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The Financial Situation

The President has apparently chosen to open his fourth term campaign with a radio address which to many seemed strangely out of place in the present circumstances. The confusion, the bickering, the indecision, the lack of clear and consistent policies in Washington, which are responsible for so much of the unnecessary inconvenience and hardship among the rank and file of the civilian population; the failure of the over-all management of war production, which is resulting in unsatisfactory rates of output now so much a concern of our war leaders—these and a host of other related issues are passed over in silence or with a few characteristically ill-tempered jibes and unconvincing generalities. Perhaps it is as well so, since words without deeds could in the nature of the case do little to remedy the situation, and the President is evidently not going to act effectively.

What Is The Soldier To Think?

But whatever the reason, the President has preferred to give chief emphasis to promises about what will be done for the soldiers and sailors when the time comes for them to return to private life. It would be difficult in the circumstances to convince experienced observers that this was not a plain and quite characteristic bid for the so-called soldier vote. But be that as it may, it is pertinent to ask what the men in the camps, aboard the warships, and elsewhere engaged in fighting this war have a right to think of what the President has said to them, and what the great rank and file of the men and women at home, who certainly have the interests of the members of the armed forces as much at heart as the President, should think of it.

To a great many what the President did not say was doubtless a cause of dismay. To those who take the trouble to think problems through, as the New Dealers are so fond of saying, what he did say was about as disquieting. No one doubts, of course, that demobilization—whenver it comes—will bring many difficult problems. If any one in the length and breadth of the land had ever failed to realize the fact,

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Would Follow Republican Platform If Nominated, Bricker Says

Governor John W. Bricker of Ohio said on July 31 that should he become a candidate for the Republican Presidential nomination, or become the nominee, he would not attempt to substitute his own views, domestic or foreign, for policies laid down by the party, according to Associated Press accounts from Columbus, which further stated:

"A candidate should be bound by his party platform," Mr. Bricker said in an interview. "If he does not expect to be bound by it he should not accept the nomination."

The Ohio Governor said that any policies enunciated at a meeting of the Republican post-war advisory council in September would be considered by him as representative of party views until superseded by the formal platform.



John W. Bricker

The advisory council "is the only true party representative in the field at this time" inasmuch as it was appointed by the national chairman, Harrison E. Spangler, and was made up of the country's twenty-four Republican Governors and party leaders in States having Democratic chief executives, he said.

He added that he did not consider the Republican Post-War Policy Association, headed by D. A. Watson, Chicago attorney, as "representing the party." There have been reports that the association was favorable to Wendell L. Willkie.

Mr. Bricker said that he would attend the September meeting, to be held at Mackinac Island, Mich., and make "several suggestions." He added that he did not expect to be in accord with each and every separate policy declaration, but believed he would be able to approve most of them without reservation.

Mr. Bricker is considered a staunch believer in party government and generally has followed party policies. In all instances he has followed county committee recommendations for appointment to local offices and generally has followed party endorsements for State positions.

Crawford Says Private Industry Accepts President's Nomination As Job Provider

NAM Chief Welcomes Postwar Plans For Veterans

Industry welcomes the President's post-war program for veterans and asks the opportunity to sit down with the President and appropriate committees of Congress to work out the practical details, Frederick C. Crawford, President of the National Association of Manufacturers, said on Aug. 2.

Mr. Crawford pointed out that President Roosevelt had nominated private industry as the source of post-war jobs, and "private industry unhesitatingly accepts from the President this nomination as job-giver."

The statement follows:

"We welcome the President's post-war program for the veterans of this war.

"In promising them a mustering-out allowance 'to cover a reasonable time,' supplemented by unemployment insurance 'in case no job is found after diligent search,' he made it clear that the government itself does not expect to make jobs for the returning troops, but does expect that jobs can be found.

"He indicated where the jobs should be sought in his further promise that, for purposes of unemployment insurance, 'all members of the armed forces should be treated as if they had continued their employment in private industry.'

"Private industry unhesitatingly accepts from the President this nomination as job-giver.

"For some time industry has been planning to provide jobs for returning troops. Many industries have rehabilitation programs in full progress and hundreds of soldiers have been returned to their former jobs. The President has correctly pointed out that the prime postwar necessity is jobs. American industry is ready and willing to carry out its part of the program from where the President left it.

"He said the executive branch



F. C. Crawford

of government 'cannot do it alone' and that he 'hoped the Congress will help.' We believe that teamwork among these two government functions and business—the maker of jobs—is necessary to achievement of the postwar ideals. With such teamwork America has

nothing to fear in the post-war world.

"NAM's Post-war Committee, which has been studying post-war problems for two years, will welcome an opportunity to sit down with the President and appropriate committees of Congress to work out the practical steps which will insure the functioning of private industry to provide maximum postwar employment.

"The first necessary step to post-war jobs is to make it possible for industry to accumulate

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Landon Charges New Deal Fosters "Fascist Planned Economy"

Alf M. Landon charged on July 31 that the Administration was promoting the "Fascist theory of a planned economy" for use after the war and declared that "the shadow of a notably bitter election that will mean either the eclipse of the Fascist New Dealers—or the American republic—is already appearing over the land."

In a radio address, replying to Vice-President Wallace's recent Detroit talk, Mr. Landon asserted

that "we are now witnessing the preview of life as it will be permanently under the New-Deal-gone-to-see—

an arbitrary bureaucracy resulting in Nazism or fascism—the death knell of individual freedom."

The 1936 Republican Presidential candidate stated that even now "schisms and hatred stalk the land," hunger threatens, "disorder is increasing" and inflation is imminent.

Mr. Landon accused President Roosevelt of "life-term ambition" and of pushing the country further apart on domestic issues.

Mr. Wallace's speech, charging that "American Fascists" were seeking to destroy the work of this administration, was referred to in our issue of July 29, page 427.

The text of Mr. Landon's radio talk follows, according to United Press Kansas City advices:

At a time when this nation is engaged in a deadly struggle to preserve the ideals for which it has always stood, Vice President Wallace declared civil war. But he declared that war on the "one-mulers"—the little fellows—the small business man—the farmer—labor itself—on every American who might ever hope to do his own independent thinking to solve his own problems.

Mr. Wallace, with the approval of Candidate Roosevelt, gaily plowed the soil for a bitter political campaign.

The Vice President and Mr. Roosevelt of "life-term ambition"

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Alf M. Landon

From Washington Ahead Of The News

By CARLISLE BARGERON

We have reported so much on the vicissitudes of Barney Baruch that by way of bringing the record up to date we should now report that he is sitting on top of the world. The story of his easing into influence in the Second World War is one of the most fascinating we have heard in a long time. It attests to his tenacity. He couldn't do it in a direct way; Mr. Roosevelt was determined as to that. The rebuffs he suffered at the hands of

the President were enough to have discouraged a less hardy man, but Barney bided his time. Now he sits at the right hand of Jimmy Byrnes and there are mighty few things that go on without his approval.

What Barney did, itching to get into the thick of things and finding himself but a hanger-on, was to maneuver Jimmy Byrnes into his job. Back there when there was an increasing demand for an overall economic czar, few if any

people would have suggested Jimmy for the place. Unknown to the President, Jimmy was Barney's idea. Jimmy is his protege.

Most of the maneuvering was done through Harry Hopkins whom Barney set out to cultivate a long time ago. Notwithstanding that Harry's heart has always bled for the underdog, his long ambition has been to associate with money in the New York hot spots, at Palm Beach, the exclusive Long

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The Financial Situation

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the many essays of the Administration on the subject during the past year or two must have long ago remedied the failure. It has been obvious for a long while past that carefully laid plans to deal with these problems should be formulated well in advance of D-day. This self-evident truth, too, various Administration adherents have been reiterating times without number for years past. No one has risen to dispute it.

Demobilization In Its Setting

Neither can there be a great deal of disagreement about some of the features of the demobilization plans revealed by the President in his address and in the report on the subject which he later made public. There is none the less a great deal in the proposals either expressed or implied which can scarcely fail to cause uneasiness in the minds of all thoughtful citizens. Demobilization is, of course, but one of the many closely related problems of reconversion to peacetime. The best laid schemes for dealing fairly or even liberally with men returning from war must fail miserably to achieve the basic purposes for which they are intended if there is lack of wisdom in dealing with the other problems which must arise at the same time. This fact appears generally to be understood by the Administration, but its notions of the way in which these broader questions of economic policy should be dealt with leave a great deal to be desired. Its failure to understand the principles by which it should be guided in these matters sticks out like a sore thumb at points in the plans for demobilization.

The Administration would provide liberal mustering out benefits of one sort or another, including not only cash but educational and training opportunities as well as "insurance" protection against certain ordinary economic hazards. These things have value. Some of them are doubtless warranted. The returning soldier and sailor will doubtless be glad to have them, but the members of the armed forces will, if they are wise, be even more interested in the opportunities which the economic system is to be permitted to provide them. The extent to which the free enterprise system will be able to function as only it can do, will, of course, depend upon many broad policies adopted by government. There are many things that government could do, and unfortunately this Administration is inclined to do, which would hurt the returning soldier and sailor much more than all the plans the Administration announces would help him.

Excessive Generosity Harmful

For one thing, the very bountifulness of the aid that is being planned could itself turn out to be more of a hindrance than a help. The Federal Government will inevitably end this war in debt beyond the imagination of living man only a few years ago. Its ability to obtain funds will be severely curtailed by the very cessation of war activity, and it will in all probability be faced by a very heavy demand for payment of war savings bonds which it has been selling every where under great pressure during hostilities. The banks of the country will be grievously overloaded with Treasury deficits. There will without question be reason to be concerned about questions that have to do with money, credit and banking. Nothing is more disturbing to the normal course of business activity than such uncertainty. The enormous costs of the President's demobilization plans could very easily by aggravating this situation be a serious impediment to the absorption of the returning soldiers and sailors into the economic system—and only such absorption can offer them any assurance of permanent well-being. We must be generous to these men, but there must be reason in all things if the economic system is to survive.

There are a good many other things which the Government should do now if it wishes to be a real friend to the returning soldier. For one thing it should be certain that it is not bleeding business of funds it must have in order to return promptly and vigorously to peacetime operations. It should be arranging to make certain that settlements of incompleting war contracts do not tie industry up for months as it may well do if care is not taken to prevent it. Then there is the enormous volume of Government owned plants which could easily be used to delay return to peacetime pursuits, and even to undermine free enterprise for a long period of time.

