasler, Chairman, was elected President to fill the vacancy caused by the death of Frederick H. Hornby on Oct. 18, last. Mr. Hasler will also continue as Chairman, filling both posts as Mr. Hornby did for a few years prior to 1941, when he relinquished the Board Chairmanship to Mr. Hasler, who had been Chairman of the Executive Committee of the bank. Mr. Hasler, who entered the banking business in New York about a quarter of a century ago, is also President of the Chamber of Commerce of the State of New York and of the Pan American Society. The death of Mr. Hornby was noted in our issue of Oct. 22, page 1456.

Charles G. Edwards, nationally known real estate executive, died of a heart attack on Oct. 24 at New Canaan, Conn. He was in his 59th year. Many months of ill health had led, in May of this year, to his resignation as President of Central Savings Bank, New York City, a position to which he had been elected in January, 1936. Mr. Edwards exerted far-reaching influence upon the development of real estate procedure and planning throughout the country through his Presidency of the Real Estate Board of New York from 1922 to 1924, and of the National Association of Real Estate Boards in 1925. After his Presidency of the latter organization, he continued to serve as a member of its Advisory Committee. In addition to being an officer or director of many New York real estate corporations, he served as Vice-Chairman of the Mayor's Committee on Property Improvement, Director of the Mortgage Conference of New York, the Commerce and Industry Association of New York, and the National Real Estate Foundation. Born in Brooklyn, Mr. Edwards entered the real estate business in 1899, when he became associated with the firm of Daniel Birdsall & Co. In 1921 he formed the Charles G. Edwards Co., one of the leading real estate concerns in the city.

In 1933 he was appointed Real Estate Officer of the Mutual Life Insurance Co. of New York and continued in that post until 1936, when he became President of the Central Savings Bank. Mr. Edwards at the time of his death was a trustee of Central Hanover Bank & Trust Co. and a director of the Continental Insurance Co. He was Vice-President, Director and Trustee of the Lincoln Building Corp. and a trustee of the Lawyers Mortgage Corp.; he also served as a trustee of the Roosevelt Hospital.

Frederick W. Briggs, President of the First National Bank, Brandon, Vt., died on Oct. 19 in a Burlington hospital. Mr. Briggs, who was 68, had been associated with the bank 52 years.

The Federal receivership of the First National Bank, Detroit, Mich., is now clear of bank debt, the balance of a loan obtained from the Manufacturers National

Bank to pay a 20% depositors' dividend in November, 1940, having been paid in full, B. C. Schram, receiver, announced on Oct. 13. The Detroit "Free Press" of Oct. 14 further said:

"The announcement was made in connection with the quarterly report of condition for the period ending Sept. 30, which showed the receiver holding unliquidated assets having a book value of \$66,928,384.93 and an estimated actual liquidating value of \$35,979,797.32. In addition to those assets the receiver holds cash on hand amounting to \$795,010.69.

"Meanwhile, preparations were going ahead in the receivership for payment of the final dividend of 7.565%, which is expected to be ready for distribution shortly after Dec. 15."

Louis C. Parmenter, retired Oklahoma banker, died recently at his home in Oklahoma City at the age of 72. Mr. Parmenter's banking career consisted mainly of association with the First National Bank in Oklahoma City, with which he was connected for several years, and later with banks in Holdenville and Muskogee. He also helped organize banks in Stillwater, Chandler and Tishomingo. Mr. Parmenter had been retired since 1930.

Coleman C. Walker has been elected an Assistant Vice-President of the Wachovia Bank and Trust Co., Winston-Salem, N. C.

James T. Thomas, President of the Grenada Bank, Grenada, Miss., died on Oct. 18 at the Grenada Hospital. He was 82 years old. Mr. Thomas was one of the founders of the Grenada Banking System, which operates in North Mississippi, and had headed the organization since 1906. He was past President of the Mississippi Bankers' Association and was a director of the Mississippi Power and Light Co., the Mississippi Cottonseed Products Association and the Illinois Central System.

In accordance with its previously-announced intention, the directors of the Royal Bank of Canada have declared a reduced quarterly dividend of \$1.50 per share on the common stock, payable Dec. 1 to shareholders of record Oct. 31. This action thereby places the shares of the bank on an annual dividend basis of \$6 instead of \$8; plans to this effect were noted in these columns July 30, page 374.