Vigorous Free Enterprise

But about such subjects the President maintains a complete silence. Not only that, but the President's own planning board which prepared his demobilization plans is on record as demanding many lines of action which could not possibly fail to have the effect of injuring the ability of the economic system to absorb the returning fighters and to convert them into producers of the things they and all the rest of us must have if we are to enjoy our accustomed

standard of living. Consummation of the plans that have been announced in Washington and sent on to Congress with the apparent blessing of the President could not fail to undermine and, if persisted in long enough, destroy the free enterprise system which most of the men in the armed forces are looking forward to rejoining after the war. No amount of "benefits" of the sort that the President mentions could possibly compensate the soldier or the sailor for loss of such things as these.

The vital question is: has the war experience with production problems taught the Administration and its "bright boys" anything at all about how the private enterprise system works; or converted them to any realistic conviction that it ought to be permitted to continue? Certainly the President's address does nothing to reassure the doubter on this point, and certainly the elaborate plan later made public does not despite lip service of the familiar sort to the American system.

It is most earnestly to be hoped that the President's address failed of its apparent purpose.

Hard Sense About Post-War Employment

"The first necessary step to post-war jobs is to make it possible for industry to accumulate sufficient funds to reconvert, as the President forecast last week, 'from a war economy to peacetime operation.' The earnings which industry should set aside to pay for this reconversion and for the resumption of peacetime operations are being taxed away or renegotiated away from private industry almost as fast as they are earned. Unless industry can first bring together the money which must be employed, it cannot bring together the men who want employment. This should be plain beyond dispute.

"Further, if industry, which has not been permitted to accumulate sufficient post-war reserves, is told to go to the capital markets for its needs, the same necessity appears in another form. Capital is reluctant. It is not the reluctance of a few plutocrats, but the reluctance of an investing public of millions of ordinary citizens.

"A recent report shows that for 1942 the total number of stockholders in the United States was almost 10,000,000. They don't think of their money as capital but as their lifetime savings, and they won't risk it with taxes mopping up earnings and when they don't know what is going to be done to the currency or the public debt.

"Further, in view of the growth of the monopolistic practices among labor, there is need for the Congress to change the economic climate by establishing a fair labor policy for the nation. The public has already indicated a growing recognition that monopoly is against the public interest when labor practices it, just as much as when capital does it."—Frederick C. Crawford, President of the NAM.

We must not only plan now, but act now if the post-war interests of us all are to be properly served.

The State Of Trade

Reports continue good from most industrial sections, with electric power production reaching a new peak. Retail trade activity continues to show substantial gains over last year's figures.

Electric production last week totaled 4,196,357,000 kilowatt hours to establish another new peak, topping the previous week's record of 4,184,143,000 kilowatt hours.

Demands of war industries, and particularly of aluminum and magnesium plants, in the first half of the year have boosted power requirements constantly upward. Output for the week ended July 24 was 15.7% above that for the comparable week of 1942, slightly smaller than had been registered in recent weeks.

The Pacific Coast, consistently the leader in year to year increase in demand, ran 20.6% ahead of last year. Carloadings of revenue freight for the week ended July 24 totaled 833,826 cars, according to the Association of American Railroads. This was an increase of 6,496 cars from the preceding week this year, 28,311 more cars than the corresponding week in 1942 and 13,738 cars below the like period two years ago.

This total was 124.61% of average loadings for the corresponding week of the 10 preceding years. Steel operations this week are scheduled at 98.3% of capacity compared with 98% in the previous week, an increase of 0.3%, according to the American Iron & Steel Institute. A month ago the mills operated at 96.6% of capacity.

The current schedule is equivalent to output of 1,702,200 net tons of ingots and castings, compared with 1,697,000 the previous week; 1,672,000 a month ago and 1,639,200 a year ago.

Slower buying of steel over the next few weeks is expected by the magazine "Steel," according to its current issue. "The sudden turn of events in Italy has injected an element of uncertainty which may retard freezing of plans for the immediate future and possibly result in shifting of schedules already set up," the magazine "Steel" states.

With steelmakers booked through this year and into 1944, most plate mills are practically out of the market for the remainder of the year, but in contrast structural mills are having difficulty getting tonnage for September rolling, the weekly review stated.

As to retail trade, department store sales on a country-wide basis gained 19% for the week ended July 24 compared with the same week a year ago, according to the Federal Reserve system.

Store-sales were up 18% for the four-week period ended July 24 compared with last year. Department store sales in New York City were 8% larger in the July 31 week than in the corresponding period of last year, according to preliminary estimate issued by the Federal Reserve Bank of New York.

In the previous week, sales of New York City department stores were 13% higher than in the comparable week a year ago.

Sales of apparel stores in the United States during the first half of 1943 totaled \$2,900,000,000, new record high level, according to the latest revisions in the Department of Commerce index. After adjust-

ments for seasonal variations, sales were at an annual rate of \$6,400,000,000, almost double the 1939 rate and about 25% above the first half of 1942.

The estimated net income of Class I railroads in the United States for the first six months of 1943 was \$159,614,334 higher than for the like period last year despite a sharp drop in June profits, the Association of American Railroads states.

The Association reported to the Interstate Commerce Commission a net income, after interest and rentals, of \$448,800,000 during the first six months of this year, compared with \$289,185,666 in the corresponding period of 1942.

However, the net income during June was only \$70,900,000, compared with \$77,690,545 in June, 1942, the report stated.

According to authoritative sources, this year the indications are that crop production will be down and livestock production up as compared with last year. Notwithstanding the floods, the late spring and the disturbing readjustments of wartime, the progress being made on the farm front is encouraging. With average weather during the remainder of this season, we can expect our combined crop and livestock production to be slightly larger than last year, observers state.

We need, according to the above source, to produce during these war years greater quantities of food than ever before. Farm production in 1942 was the largest on record—about 27% above both the 1935-39 average and the 1928-32 average. As great an achievement as that was, it fell short of meeting the tremendous demand for food that the war has imposed on this nation's agricultural plant.

N. Y. Savs.-Loan Ass'ns Had Record Increases

The 249 savings and loan associations in New York State showed a record increase in savings by the public during the first half of 1943, according to reports collected by the New York State League of Savings and Loan Associations. The net increase was \$25,480,000, which is the highest in the history of the State. Share investments during the six months' period amounted to \$89,145,000, while withdrawals totaled \$63,665,000. On the basis of these reports, the League estimates that at the close of business June 30 the resources of all New York savings and loan associations had well exceeded the \$500,000,000 mark.

The League's announcement made available July 25 further said:

"The bulk of the new savings funds being received is being invested in United States Government Bonds. So far this year, the savings and loan associations have purchased U. S. Treasury obligations to the extent of \$20,228,000, bringing up to 19.7% the proportion of total assets represented by Cash and Government securities.

"The increase in savings, together with the volume of War Bonds and Stamps purchased through savings and loan associations—over \$6,000,000 this year to date—demonstrates unmistakably that the members of these mutual thrift and home financing institutions are voluntarily cooperating with the Government's War Savings Program. Although the normal investment in mortgage loans by savings and loan associations has been curtailed because of war conditions, leaders in the business share the opinion that new savings should be encouraged, and that no limitations should be imposed. It is felt that the greatest contribution which savings and loan associations can make to the war program is on the anti-inflation front, by fostering savings and the continued buying of War Bonds."

Discipline

By WILLIAM GARFIELD LIGHTBOWNE

Inflation is but one of the problems of our developing war economy. Another may be summed up under the general heading of discipline.

Discipline is just as necessary in civilian life as in the military forces. Without military discipline an army becomes merely a mob. Without civilian discipline, a nation also becomes a mob, shorn of unity and incapable of orderly progress toward a predetermined goal.

Competition is one method of discipline. Competition restrains individual greed, keeps prices in line, and maintains a proper balance between the different parts of the economy. But wartime scarcity weakens the effects of competition and exposes the community to the full force of conflicting individual interests.

Self-interest, restrained by competition, is a potent force for social progress. But self-interest, undisciplined, can degenerate into profiteering, and is one underlying cause of inflation.

Through rationing and artificial price controls, we seek to substitute discipline based upon force for the natural discipline of competition. But, as always happens when man-made devices are substituted for natural laws, the results are uneven, unsatisfactory, and destructive of human freedom.

With the return of peace, however, and the resumption of production for civilian use, this problem may be expected to take care of itself.

A more serious phase of the problem of discipline has to do with labor. In other times, labor discipline was maintained through the fear of discharge and consequent unemployment. But when jobs are plentiful, and every man is needed for war production, the fear of discharges loses its potency as a disciplinary agency. Irresponsible strikes, absenteeism, and inordinate wage demands are but the more glaring evidences of this breakdown of labor discipline. A general slackening of efficiency and a falling off of individual output are the almost inevitable result when workmen know that they will not be discharged because their work is needed and there is no way to replace them.

The widespread unionization of labor, coupled with the virtual disappearance of unemployment, has put tremendous power in the hands of the workers—a power not balanced by any corresponding responsibility for the success or failure of an enterprise. Trade union rules and regulations today constitute a body of "law" as binding upon employers as any passed by Congress, and far more rigidly enforced, with the consequence that management has been deprived of much of its power to discipline its employees.

No true American wants to go back to the days when mass unemployment and poverty constituted a hell, the fear of which was the prime instrument for maintaining industrial discipline. And certainly no one wants to see American workers subjected to the complete domination of the State, as happened in the Fascist countries. But in the absence of discipline based upon fear, some method must be developed for giving the workers a greater sense of responsibility for the general welfare and of loyalty to their jobs.

One significant plan for achieving this result is the "incentive wage," now being used in a number of important industrial plants. The incentive wage differs from ordinary piece-work in that wages rise or fall in proportion to the total output of the entire plant or department. If total output rises 10% above an agreed norm, each man gets 10% more in his pay envelope. This gives each worker a direct personal interest in the efficiency and output of all the men in the group involved.

This plan has produced some startling results in the way of increased output and lower unit costs of production in spite of large increases in individual earnings. In some cases it has resulted in the union itself undertaking to maintain discipline and keep up the output of its members.

Any plan which will thus enlist the self-interest of the workers and their organizations on the side of efficiency and increased output is certainly worthy of serious study.

The incentive wage would seem to have two additional advantages: When increased earnings are made dependent upon increased production we avoid the inflationary effects that follow when increased earnings are accompanied by a stationary or falling production rate. And when increased production is automatically accompanied by increased wages, we maintain that balance between supply and demand which is necessary to full employment of labor and equipment.

President Hails 'First Crack In Axis' But Warns Of Hard Task Against Hitler and Tojo

Asks Post-War Plan For Service Men—Pledges New Home Front Measures On Food And Manpower

President Roosevelt told the nation on July 28 that the knocking out of Mussolini and his "gang" represents "the first crack in the Axis" but warned that to defeat Hitler and Tojo on their own home grounds "will require a far greater concentration of our national energy and our own ingenuity and our skill."

In a radio address, the President reiterated that "terms to Italy are still the same as our terms to Germany and Japan—Unconditional surrender," and promised that Mussolini and his Fascist gang "will be brought to book and punished for their crimes against humanity." Adding that "we shall not settle for less than total victory," Mr. Roosevelt asserted that the war will go on in Italy until the people realize the futility of continuing to fight in a lost cause.

After praising the Sicilian operation, the President reviewed the other phases of the global war, paying tribute to the Russian armies and saying that the initiative taken in the Pacific will not be relaxed.

As to the length of the war, the President said it depends upon the "uninterrupted continuance of the all-out effort on the fighting fronts and here at home."

With respect to the home front, which is "inexorably tied" to the fighting front, Mr. Roosevelt said that plans are now being drawn up concerning food, manpower and other domestic problems which will call for definite action by the Executive and Congressional branches of the Government.

He also urged Congress to do its duty in carrying out the assurance given to the armed forces that "the American people would not let them down when the war is won." The President said that a minimum plan for demobilizing returning soldiers ought to include mustering-out pay, unemployment insurance, liberalized hospitalization, education and trade training benefits and sufficient pensions for disabled members.

The text of the President's address follows according to the Associated Press:

"Over a year and a half ago I said to the Congress: 'The militarists in Berlin, Rome and Tokio started this war, but the massed, angered forces of common humanity will finish it.'

"That prophecy is in the process of being fulfilled. The massed, angered forces of common humanity are on the march. They are going forward—on the Russian front, in the vast Pacific area, and into Europe—converging upon their ultimate objectives, Berlin and Tokio.

"The first crack in the Axis has come. The criminal, corrupt Fascist regime in Italy is going to pieces.

"The pirate philosophy of the Fascists and Nazis cannot stand adversity. The military superiority of the United Nations—on sea and land, and in the air—has been applied in the right place and at the right time.

"Hitler refused to send sufficient help to save Mussolini. In fact, Hitler's troops in Sicily stole the Italians' motor equipment, leaving Italian soldiers so stranded that they had no choice but to surrender. Once again the Germans betrayed their Italian allies, as they had done time and time again on the Russian front and in the long retreat from Egypt, through Libya and Tripoli, to the final surrender in Tunisia.

"Mussolini came to the reluctant conclusion that the 'jig was up'; he could see the shadow of the long arm of justice.

"But he and his Fascist gang will be brought to book, and punished for their crimes against humanity.

"No criminal will be allowed to

escape by the expedient of 'resignation.'

"Our terms to Italy are still the same as our terms to Germany and Japan—'unconditional surrender.'

"We will have no truck with Fascism in any way, shape or manner. We will permit no vestige of Fascism to remain.

"Eventually Italy will reconstitute herself. It will be the people of Italy who will do that, choosing their own government in accordance with the basic democratic principles of liberty and equality. In the mean time, the United Nations will not follow the pattern set by Mussolini and Hitler and the Japanese for the treatment of occupied countries—the pattern of pillage and starvation.

"We are already helping the Italian people in Sicily. With their cordial co-operation we are establishing and maintaining security and order; we are dissolving the organizations which have kept them under Fascist tyranny; we are providing them with the necessities of life until the time comes when they can fully provide for themselves.

"Indeed, the people in Sicily today are rejoicing in the fact that for the first time in years they are permitted to enjoy the fruits of their own labors. They can eat what they themselves grow instead of having it stolen from them by the Fascists and the Nazis.

"In every country conquered by the Nazis, the Fascists or the Japanese militarists the people have been reduced to the status of slaves or chattels.

"It is our determination to restore these conquered peoples to the dignity of human beings, masters of their own fate, entitled to freedom of speech, freedom of religion, freedom from want, freedom from fear.

"We have started to make good on that promise.

"I am sorry if I step on the toes of those Americans who, playing politics at home, call that kind of foreign policy 'crazy altruism' and 'starry-eyed dreaming.'

"Meanwhile, the war in Sicily and Italy goes on. It must go on, and will go on, until the Italian people realize the futility of continuing to fight in a lost cause—a cause to which the people of Italy never gave their wholehearted approval and support.

"It is a little over a year since we planned the North African campaign. It is six months since we planned the Sicilian campaign. I confess that I am of an impatient disposition, but I think that I understand, and that most people understand, the amount of time necessary to prepare for any major military or naval operation. We cannot just pick up the telephone and order a new campaign to start the next week.

"For example, behind the invasion forces of North Africa were thousands of ships and planes guarding the long, perilous sea lanes, carrying the men, the equipment and the supplies to the point of attack. And behind all these were the railroad lines and highways that carried the men and the munitions to the ports of embarkation—there were the factories and the mines and the farms that turned out the materials—there were the training camps where the men learned how to

perform the strange and difficult and dangerous tasks which were to meet them on the beaches and in the deserts and the mountains.

"All this had to be repeated in the attack of Sicily. Here the factor of air attack was added—for we could use North Africa as the base for softening up the landing places and lines of defense in Sicily, and the lines of supply in Italy.

"It is interesting for us to realize that every Flying Fortress that bombed harbor installations at Naples from its base in North Africa required 1,110 gallons of gasoline for each single mission, and that this is the equal of about 375 A ration tickets—enough gas to drive your car five times across this continent. You will better understand your part in the war—and what gasoline rationing means—if you multiply this by the gasoline needs of thousands of planes and hundreds of thousands of jeeps, trucks and tanks now serving overseas.

"I think that the personal convenience of the individual or the individual family back home here in the United States will appear somewhat less-important when I tell you that the initial assault force on Sicily involved 3,000 ships which carried 160,000 men—Americans, British, Canadians and French—together with 14,000 vehicles, 600 tanks and 1,800 guns. This initial force was followed every day and every night by thousands of reinforcements.

"The meticulous care with which the operation in Sicily was planned has paid dividends. For our casualties in men, ships and material have been low—in fact, far below our estimate.

"All of us are proud of the superb skill and courage of the officers and men who have conducted and are conducting this operation. The toughest resistance developed on the front of the British 8th Army, which included the Canadians. But that is no new experience for that magnificent fighting force which has made the Germans pay a heavy price for each hour of delay in the final victory. The American 7th Army, after a stormy landing on the exposed beaches of southern Sicily, swept with record speed across the island into Palermo. For many of our troops this was their first battle experience, but they have carried themselves like veterans.

"And we must give credit for the co-ordination of the diverse forces in the field, and for the planning of the whole campaign, to the wise and skillful leadership of General Eisenhower. Admiral Cunningham, General Alexander and Air Marshal Tedder have been towers of strength in handling the complex details of naval, ground and air activities.

"You have heard some people say that the British and the Americans can never get along well together—you have heard some people say that the Army and Navy and Air Forces can never get along well together—that real co-operation between them is impossible. Tunisia and Sicily have given the lie, once and for all, to these narrow-minded prejudices.

"The dauntless fighting spirit of the British people in this war has been expressed in the historic words and deeds of Winston Churchill—and the world knows how the American people feel about him.

"Ahead of us are much bigger fights. We and our Allies will go into them as we went into Sicily—together. And we shall carry on together.

"Today our production of ships is almost unbelievable. This year we are producing over 19,000,000 tons of merchant shipping and next year our production will be over 21,000,000 tons. And in addition to our shipments across the Atlantic we must realize that in this war we are operating in the Aleutians, in the distant parts of

(Continued on page 522)

Text Of President's Summation Of 1944 Budget

President Roosevelt's statement on the summation of the 1944 Federal budget was as follows:

In line with my former practice I am issuing this budget summation describing the modifications in the program of the Federal Government resulting from intervening appropriation and revenue acts since submission of my annual budget last January. The summation presents a more accurate portrayal than was then possible of prospects for the fiscal year just started, in the light of economic developments and Congressional action.

Such a document is especially appropriate this year because my original budget of six months ago could not present detailed recommendations for war appropriations so far in advance. These recommendations have been transmitted to the Congress in the form of various supplemental estimates over recent months.

The dominating factor in the fiscal situation is, of course, war expenditures. In presenting a tentative estimate in my budget message of last January, I said: " * * * a 100-billion-dollar expenditure program does reflect a national effort of gigantic magnitude. * * * Some persons may believe that such a program is fantastic. My reply is that this program is feasible."

The 100-billion-dollar estimate for war expenditures during the fiscal year 1944, including net war outlays of Government corporations, still stands.

This huge war bill reflects the military requirements of our aggressive operations in various far-flung theatres of war. It will provide our armed forces with the crushing superiority in equipment which is needed for successful operation with a minimum sacrifice of the lives of our fighting men.

Total Federal expenditures, excluding debt retirement and trust fund disbursements, for fiscal year 1944 are estimated at \$106,000,000,000; net receipts will amount to \$38,000,000,000; under present legislation. The resultant deficit of \$68,000,000,000 will be reduced if the Congress enacts additional revenue legislation.

These basic facts of the fiscal situation have tremendous importance for all of us, yet it is extremely difficult for an individual to obtain these summary figures from our highly complex laws and records. I hope that this statement will aid the public in understanding the many intricate factors on which they are based.

My original budget and the subsequent recommendations spelling out proposed war expenditures are combined in the three attached tabulations.

Table 1 shows my recommendations to the Congress for the fiscal year just started, and the appropriations and authorizations actually voted for the fiscal years 1942, 1943 and 1944.

Table 2 gives the expenditures and receipts for the fiscal years 1942 and 1943 (actual), and 1944 (as estimated last January and as revised in July, 1943). It also shows the effect of these financial operations on the Federal debt.

Table 3 gives a more detailed breakdown of the receipts as summarized in Table 2, reflecting changes in the tax structure.

Appropriations and Expenditures

The dollars-and-cents figures of the budget are the monetary expression of our Federal program of action. Appropriations are the legal basis for incurring obligations and for the subsequent expenditure of cash. In many cases actual cash payments are not made in the same year for which

the appropriations are made and in which the obligations are incurred. This is particularly true in the case of contracts for war materials.

Thus a rather large portion of the total cash to be paid out in 1944 will be used for contracts and commitments entered into under authority of the appropriations of previous years. Similarly, appropriations for the fiscal year 1944 will be used for placing contracts now, but a substantial part of the work will be completed and paid for in future fiscal years. Hence for any specific year there are differences between appropriations, obligations and cash expenditures.

In some cases when a program such as the construction of ships must extend over a long period, the Congress utilizes so-called "contract authorizations" in lieu of immediate appropriations for the full expenditure ultimately involved. Such authorizations enable the executive departments to place contracts now, leaving the appropriation of cash for a later time, when the money will be needed to pay the bills.