### September Construction Maintains High Level

Total valuation of construction contracts awarded during the month of September in the 37 Eastern States was \$723,216,000, according to F. W. Dodge Corporation on Oct. 17. This is \$2,188,000 above the previous month and \$99,924,000 or 16% ahead of September, 1941. For the first three-quarters of 1942 the total valuation of contracts is 35% greater than for the corresponding period of last year.

Contracts for non-residential building during the nine months' period amounted to \$2,989,130,000, of which \$1,809,834,000 or 60% was in the industrial building classification. The valuation of industrial building contracts to date this year considerably exceeds the 1941 nine-month valuation of \$1,682,166,000 for all types of non-residential building combined.

Residential building contracts awarded in the first nine months of this year fell 14% short of the valuation attained during the corresponding period of 1941, while heavy engineering projects exceeded last year's dollar volume by 41%.

## Drexel & First Nat'l Exchange Buildings

Two of the oldest financial institutions in Philadelphia, Drexel & Co. and The First National Bank, have agreed to exchange their midtown banking quarters, both located at 15th and Walnut Street, according to a joint announcement of the plans of the two institutions made by Edward Hopkinson, Jr., of Drexel & Co., and Harry C. Carr, President of the First National Bank.

The First National Bank has agreed to purchase, for use as its principal place of business, the six-story building at the northeast corner, a portion of which is now occupied by Drexel & Co. Drexel & Co. will take over the bank's present leased quarters in the 1500 Walnut Street Building, as well as additional space in the building which is available.

In the announcement Mr. Hopkinson said the quarters to be vacated by First National, with their modern vault facilities, together with additional space to be taken in the 1500 Walnut Street Building, are excellently adapted for the business of Drexel & Co., and will enable it to continue all of its present services to customers.

Mr. Carr said that the premises now occupied by the bank do not provide adequate space for the conduct of its affairs. The proposed move will allow space for consolidation of certain of its activities now conducted in other offices of the bank, thus permitting an expanded service to customers and at the same time effecting certain operating economies as well as providing for an expected growth in the future. From the announcement we also quote:

"The Drexel banking house was built in 1927 for Drexel & Co.—J. P. Morgan & Co. It was specially designed by the late Charles Z. Klauder, the noted architect, to accommodate the combined business of deposit banking, general securities and underwriting. Later the property was incorporated as 1435 Walnut Street Corporation, the stock of which is owned by some of the former Morgan-Drexel partners or their estates.

"When J. P. Morgan & Co. in 1940 was incorporated as a bank and trust company under New York law, Drexel & Co. discontinued deposit banking, the present firm continuing to carry on a general securities and underwriting business in the same building, and occupying as a tenant required space on the lower floors.

"The agreement by the First National Bank to purchase the Drexel property from the 1435 Walnut Street Corporation is subject to a favorable court decision in an action now pending for a determination of the status and rights of the bank with respect to its present lease in the 1500 Walnut Street Building."

### To Control Finished Goods Inventories

An order establishing a system of control over inventories of finished consumers' goods of wholesalers, retailers and manufacturers throughout the country will be issued in the near future, Donald M. Nelson, Chairman of the War Production Board, announced on Oct. 20. According to the announcement information reaching WPB through voluntary sources and through various Government agencies has indicated that great pressure is being exerted on markets as a result of over-buying of consumers' goods. Mr. Nelson stated that as a result of this information the special Wholesale and Retail Inventory Policy Committee of the Office of Civilian Supply had unanimously recommended to him the prompt issuance of an order establishing a control of inventories as the only effective means of achieving

more equitable distribution of inventories throughout the country and of protecting the many merchants who have been complying with previous WPB recommendations relating to the maintenance of "normal" inventories. The first step of the original plan, calling for a study of quarterly inventory and sales reports, cannot achieve the desired results, Mr. Nelson said. Therefore, WPB will proceed directly to the second step—a program for formal control and enforcement of "normal" inventories. As to his further advice, the WPB said:

"The order now being drafted to put the system into effect, Mr. Nelson said, will require the achievement of normal inventories by the early part of 1943. The basis of the control system will be the one recommended by the Committee and approved by Mr. Nelson Sept. 5. This system requires each merchant to maintain the same relationship of his stock to his sales which he had on the average in comparable quarters of 1939-40-41. In this way sales increases or decreases would result in proportionate increases or decreases in allowable inventories. Forms indicating details for arriving at "normal" inventories will be made available as soon as possible."