War Activities: General and Special Accounts

I recommended war appropriations of \$100,711,000,000 in the fiscal year 1944. Congress appropriated \$97,633,000,000 and approved \$2,000,000,000 of contract authorizations in lieu of recommended appropriations. The net result is a reduction of \$1,078,000,000.

This reduction is distributed as follows: War Department, \$390,000,000; emergency war agencies, \$387,000,000; Lend-Lease Administration, \$150,000,000; War Shipping Administration, \$100,000,000; and Navy Department, \$51,000,000. Congressional action on recommendations for other than war purposes is discussed in a later section.

Government Corporations

The war activities of government corporations consist mainly of: (1) financing war plant facilities, (2) purchasing critical materials, (3) facilitating production of essential commodities by incurring losses in purchase and sale operations, or by payment of subsidies, and (4) miscellaneous operations.

Since July, 1940, these war corporations have made war commitments of \$19,904,000,000; disbursements, less cash receipts, are \$5,584,000,000. In the fiscal year just completed, net outlays for war purposes were \$2,976,000,000; during the fiscal year 1944 they are estimated at \$3,000,000,000.

As the war program develops, as the plants for which advances were made are amortized or disposed of, and as stockpiles are liquidated, government corporations are reimbursed. Hence, for the war period as a whole, receipts will offset a considerable portion of outlays.

Total War Expenditures

War expenditures, including net outlays of Government corporations, amounted to \$75,000,000,000 for the fiscal year 1943, in comparison with the January estimate of \$77,000,000,000. Expenditures were therefore 2.9% below estimates, primarily because costs of production for many munitions declined more than anticipated.

War production has moved from the experimental and pilot stage into mass production and has benefited from technological improvements. Considerable success has been achieved in translating these reductions in cost of production into actual reduction of contract prices.

The \$100,000,000,000 expendi-

ture estimate for the fiscal year 1944 is based on present legislation, particularly legislation which establishes the pay and allowances of members of the armed forces, and which deals with prices and wages. It is assumed that the reduction in production costs will level off, but that no general increase in prices will occur.

If we should fail in our effort to stabilize the cost of living, or if a substantial general increase in wage rates should take place, war expenditures would, of course, exceed the present estimate. Total war expenditures for the fiscal years 1943 and 1944 are subdivided in the following table:

Items	Estimated Actual (billions)	
	1944 Fiscal	1943 Fiscal
Munitions and construction	\$72	\$56
Other, including military pay, subsistence, travel and agricultural lease	28	19
Total	\$100	\$75

Monthly war expenditures in June, 1943, had risen to \$7,700,000,000, the equivalent of an annual rate of over \$90,000,000,000.

The total war program, measured by appropriations, contract authorizations, and Government corporation commitments voted since July, 1940, amounts to \$330,000,000,000. In addition, construction authorized in terms of tonnage for increase and replacement of naval vessels will, it is estimated, require appropriations of another \$14,000,000,000.

Of the \$330,000,000,000, \$232,000,000,000 were appropriated for the 3-year period ending last month, during which \$212,000,000,000 have been obligated and most of the remainder has been earmarked for completion of programs already under way. Only \$110,000,000,000 have, however, been actually spent as of June 30, 1943.

Congress has further appropriated \$98,000,000,000 for the fiscal year 1944, practically all of which will be obligated or committed by the end of the year, even though much of it will be actually unspent at that time.

The spread between appropriations and obligations on the one hand and between obligations and cash expenditures on the other, reflects the necessity for the Government and for contractors to plan production many months ahead.

Appropriations and Expenditures for Other Than Direct War Purposes

The largest single item of appropriation and expenditure for other than direct war purposes is interest on the public debt, which has risen rapidly because of heavy war expenditures. Interest is estimated at \$2,700,000,000 in the fiscal year 1944, as compared with \$1,808,000,000 for the preceding fiscal year.

We are now financing at an average interest cost on new money of less than 2%; since personal and corporate income from all new issues is fully taxable, the net cost is even lower.

For all remaining activities of the Federal Government in the general and special accounts, my original and supplemental appropriations for the year just started amounted to \$4,745,000,000, as compared with appropriations by the Congress of \$4,630,000,000.

The Congress decided to discontinue immediately or in the near future the following agencies or activities: the National Resources Planning Board, the Crop Insurance Program, the Home Owners' Loan Corporation, and the Bituminous Coal Division in the Department of the Interior.

The Secretary of Agriculture

has not been authorized to make commitments for parity payments on future crops or to make incentive payments to increase agricultural production. The program of the Farm Security Administration has been curtailed.

On the other hand, the Congress appropriated more than I recommended for some items, such as forest protection, research in steel resources, reclamation, and flood relief and flood control.

Expenditures from the general and special accounts for activities other than war, interest on the debt, and statutory debt retirement, it is estimated, will amount to \$4,336,000,000 in fiscal year 1944, which will be slightly above the prior year's expenditures, and 15% less than in the fiscal year 1942.

The most important increases over the fiscal year 1943 are for veterans' pensions and benefits, retirement funds, and refunds. Refunds alone are now estimated at \$282,000,000 above the fiscal year 1943; of this increase, \$233,000,000 of rise between January and present estimates is attributable mainly to adjustments for overpayment of income taxes under Current Tax Payment Act.

Summary of Expenditures

The following tabulation, derived from Table 2, summarizes aggregate Federal expenditures from general and special accounts and by Government corporations in the fiscal year 1943, and for the fiscal year 1944, as estimated last January and as now revised:

Classification—	EXPENDITURES EXCLUDING DEBT RETIREMENT AND TRUST FUNDS		
	Fiscal 1944		
	Revised Estimates	January Estimates (millions)	Fiscal 1943 Actual
War Activities:			
General and special accounts	\$97,000	\$97,000	\$72,109
Government corporations (net of receipts)	3,000	2,693	2,976
Interest on the public debt	2,700	3,000	1,808
Other activities:			
General and special accounts	\$4,336	\$4,124	\$4,262
Government corporations (net of receipts)	\$1,167	\$309	\$1,470
Total expenditures	\$105,869	\$107,126	\$79,685

*Excess of receipts over expenditures. †Includes \$361,000,000 of refunds primarily attributable to the Current Tax Payment Act which had not been enacted in January.

To determine Federal cash pay-

ments to the public, it is necessary to add to the above expenditures trust fund disbursements to the public, and to subtract major intragovernmental transactions, such as interest payments by the Treasury to trust funds, and the accrual of interest on savings bonds.

When these adjustments are made, total cash payments to the public in the fiscal year 1943 amount to \$79,317,000,000, and are estimated at \$105,397,000,000 for the fiscal year 1944.

Receipts and Debts

Receipts: General and Special Accounts

Actual net receipts amounted to \$22,072,000,000 in the fiscal year 1943. They were estimated for the fiscal year 1944 at \$33,081,000,000 last January, and are estimated at \$38,148,000,000 at this time.

The increase in the January estimate over the previous fiscal year was attributable to the Revenue Act of 1942 and to greater business activity and higher incomes than anticipated.

The further increase of \$5,067,000,000 between the January and July estimates arises primarily because of larger collection of direct taxes from individuals under the Current Tax Payment Act of 1943. This Act advances the date of payment of individual income tax on rising incomes and requires partial payment of the uncollected portion of the 1942 tax.

At the time of passage of this Act it was estimated that collections for the fiscal year 1944

would be increased by approximately \$3,000,000,000 after refunds for overpayment.

A nonrecurrent increase of importance in these collections is accounted for by the regulations issued under authority of the recently enacted Current Tax Payment Act, requiring monthly rather than quarterly payments into the Treasury of amounts withheld by employers. Hence, the anticipated lag in payments for the fiscal year 1944 will amount to only one month instead of a quarter of a year.

Direct taxes on corporations in the fiscal year 1944, including the post-war credits, are estimated \$835,000,000 lower than in January. Underlying this change is a reduction in the anticipated yield of the excess profits tax, offset partially by an increase in revenue from corporate normal tax and surtax.

Factors accounting for this change include relief provisions of the excess profits tax in the 1942 Revenue Act, the renegotiation of war contracts, and changes in the outlook for corporate profits.

Larger estimates of miscellaneous receipts are due to refunds arising from renegotiation of war contracts; these refunds are now expected to be higher than was estimated in the original budget.

Total receipts of general and special accounts are expected to amount to \$40,350,000,000 in the fiscal year 1944. This figure includes the amount appropriated to the old-age and survivors' insur-

ance trust fund, and post-war credits for excess profits tax and victory tax. Both of these are currently collected but represent claims against the Federal Government which are deducted to arrive at net receipts.

The foregoing discussion has been based entirely on receipts of general and special accounts. To calculate total receipts from the public it is necessary to include receipts of trust accounts and to exclude transfers such as appropriations to trust accounts.

On this basis total Federal receipts from the public were \$25,274,000,000 in the fiscal year 1943, and are estimated at \$41,898,000,000 for the fiscal year 1944.

Public Debt

The direct public debt, excluding obligations of Government corporations, amounted to \$137,600,000,000 on June 30, 1943. Unless additional tax legislation is enacted, the debt will increase \$69,000,000,000 in fiscal 1944, bringing the public debt to \$206,600,000,000 by June 30, 1944. Changes in the cash working balance may alter total debt a year hence.

The increase in the direct Federal debt does not only reflect borrowing from the public. Government trust funds, especially the social security trust funds, are accumulating a temporary surplus in periods of high employment and low disbursements, which is invested in Government bonds.

The surplus reflects claims of beneficiaries against the trust funds and is, of course, a liability

of the Government even though such investments in Government bonds reduce the need for borrowing from the public during the war period.

The increase in the Federal debt includes the obligations issued in lieu of debt retired by Government corporations. These operations reduce the contingent debt and correspondingly increase the direct debt. They represent refinancing rather than new financing.

Borrowing from individuals and institutions amounted to \$61,000,000 during the fiscal year 1943; it will amount to \$63,000,000 in the fiscal year 1944 unless additional revenue legislation is enacted. Both amounts include that portion of post-war credits against excess profits and victory tax payments which will be claimed after the war.

The Economic Impact

Governmental spending of over \$100,000,000 a year has major repercussions on the economy. The amounts spent become incomes of corporations and individuals.

If expenditures are financed either by taxing or by borrowing active funds, the volume of spendable funds in the hands of consumers will not increase. If, however, expenditures are financed by borrowing from banks or by borrowing idle funds, the spendable income in the hands of consumers will increase greatly.

Individuals are expected to receive incomes approaching \$150,000,000 during fiscal year 1944, over twice the income payments to individuals in fiscal year 1940. Such a huge rise creates a tremendous increase in demand for goods and services.

A considerable portion of this enlarged income and demand for goods results from full employment of many millions of workers who were formerly either unemployed or underemployed, or were not seeking employment in the years before the defense and war effort. Such persons now have money to buy more necessities and even luxuries.

The Government directly or indirectly is employing more than one-half of the total labor force either in military service or in war production. In view of this fact, sooner or later a drastic reduction in the supply of goods and in the services available for civilian consumption was bound to result.

These facts did not make themselves felt during the earlier phases of the defense and war effort because our economy was running far below its capacity. Industrial production (measured by the Federal Reserve index of production) increased by 68% from fiscal 1940 to fiscal 1943. Thus we were able to increase war production and civilian production at the same time.

In recent months the index of production has not increased substantially, which indicates that we are approaching the capacity of production with our available manpower.

I do believe, however, that a further increase in production is possible if Government, management and labor constructively tackle the problems of the most effective use of our resources. This should be our objective since we shall feel the full impact of the curtailment in less essential civilian supplies as our large cushion of inventories disappears.

We must recognize clearly that war expenditures are creating an increase in the demand for civilian goods while the supply of these very goods is decreasing. Many of us must reduce our accustomed standard of living during wartime because of the absorption of a large portion of our labor force and labor reserve for war service.

A reduced standard of living is

President Revises \$100 Billion War Budget; Renews Demand for More 'Taxes, Savings, or Both'

The President's budget summation revealed that the huge war budget estimates for the 1944 fiscal year in the light of economic developments and Congressional action.

President Roosevelt issued on July 31 a revision of his January bill for the fiscal year which started July 1 remains unchanged from January estimates of \$100,000,000,000. Total expenditures, including operations not directly connected with the war, were predicted at nearly \$106,000,000,000. Net receipts were estimated at \$38,000,000,000, an increase of about \$5,000,000,000 from the January estimate, attributable primarily to larger individual income taxes resulting from the pay-as-you-go tax bill.

The President's statement said that the resulting \$68,000,000,000 deficit will, unless Congress enacts additional tax legislation, bring the public debt to \$206,000,000,000 by the end of the 1944 fiscal year.

In his summation, Mr. Roosevelt recommended anew "a truly stiff program of additional taxes, savings, or both."

The most notable revision from his January figures was a reduction of \$6,000,000,000 in estimated total expenditures for the War Department in fiscal 1944 and an increase of \$4,000,000,000 for the Navy Department. The Army figure was reduced from \$62,000,000,000 to \$56,000,000,000, while the Navy total was upped to \$28,000,000,000. The remaining \$2,000,000,000 will be taken up by other war agencies, leaving total 1944 war activities at \$97,000,000,000.

To the \$97,000,000,000 thus estimated for specific war accounts was added \$3,000,000,000 as net operating costs of war activities of Government corporations, such as Defense Plant Corporation, Defense Supplies Corporation, Metals Reserve Company and others. The similar net costs last year exceeded \$2,975,000,000.

"This huge (\$100,000,000,000) bill," said Mr. Roosevelt in a statement accompanying the summation, "reflects the military requirements of our aggressive operations in various far-flung theatres of war. It will provide our armed forces with the crushing superiority in equipment which is needed for successful operation with a minimum sacrifice of the lives of our fighting men."

Contrasting this year's \$100,000,000,000 war bill with the \$75,000,000,000 actually spent for war in the last fiscal year, Mr. Roosevelt said the latter figure was 2.9% below estimates "primarily because costs of production for many munitions declined more than anticipated."

He added, however, that "it is assumed that the reduction in production costs will level off, but that no general increase in prices will occur."

But, the President declared, "if we should fail in our effort to stabilize the cost of living, or if a substantial general increase in wage rates should take place, war expenditures would, of course, exceed the present estimate."

In referring again to the need for "holding the line," Mr. Roosevelt asserted, in discussing revenue needs: "The cost of living cannot be stabilized unless price and wage controls are supported by a further substantial absorption of purchasing power as a deterrent to bidding up prices and resorting to black market. The alternative to stabilization is inflation, and inflation is the most inequitable way of distributing the necessary wartime curtailments. Inflation shifts the full burden to the shoulders of the people in the weakest bargaining position, the people whose incomes do not rise with increasing prices. Inflation also reduces production by creating unrest and friction.

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A war program involving \$100,000,000,000 of expenditures during the next twelve months is, I repeat, a gigantic national effort for victory. That expenditure program must be backed up by a revenue program of sufficient size to make sure that we do not disrupt our home front and that we do prepare the way for an orderly transition to a future peace economy.

Following is a comparative statement of receipts and expenditures, based on present and January estimates for the fiscal year 1944, together with actual figures for the fiscal year 1943, as outlined in President Roosevelt's budget summation:

due to the titanic war effort and not, as some people believe, to taxes, rationing and other governmental controls. These controls are necessary to achieve maximum war production, to assure equitable distribution of the available civilian supplies, and to prevent economic collapse after the war has been won.

We all know that it takes some time to organize a war economy in the most effective manner. We know, too, that controls and regulations imply many inconveniences which we constantly try to reduce. Curtailments and inconveniences cannot be avoided if we are to help win the war with a minimum of sacrifice in human life.

Nobody wants to jeopardize victory or cause avoidable loss of life by waging war with an insufficient number of troops, with poorly trained troops, or with less than the best equipment we can produce.

I recommended in my budget message last January a truly stiff program of additional taxes, savings, or both. I continue to support that program. The cost of living cannot be stabilized unless price and wage controls are supported by a further substantial absorption of purchasing power as a deterrent to bidding up prices and resorting to the black market.

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Classification	Revised 1944 Estimates July, 1943	Budget 1944 Estimates January, 1943	1943 Actual
General and Special Accounts			
Receipts:			
Direct Taxes on Individuals	\$18,795,000,000	\$13,750,000,000	\$7,077,427,667
Direct Taxes on Corporations	14,080,400,000	14,913,000,000	9,995,930,353
Excise Taxes	4,021,380,000	3,915,380,000	3,796,648,587
Employment Taxes	2,105,000,000	1,982,200,000	1,507,919,214
Customs	333,700,000	204,300,000	324,290,778
Miscellaneous Receipts	1,014,215,000	639,215,000	906,117,131
Adjustment to Daily Treasury Statement Basis			223,688,228
Total Receipts	40,349,695,000	35,406,695,000	23,384,645,502
Deduct:			
Net appropriation for Federal Old Age and Survivors Insurance Trust Fund	1,631,750,000	1,525,450,000	1,103,002,793
Post-War Credits for Excess-Profits Tax and Victory Tax	570,000,000	800,000,000	210,000,000
Net Receipts	38,147,945,000	33,081,245,000	22,071,642,709
Expenditures:			
War Activities*	97,000,000,000	97,000,000,000	72,108,862,204
Interest on the Public Debt	2,700,000,000	3,000,000,000	1,808,160,396
Other Activities:			
Legislative Establishment	28,305,600	27,455,600	26,694,654
The Judiciary	12,100,500	12,663,500	12,020,160
Executive Office of the President	2,239,200	3,049,190	2,572,749
Civil Departments and Agencies	1,300,120,100	1,230,373,033	1,339,279,966
Post Office Deficiency—District of Columbia—United States Share	6,000,000	6,000,000	6,000,000
Veterans' Pensions and Benefits	890,725,000	879,360,000	599,742,083
Aids to Agriculture	811,490,000	889,319,000	1,037,231,190
Social-Security Program	471,673,000	502,705,000	17,914,850
Work Relief	21,922,000	5,436,000	496,738,263
Refunds	361,203,000	127,522,000	313,877,432
Retirement Funds	440,041,600	440,041,600	79,137,651
Statutory Public Debt Retirement	5,000,000	5,000,000	322,041,800
Total Other Activities	4,340,820,000	4,128,924,923	3,463,400
Total Expenditures	104,040,820,000	104,128,924,923	4,265,326,041
Excess of Expenditures, General and Special Accounts	65,892,875,000	71,047,679,923	78,182,348,641
Government Corporations and Credit Agencies Net Expenditures (from Checking Accounts):			
War Activities	3,000,000,000	2,693,000,000	2,975,711,476
Redemption of Obligations in the Market	2,874,588,000	1,772,123,000	688,141,664
Other Activities	11,166,588,000	309,000,000	1,470,167,674
Net Expenditures	4,728,000,000	4,774,123,000	2,193,685,466
Trust Accounts:			
Receipts	4,845,331,400	4,665,107,150	3,939,498,592
Expenditures	4,811,700,000	4,631,402,115	3,606,797,088
Excess of Receipts Over Expenditures	33,631,400	34,795,035	332,701,494
The Public Debt:			
Public Debt at Beginning of Year	136,696,090,330	134,830,142,661	72,422,445,116
Net Increase in Public Debt During Year			
General and Special Accounts, Excess of Expenditures Over Receipts	65,932,875,000	71,047,679,923	56,110,795,932
Government Corporations and Agencies, Net Expenditures	4,728,000,000	4,774,123,000	2,193,685,932
Trust Accounts, Excess of Receipts Over Expenditures	33,631,400	34,795,035	332,701,494
Post-War Credits for Excess-Profits Tax and Victory Tax	570,000,000	800,000,000	210,000,000
Statutory Public Debt Retirement	5,000,000	5,000,000	3,463,400
Change in Treasury Balance	709,333,930	63,000,000	6,515,418,710
Net Increase in Public Debt	69,303,909,670	74,913,007,888	64,273,645,214
Public Debt at End of Year	\$206,000,000,000	\$209,749,150,549	\$136,696,090,330

*Expenditures from Lend Lease (Defense Aid) Appropriation Included.
†Excess of Receipts Over Expenditures.

that the resulting \$68,000,000,000 deficit will, unless Congress enacts additional tax legislation, bring the public debt to \$206,000,000,000 by the end of the 1944 fiscal year.

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"The cost of living cannot be stabilized unless price and wage controls are supported by a further substantial absorption of purchasing power as a deterrent to bidding up prices and resorting to black market. The alternative to stabilization is inflation, and inflation is the most inequitable way of distributing the necessary wartime curtailments. Inflation shifts the full burden to the shoulders of the people in the weakest bargaining position, the people whose incomes do not rise with increasing prices. Inflation also reduces production by creating unrest and friction.

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A war program involving \$100,000,000,000 of expenditure during the next 12 months is, I repeat, a gigantic national effort for victory. That expenditure program must be backed up by a revenue program of sufficient size to make sure that we do not disrupt our home front and that we do prepare the way for an orderly transition to a future peace economy."

Uruguay Renews Diplomatic Relations With Russia

An agreement renewing diplomatic relations between Uruguay and Russia was reported signed in Montevideo on July 28 by the President and members of the Cabinet. Uruguay severed relations with Russia in December, 1935, after it was alleged that the Soviet legation in Montevideo was

President Says Rome Raid Was Necessary

President Roosevelt said on July 23 that the bombing of Rome was justified because it was of military necessity to save the lives of Allied soldiers.