Mr. Nelson pointed out that the Committee had consulted with hundreds of businessmen on the questions of policy involved and added that it would consult further with representative merchants and manufacturers on the details of the order. The special Inventory Committee is headed by Eaton V. W. Read and includes Irwin D. Wolf, Vice-President of Kaufmann's, Pittsburgh, and John A. Donaldson, Vice-President and Treasurer of Butler Brothers, Chicago.

The inventory control system approved in September was referred to in these columns Sept. 10, page 894.

## War Expenses May Be \$74 Billions In 1943

President Roosevelt, in a report on the New Deal spending record, advised Congress on Oct. 16 that non-war expenditures for the current fiscal year are 35.6% below the 1939 peak fiscal year.

In a 96-page accounting, the President included estimates for the current fiscal year placing total expenditures at \$80,000,000,000, including \$74,000,000,000 for war purposes, \$4,194,000,000 for non-war purposes and \$1,850,000,000 for interest on the mounting public debt.

United Press Washington advises reporting on the matter said: "Although at first glance the figures appeared to be a downward revision of those presented by the Budget Bureau on Oct. 6, that was not the case. In both estimates the non-war expenditures were the same. But the war spending figures prepared for Mr. Roosevelt did not include \$4,000,000,000 in Government corporation outlays, which would boost the total to \$78,000,000,000 as reported Oct. 6.

"The report was prepared for Mr. Roosevelt by Budget Director Harold D. Smith and transmitted with a brief Presidential message. The message described the figures as showing 'the important reductions which have been made without sacrificing humanitarian considerations.'

"Explaining the voluminous report to a press conference, Mr. Roosevelt compared the estimated \$4,194,000,000 non-war total for the 1943 fiscal year with the \$6,516,000,000 peak in 1939. He also pointed out that non-war spending this year is \$1,000,000,000 below the corresponding figures for fiscal 1942.

"Wayne Coy, Assistant Budget Director, explained a number of items at Mr. Roosevelt's conference, saying that the \$74,000,000,000

war-spending figure for this year was the latest revision available, having been computed in early October.

"Mr. Coy said the \$74,000,000,000 war figure represented an increase of more than \$15,000,000,000 over budget estimates contained in Mr. Roosevelt's message to the Congress last January. The figure also represents cash paid out of the Treasury and not contractual commitments.

"The President agreed with correspondents that increased employment caused by the war had helped make it possible to reduce non-war expenditures. He offered the example of reductions in the Civilian Conservation Corps and the National Youth Administration made possible by the war.

"The report pointed out that the figures cited demonstrated 'to all persons that the Federal Government began to adjust to new conditions long before Pearl Harbor.'

"The four principal new non-war services added since 1932, according to the President, were unemployment relief, Social Security, the agricultural adjustment program and railroad retirement."

## RFC Permits Banks To Defer Stock Payment

Secretary of Commerce Jesse Jones announced on Oct. 14 that banks and trust companies in which the Reconstruction Finance Corporation holds preferred stock, capital notes or debentures may defer amortization of their RFC capital for the duration, or "until further advised."

Deferment of such payments will not deprive a bank of the right to continue payment of dividends on its outstanding capital stock, Mr. Jones said.

Washington advices, Oct. 14 to the Chicago "Journal of Commerce" said:

"The bank securities held by the RFC were for the most part purchased by it shortly after the Banking Holiday in 1933 in a move to give the banks more capital and thus make them more liquid.

"Most of the larger banks have already repaid the RFC and taken back their preferred stock, notes or debentures, but a large number of the smaller banks, particularly those in the rural districts, have continued annual payments to the RFC in accord with their original contracts."

## Voluntary Adjustments Of RR Obligations Law

President Roosevelt has signed a bill amending the Bankruptcy Act so as to enable railroads to voluntarily adjust their obligations. The bill is substantially the same as Chapter 15 of the original Bankruptcy Act, which expired July 31, 1940. Under the amendment any railroad has until Nov. 1, 1945, to institute proceedings under the act.

Congressional action on the measure was completed on Oct. 6 when the House agreed to an amendment which had been inserted by the Senate in passing it on Oct. 1, limiting the life of the measure to 3 years. The bill originally passed the House on June 16 and in our issue of June 25, page 2396, it was noted that Representative McLaughlin, the author of the bill had stated in the House on June 15 that the bill re-enacts Chapter 15 of the Bankruptcy Act (the so-called Chandler Bill) providing for the voluntary readjustment of capital structures of railroads. The remarks of Representative McLaughlin were quoted in part in that issue. The text of the Chandler Bill as enacted into law in 1939 was given in our issue of Aug. 26, 1939, page 1235.