The President told his press conference that he was still hopeful that Rome would be made an open city.

In reporting his remarks, an Associated Press Washington despatch said:

"The Chief Executive offered no assurance that the swelling air might of the Allies would not again return to Rome; to the contrary, he declared that the more the Allies could keep military traffic from operating between Rome and the south the better it would be for the Allies.

"He told his press-radio conference that the Allies for more than a year had sought without success to have the Italian Fascist leaders declare Rome an open city, a move which would free it from attack, and added that he still hoped it would be so made.

"An open city is one which contains no troops, defenses, military installations, military factories, or transportation facilities utilized for the movement of military supplies or personnel.

"Mr. Roosevelt described Rome as an important marshaling yards for the transport of troops and guns to southern Italy.

"The bombing, he said, was to protect American and British lives. He termed it very successful, and said he would not go into the quid pro quo of the question, meaning retaliation for similar raids on Allied cities on the ground that he believed that was not the essential thing.

"At the same time, however, he said that the Germans had destroyed about 4,000 churches, hospitals and libraries in Britain, and commented that there was no compunction there. He reiterated then that it was not a question of retaliation in bombing Rome.

"He declined to comment on the letter of Pope Pius XII to his vicar general in Rome deploring the bombing. He said he had received no communication from the Pope."

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June Lend-Lease Aid Passes \$1 Billion Mark

Edward R. Stettinius, Jr., Lend-Lease Administrator, announced on July 20 that Lend-Lease aid rendered during the month of June totaled \$1,030,000,000. This is the first time since the enactment of the Lend-Lease Act that aid rendered has exceeded \$1,000,000,000 in a single month. Lend-Lease aid in June brings the aggregate value of aid to date to \$12,923,000,000.

The June total compares with \$790,000,000 in May and \$548,000,000 in June, 1942. It is indicated that of the aid rendered during June, munitions transfers totaled \$570,000,000, industrial items \$237,000,000, foodstuffs \$147,000,000 and services \$76,000,000.

Nomination Of Allred Returned To President

The nomination of former Governor James V. Allred of Texas as a Judge of the United States Court of Appeals for the Fifth Circuit, which the Senate refused to confirm was returned to the White House under a rule which makes unconfirmed appointments automatically expire when Congress recesses for more than 30 days; this was made known July 22. Congress adjourned on July 8 until Sept. 14. President Roosevelt had sent the name of Mr. Allred to the Senate on Feb. 18.

the center of communistic activity in South America; this was reported in our issue of Dec. 28, 1935, page 4089.

President Hails 'First Crack In Axis' But Warns Of Hard Task Against Hitler and Tojo

(Continued from page 519)

the Southwest Pacific, in India and off the shores of South America.

"For several months we have been losing fewer ships by sinkings, and we have been destroying more and more U-boats. We hope this will continue. But we cannot be sure. We must not lower our guard for one single instant.

"One tangible result of our great increase in merchant shipping—which will be good news to civilians at home—is that tonight we are able to terminate the rationing of coffee. We also expect that within a short time we shall get greatly increased allowances of sugar.

"Those few Americans who grouse and complain about the inconveniences of life here in the United States should learn some lessons from the civilian populations of our allies—Britain, China, Russia—and of all the lands occupied by our common enemies.

"The heaviest and most decisive fighting today is going on in Russia. I am glad that the British and we have been able to contribute somewhat to the striking power of the Russian armies.

"In 1941-'42 the Russians were able to retire without breaking, to move many of their war plants from western Russia far into the interior, to stand together with complete unanimity in the defense of their homeland.

"The success of the Russian armies has shown that it is dangerous to make prophecies about them—a fact forcibly brought home to that mystic master of strategic intuition, Herr Hitler.

"The short-lived German offensive, launched early this month, was a desperate attempt to bolster the morale of the German people. The Russians were not fooled by this. They went ahead with their own plans for attack—plans which co-ordinate with the whole United Nations' offensive strategy.

"The world has never seen greater devotion, determination and self-sacrifice than have been displayed by the Russian people and their armies, under the leadership of Marshal Joseph Stalin.

"With a nation which, in saving itself, is thereby helping to save all the world from the Nazi menace, this country should always be glad to be a good neighbor and a sincere friend in the world of the future.

"In the Pacific we are pushing the Japs around from the Aleutians to New Guinea. There, too, we have taken the initiative—and we are not going to let go of it.

"It becomes clearer and clearer that the attrition, the whittling down process against the Japanese is working. The Japs have lost more planes and more ships than they have been able to replace.

"The continuous and energetic prosecution of the war of attrition will drive the Japs back from their overextended line running from Burma and Siam and the Straits Settlement through the Netherlands Indies to eastern New Guinea and the Solomons. We have good reason to believe that their shipping and their air power cannot support such outposts.

"Our naval, land and air strength in the Pacific is constantly growing. If the Japanese are basing their future plans for the Pacific on a long period in which they will be permitted to consolidate and exploit their conquered resources, they had better start revising their plans now. I give that to them merely as a helpful suggestion.

"We are delivering planes and vital war supplies for the heroic armies of Generalissimo Chiang Kai-shek, and we must do more at all costs.

"Our air supply line from India

to China across enemy territory continues despite attempted Japanese interference. We have seized the initiative from the Japanese in the air over Burma and now enjoy superiority. We are bombing Japanese communications, supply dumps, and bases in China, Indo-China and Burma.

"But, we are still far from our main objectives in the war against Japan. Let us remember how far we were, a year ago, from any of our objectives in the European theater. We are pushing forward to occupation of positions which in time will enable us to attack the Japanese islands themselves from the north, from the south, from the east, and from the west.

"You have heard it said that while we are succeeding greatly on the fighting front, we are failing miserably on the home front. This is another of those immaturities—a false slogan easy to state but untrue in the essential facts.

"For, the longer this war goes on the clearer it becomes that no one can draw a blue pencil down the middle of a page and call one side 'the fighting front' and the other side 'the home front.' The two of them are inexorably tied together.

"Every combat division, every naval task force, every squadron of fighting planes is dependent for its equipment and ammunition and fuel and food, as indeed it is for its man power, on the American people in civilian clothes in the offices and in the factories and on the farms at home.

"The same kind of careful planning that gained victory in North Africa and Sicily is required if we are to make victory an enduring reality and do our share in building the kind of peaceful world which will justify the sacrifices made in this war.

"The United Nations are substantially agreed on the general objectives for the post-war world. They are also agreed that this is not the time to engage in an international discussion of all the terms of peace and all the details of the future. We must not relax our pressure on the enemy by taking time out to define every boundary and settle every political controversy in every part of the world. The all-important thing now is to get on with the war—and to win it.

"While concentrating on military victory, we are not neglecting the planning of the things to come, the freedoms which we know will make for more decency and greater justice throughout the world.

"Among many other things, we are, today, laying plans for the return to civilian life of our gallant men and women in the armed services. They must not be demobilized into an environment of inflation and unemployment, to a place on a bread line or on a corner selling apples. We must, this time, have plans ready—instead of waiting to do a hasty, inefficient, and ill-considered job at the last moment.

"I have assured our men in the armed forces that the American people would not let them down when the war is won.

"I hope that the Congress will help in carrying out this assurance, for obviously the executive branch of the government cannot do it alone. May the Congress do its duty in this regard. The American people will insist on fulfilling this American obligation to the men and women in the armed forces who are winning this war for us.

"Of course, the returning soldier and sailor and marine are a part of the problem of demobilizing the rest of the millions of Americans who have been working and living in a war economy since 1941. That larger objective of

reconverting war-time America to a peace-time basis is one for which your government is laying plans to be submitted to the Congress for action.

"But the members of the armed forces have been compelled to make greater economic sacrifice and every other kind of sacrifice than the rest of us and are entitled to define action to help take care of their special problems.

"The least to which they are entitled, it seems to me, is something like this:

"1. Mustering-out pay to every member of the armed forces and merchant marine when he or she is honorably discharged, large enough in each case to cover a reasonable period of time between his discharge and the finding of a new job.

"2. In case no job is found after diligent search, then unemployment insurance if the individual registers with the United States Employment Service.

"3. An opportunity for members of the armed services to get further education or trade training at the cost of their government.

"4. Allowance of credit to all members of the armed forces, under unemployment compensation and Federal old-age and survivors' insurance, for their period of service. For these purposes they should be treated as if they had continued their employment in private industry.

"5. Improved and liberalized provisions for hospitalization, rehabilitation and medical care of disabled members of the armed forces and merchant marine.

"6. Sufficient pensions for disabled members of the armed forces.

"Your government is drawing up other serious, constructive plans for certain immediate forward moves. They concern food, man power and other domestic problems, but they tie in with our armed forces. Within a few weeks I shall speak with you again in regard to definite actions to be taken by the executive branch of the government and specific recommendations for new legislation by the Congress.

"All our calculations for the future, however, must be based on clear understanding of the problems involved. And that can be gained only by straight thinking—not guess work or political manipulation.

"I confess that I myself am sometimes bewildered by conflicting statements that I see in the press. One day I read an 'authoritative' statement that we shall win the war this year, 1943, and the next day comes another statement, equally 'authoritative,' that the war will still be going on in 1949.

"Of course, both extremes—of optimism and pessimism—are wrong.

"The length of the war will depend upon the uninterrupted continuance of all-out effort on the fighting fronts and here at home. The effort is all one.

"The American soldier does not like the necessity of waging war. And yet—if he lays off for one single instant he may lose his own life and sacrifice the lives of his comrades.

"By the same token—a worker here at home may not like the driving, war-time conditions under which he has to work or live. And yet—if he gets complacent or indifferent and slacks on his job he, too, may sacrifice the lives of American soldiers and contribute to the loss of an important battle.

"The next time any one says to you that this war is 'in the bag' and 'it's all over but the shouting,' you should ask him these questions:

"Are you working full time on your job?"

"Are you growing all the food you can?"

"Are you buying your limit of war bonds?"

"Are you loyally, cheerfully co-operating with your government in preventing inflation and profiteering and in making rationing work with fairness to all?"

"Because—if your answer is 'No'—then the war is going to last a lot longer than you think."

"The plans we made for the knocking out of Mussolini and his gang have largely succeeded. But we still have to knock out Hitler and his gang and Tojo and his gang. No one of us pretends that this will be an easy matter.

"We still have to defeat Hitler and Tojo on their own home grounds. But this will require a far greater concentration of our national energy and our ingenuity and our skill. It is not too much to say that we must pour into this war the entire strength and intelligence and will power of the United States. We are a great nation—a rich nation—but we are not so great or so rich that we can afford to waste our substance or the lives of our men by relaxing along the way.

"We shall not settle for less than total victory. That is the determination of every American on the fighting fronts. That must be, and will be, the determination of every American here at home."

From Washington

(Continued from first page)

Island clubs. He has never sought to disguise the fact that bleeding for the underdog under the auspices of the New Deal has been a tremendous vehicle for him. Had it not been for this vehicle he would never have met the British King and Queen and above all, Joe Stalin.

Barney's great financial success is in no small degree attributable to his knowledge of human nature. Once he was importuning Mr. Roosevelt to take Hugh Johnson back into the Government and the President pointed out that Hugh was one of his worst critics. Barney said the way to deal with a man like that was to put him on your payroll so he would become your blankety blank. Barney once advised ambitious youngsters to read three books, said they had served him all through life. One was Plutarch's Lives.

So having his knowledge of human nature he knew how to get next to Harry. You remember the extravagant party he threw for Harry and his bride.

Jimmy is a very modest fellow and he makes no attempt now to hide his obligation to Barney. Indeed, he advertises how he looks to him for advice.

The situation has got the New Dealers wringing their hands in anguish, you can lay to that. If you are one of those who gets fun out of stark tragedy you would have died laughing over their screams when the President applied the boot to Henry Wallace and Milo Perkins. It was absurd to talk about the Four Freedoms when this was being done to Liberalism, they moaned. And as if luck had now turned definitely against them, they gave a great build up to Henry's recent speech in Detroit, only to have Mussolini skip on that very day and take the play away from Henry. We owe Mussolini something because had it not been for his timing we were in for a prolonged and heated controversy over Henry's speech. As it turned out, there has been relatively little discussion of it.

Of course, we don't know how long the team of Byrnes and Baruch will last. Working in harness with Harry Hopkins, its influence is at present pronounced. Donald Nelson has been mumbling for a year that our civilian production should be boosted but he didn't have the strength to do anything about it. Jimmy and Barney seem about to accomplish something and it is significant that the

man named to make the study of the balance between civilian and war production, John Hancock, an investment banker, is one of Baruch's friends, served with him in the First World War.

Insofar as the booting of Wallace and Perkins is concerned, the Hopkins-Byrnes-Baruch maneuvering to this end was not so difficult. Mr. Roosevelt had come to realize, or at least, had long been sold that Wallace with his mysticism about world affairs was a trouble maker for him. The word came authoritatively from Mr. Roosevelt months ago that he was far more realistic than his vice-president. There is, in fact, this bit of comfort for those who are worried about a world-wide WPA: Mr. Roosevelt has long prided himself on his ability to deal with the "furrin" statesmen. He likes to tell friends that he knows them up and down, knows their artifices. When he scuttled the London economic conference back in 1933, his entourage chortled: "Those Europeans have met their master now."

Priding one's self on ability to out-smart the other fellow is one thing, of course, and really having that ability is another, and you are bound to wonder about this smartness when you consider the proposal Hitler is said to have made to Mussolini, the proposal which led to the latter's downfall. Hitler is said to have wanted Mussolini to withdraw his defense to the Po River and leave to us the problem of feeding the rest of Italy. Hitler has got something there. It would be a new sort of strategy but there is little doubt that we can be caused all sorts of trouble by his withdrawing slowly and gradually turning over additional peoples for us to feed. From our present experiences and with the blundering OPA on the job, it can be seen that we could be eaten out of house and home.

Coffee Rationing Ends

Immediate suspension of coffee rationing was announced by President Roosevelt on July 28 in his radio address to the nation. The President also predicted that "greatly increased allowances" of sugar will be available in the near future, attributing these moves to a great increase in merchant shipping and more success in the war against U-boats.

The suspension of coffee rationing, effective July 29, was announced by the War Food Administration and the Office of Price Administration. In a joint statement, they declared, "The nation's stocks of green coffee are at a satisfactory level." The Associated Press further reported:

"The two agencies declared that the action marked 'the first time that a major food commodity could be released from rationing,' and said that it 'illustrates the policy of adjusting the rationing program whenever circumstances permit.

Purchases and sale of coffee, the two agencies said, may be made at all trade and consumer levels without the surrender of collection of coffee-ration stamps or other ration currency, and banks no longer will accept coffee-ration currency.

They reported that "continued improvement in the supply situation has made it safe to suspend rationing (of coffee) at this time.

"In approximately seven months after coffee rationing started," the statement said, "at a time when supplies were so critically low that establishment of rationing was difficult, the supply of green coffee in the hands of roasters has been restored to satisfactory levels. This improvement has been accelerated recently because of improved shipping conditions."

Coffee rationing had been in effect since Nov. 28, 1942.

New Economic Unit Set Up By State Dept. To Coordinate Problems Of Liberated Areas

The State Department has established an Office of Foreign Economic Coordination to meet economic problems in areas liberated from enemy control.

This organization, which Washington advices to the New York "Times" report, set up by Secretary Hull at the direction of President Roosevelt, will be responsible for the coordination of the economic operations of United States civilian agencies assisting military forces in liberated areas.

The new unit will develop policies and programs relating to foreign economic activities that are consistent with the Government's international problems.

The "Times" Washington account on July 17, also stated:

Dean Acheson, Assistant Secretary of State, has been appointed director of the organization, which takes the place of the Office of Foreign Territories and the Board of Economic Operations. They have been abolished. The Defense Materials, Exports and Requirements, Foreign Funds Control, and World Trade Intelligence Divisions are operating as component parts of the new office.

Secretary Hull set up the organization on June 24 but delayed any announcement concerning it until after the President had spoken yesterday. Mr. Hull acted on the basis of a letter from the President on June 3 and a plan which Mr. Roosevelt forwarded from the Budget Bureau to govern the activities abroad in this economic field.

In this letter Mr. Roosevelt emphasized the part that will be played by the Office of Foreign Relief and Rehabilitation Operations, headed by former Governor Herbert H. Lehman of New York. He also explained that lend-lease operations should tie into the work, as well as the Treasury and the BEW, whose part presumably will now be taken over by the new OEW.

War Service Meeting To Be Held By ABA

War finance and the domestic economy, inter-American fiscal policy, and international fiscal policy, will be the featured subjects of the discussion at the three general sessions of the War Service Meetings to be held in New York City, Sept. 13-15, by the American Bankers Association, it was announced on July 27 at ABA headquarters in New York.

A crowded, streamlined program for the meeting, which will replace the Association's annual convention, is nearing completion, it is announced. The meeting is being held to provide an opportunity for discussion of the war services the banks are performing, and of the various national and international economic and financial problems arising in connection with the war.

Decision to hold the meeting was made by the ABA's Executive Council, which met in New York last April. Member banks have been requested, by resolution of the Executive Council, to limit the number of delegates they send to the meeting to one officer to represent each member bank, in addition to such other bank officers whose presence is necessitated by the fact that they are members of the committees, commissions, and councils of the Association. The program is being arranged so that the sessions of the meeting will occupy only two and a half days. Headquarters for the sessions will be the Waldorf-Astoria.

Among the featured speakers at the meeting will be Robert Henry Brand, Chairman of the British Food Mission in the United States. Mr. Brand is a Director of Lloyd's Bank, London, Managing Director of Lazard Brothers & Co., and Chairman of the Board of the

North British and Mercantile Insurance Co., Ltd.

Among others scheduled to speak are: W. L. Hemingway, President of the ABA and President of the Mercantile-Commerce Bank & Trust Co., St. Louis, Mo.; Luis G. Legoretta, President of the Mexican Bankers Association and General Manager of the Banco Nacional de Mexico, S. A., Mexico City; Joseph C. Rovinsky, Vice-President of the Chase National Bank, New York City; Dr. Henry Merritt Wriston, President of Brown University; Dr. Marcus Nadler, Assistant Director of the Institute of International Finance of New York University; Dr. O. M. W. Sprague, Professor of Banking at Harvard University; Louis S. Headley, President of the ABA Trust Division and Vice-President of the First Trust Co. of St. Paul State Bank; Robert Strickland, President of the Trust Company of Georgia, Atlanta; and Charles W. Bailey, President of the First National Bank, Clarksville, Tenn.

No Neutral Asylum For Axis Leaders, Roosevelt Urges

President Roosevelt warned neutral countries on July 30 that to give asylum or extend protection to any Axis leaders attempting "to escape their just deserts" would be regarded as "inconsistent with the principles for which the United Nations are fighting."

In a formal statement, the President cited rumors that Mussolini and members of his "Fascist gang" may attempt to take refuge in neutral territory.

Mr. Roosevelt also told his news conference on July 30 that he did not care with whom the Government dealt in Italy in its peace negotiations as long as it was not a definite member of the Fascist party. The President further said that the first objective of the Allied invasion force was to end armed resistance in Italy and to prevent anarchy. He expressed a willingness to have peace dealings with king, a prime minister or a mayor of a town.

The State Department revealed on July 31 that it had instructed American diplomatic representatives in neutral countries to bring the President's statement to the attention of the heads of the governments of Sweden, Turkey, Spain, Switzerland, Vatican City and Argentina.

Similar representations to those places were made by British diplomats, while Russian appeals went to Sweden and Turkey.

The text of the President's formal statement, calling on neutral nations to deny asylum to Axis leaders or their tools, follows:

"On Aug. 21, 1942, I issued a statement to the press in which, after referring to the crimes against innocent people committed by the Axis Powers I stated:

"The United Nations are going to win this war. When victory has been achieved, it is the purpose of the Government of the United States, as I know it is the purpose of each of the United Nations, to make appropriate use of the information and evidence in respect to the barbaric crimes of the invaders, in Europe and in Asia. It seems only fair that they should have this warning that the time will come when they shall have to stand in courts of law in the very countries which they are

now oppressing and answer for their acts."

"On Oct. 7, 1942, I stated that it was the intention of this Government that the successful close of the war shall include provisions for the surrender to the United Nations of war criminals."

"The wheels of justice have turned constantly since those statements were issued and are still turning. There are now rumors that Mussolini and members of his Fascist gang may attempt to take refuge in neutral territory."

"One day Hitler and his gang and Tojo and his gang will be trying to escape from their countries."

"I find it difficult to believe that any neutral country would give asylum to or extend protection to any of them."

"I can only say that the Government of the United States would regard the action by a neutral government in affording asylum to Axis leaders or their tools as inconsistent with the principles for which the United Nations are fighting and that the United States Government hopes that no neutral government will permit its territory to be used as a place of refuge or otherwise assist such persons in any effort to escape their just deserts."

Federal Revenue Up In Year Ended June 30

The Treasury Department reported on July 22 that total internal revenue collected in the 12-month period ended June 30 was \$22,339,284,245, compared with \$13,047,868,517 for the 1941-42 fiscal year.

Individual income tax payments were the largest source of income, aggregating \$5,739,433,790, as compared with \$3,262,800,389 in the year before. There was a sharp increase in returns from "excess profits"—these taxes yielding \$5,174,318,994 against \$1,618,188,950 a year earlier. Associated Press advices from Washington July 22 further reported:

"Corporation tax receipts rose to \$4,449,623,422 from \$3,069,273,346 in 1942.

"Employment taxes, including carriers' tax, returned the Government \$1,499,986,878, against \$1,185,361,843 a year earlier. Other Federal taxes, produced \$5,425,921,159, as compared with \$3,912,243,987 in 1942.

"New York led all States in total collections with \$4,304,284,660. Pennsylvania, with \$1,993,466,969, was second and Illinois third with \$1,862,797,036.

Calls Food Conference

Frank Gannett, publisher of Gannett newspapers and a critic of the New Deal, announced on July 26 that a national food conference was to be held at Hotel Sherman in Chicago Sept. 9 and 10.

In Associated Press Rochester advices, the following was reported:

"In calling the food conference, Mr. Gannett said he was motivated by appeals from United States Senators and agricultural leaders in 16 states.

"In urging me to take leadership in arranging this conference," he said, "they pointed out that food is an essential weapon in waging war. They believe it is imperative that we immediately find ways and means for increasing our food production next year, so that we may be able to feed our armed forces and have sufficient food to sustain the health and morale of our civilian population providing the implements of war."

Mr. Gannett said the program would be one to arouse interest throughout the country. "We hope out of this meeting," he asserted "to develop a constructive plan for dealing with one of the most important jobs before us."

National Grange Opposes Price Rollback And Labor's Demand For Wage Rise

The Executive Committee of the National Grange on July 28 appealed to the Administration to resist labor's demands for either a rollback of food prices or general wage increases. Either or both steps, said the leaders of the National Farm organization, would deepen the impending food crisis and eventually bring about uncontrolled inflation and collapse.

Reporting the Grange as having found fault with arguments of the American Federation of Labor and the Congress of Industrial Organizations that food costs had advanced out of line with wages, the Associated Press advices from Washington, as given in the New York "Sun" further indicated the views of the Committee as follows:

"We are spending for food but 21% of our income, believed to be the lowest percentage of any nation on earth," the Grange Committee said. "This is in vivid contrast to the 60% in England whose rollback subsidy program we are asked to use as a model. Yet even at the low figure of 21%, we have raised our dietary standards sharply."

President Roosevelt and his economic high command are studying ways of tightening controls over food prices, and of reducing them as near as possible to the level of Sept. 15 last. Government purchase at present prices and resale for consumer distribution at lower prices is one method under consideration. Another is extension of the rollback subsidy program.

The policy demanded by labor, said the Grange committee, would result in further serious curtailment of "our food supply which already has suffered because of unsound, impractical and restrictive regulations by the Office of Price Administration."

The farm organization asserted that the real problem confronting the country was an excess of purchasing power over consumer goods and that this was increasing at the rate of \$2,000,000,000 a month. The gap, the Grange said, must be reduced or closed by siphoning off surplus income through taxation and systematic savings.

The Grange said that food production, rationing and price control should be placed under one responsible head and that rationing should be used only to effect equitable distribution of goods produced in insufficient quantities.

It urged re-establishment of the food stamp plan to aid consumers whose incomes have not kept pace with living costs.

The demands by the labor spokesmen were reported in these columns July 29, page 432.

President Proclaims Sept. 9 For Start Of Third War Loan

In a proclamation officially setting Sept. 9 for the start of the \$15,000,000,000 Third War Loan drive, President Roosevelt on July 28 asked every American to "give all possible aid and support" through purchases of war bonds.

The President said the drive offers every American "an opportunity to express voluntary and, under the guidance of his conscience, the extent to which he will 'back the attack.'"

The President's proclamation follows:

"Recognizing the fact that in carrying the war into enemy territory we shall need greater amounts of money than any nation has ever asked from its citizens in all history. I, Franklin D. Roosevelt, President of the United States of America, do officially proclaim that on Thursday, the 9th of September, 1943, the Third War Loan shall be launched.

"As Commander in Chief, I hereby invoke every citizen to give all possible aid and support

to this Third War Loan drive, not only so that our financial goal may be reached, but to encourage and inspire those of our husbands and fathers and sons who are under fire on a dozen fronts all over the world. It is my earnest hope that every American will realize that in buying war bonds in this Third War Loan he has an opportunity to express voluntarily and under the guidance of his conscience the extent to which he will 'back the attack.'

"The American people supported well the First and Second War Loan drives and in fact did even more than was asked of them. Our need for money now is greater than ever, and will continue to grow until the very day that victory is won; so we must ask far more sacrifice, far more co-operation than ever before."

WPB Tightens Controls On Use Of Silver

The War Production Board on July 29 revised its regulation covering the distribution of silver incident to curtailed imports and increased stocks made available by the unfreezing of a billion ounces of Treasury "free" silver by the Green bill. From Washington advices to the New York "Times" we quote:

"The new regulations will permit the use of Treasury silver only in the manufacture of engine bearings, official military insignia, brazing alloys and solders. Authorization to purchase silver from the Treasury for these purposes must be obtained from WPB.

"The use of foreign silver, on the other hand, will be permitted only in the manufacture of medicines and health supplies, in the photographic industry, in the manufacture of electrical contacts and other products or parts used for electric-current-carrying purposes, in the manufacture of miscellaneous products and on orders carrying a preference rating of AA-5 or higher, with some exceptions.

"Regardless of preference ratings, foreign silver may no longer be used for certain restricted purposes such as the manufacture of silverware, watch cases and jewelry; badges and insignia other than official military insignia, church goods, slide fasteners, hooks and eyes, snaps, buttons, clips, buckles and fasteners, closures for containers, pens and pencils except the nibs, interior tubes, filling mechanisms, clips and rings, toilet articles and picture frames, musical instruments except strings, electroplating unnecessary for operational purposes except in dental, surgical, veterinary and optical instruments, appliances and equipment.

Taylor Named Head Of Commerce Bureau

President Roosevelt appointed on July 29 Amos E. Taylor as Director of the Bureau of Foreign and Domestic Commerce of the Department of Commerce, subject to Senate ratification. Mr. Taylor was named to succeed Carroll E. Wilson, who resigned to devote his full time to the Committee for Economic Development. Mr. Taylor has been associated with the Bureau for over 10 years, recently serving as head of its International Economic Unit and its Division of Research and Statistics.

House Group Finds OPA Effectively Stabilized Rents But Charges Powers Were Exceeded

A special House Committee reported on July 27 that the Office of Price Administration has "successfully stabilized" wartime rents, but that the agency exceeded powers granted by Congress, trespassed on State laws and discriminated against owners of rental property.

It suggested reduction of the Rent Department to "a skeleton force" was now possible.

As to overall rent control, the committee, headed by Representative Smith (Dem., Va.), is reported as saying:

"Rents on the whole have been successfully stabilized and inflationary increases prevented as to this element of living costs. The fact that rents have been substantially stabilized throughout the country constitutes an important contribution to the success of our war effort."

Further details of the report, as contained in Associated Press Washington advices given in the New York "Journal of Commerce" follow:

However, the greater part of the report, filed with the House clerk, was devoted to denunciation of the operating practices of OPA's Rent Control Division. The committee outlined its "findings" as:

1. The Price Administration Act "grants too broad a discretionary power to the Administrator, and fails to provide a sufficiently clear definition of this power, to guard against its abuse and to adequately safeguard the constitutional rights of our citizens."

2. Certain OPA regulations "have unnecessarily conflicted with national and local laws, and have compelled unwarranted changes in established business practices in violation of the act."

3. The committee is of the opinion that certain of the regulations have deprived property owners of a portion of the equity in their property, when such action was unnecessary to bring about effective rent control.

4. Far too little effort has been made by the Rent Department to encourage local initiative in taking care of the problem of rent control, and the Rent Department "has been so eager to establish an over-all national control as to have positively discouraged such local action."

5. Particularly in the early stages of rent control, it appears that the Rent Department released broadcasts and sent out publicity tending to depict landlords generally as a greedy and grasping class; actually encouraged complaints by tenants against owners; required unnecessarily complicated questionnaires of landlords, and made unwarranted investigations of their private affairs. The report said: "It is claimed that many of these things have been corrected."

6. "The most profound interest of this committee lies in the protection of citizens in their constitutional and legal rights. Despite the machinery which has been set up by the OPA for appeals from its regulations and rulings, and the filing of petitions for changes in such rulings and regulations, there appear to be instances where for considerable periods of time access to the emergency court of appeals has been, in effect, denied to protestants, due to the slowness with which OPA officials have acted upon complaints."

The report set forth that OPA has established rent control for 11,000,000 rental housing accommodations and 350,000 hotels and rooming houses, and suggested that:

"In view of the fact that the Rent Department has not established the boundaries and freezing dates in 376 designated defense-rental areas, and has fixed maximum rents, your committee can see no reason for maintaining more than a skeleton force in the Rent Department—leaving the duly constituted courts to settle disputes between landlords and tenants, as provided in the act."

Amer. Legion Opposes World Police Force

The American Legion is not interested in an international police force, but rather indorses a strong post-war Army and Navy, National Commander Roane Waring said on Aug. 1.

"We are not in favor of an international body to govern the world after the peace," Mr. Waring told the Tennessee department's 25th annual convention at Nashville, according to United Press advices which further stated:

"We don't know who would command it, we don't know who it would fight, and we don't know how it would fight."

"I am not in favor of putting this nation of ours in the hands of any foreigners or foreign body regardless of who our allies are," he asserted. "It is the duty of our Congress to declare war. I am not willing for Great Britain or Russia, or any other nation to sit in on any body that will determine when my son will go to war."

"Let America be strong enough to step in if need be and stop any international trouble . . . but let it fight for American dictates."

"We must not only kill the leaders of Axis nations, but their ideologies as well," he said.

"We would have no business feeding and cherishing Italy if she gave up. Let the Italians quit if they like, but let's not gather them to our bosom with offers of food and lend-lease."

NY Leads March Spurt In War Contracts

Of a total of \$7,500,000,000 war contracts placed during March, the State of New York received \$1,070,000,000, the largest amount awarded any state, according to the National Industrial Conference Board. Making this known Aug. 2, the Board said that total contracts awarded during the month were slightly more than 50% above the monthly average for the three months immediately preceding. The Board likewise states that second to New York in the value of contracts awarded came Ohio with \$703,000,000. Illinois with \$681,000,000 was third. Contracts awarded New York were primarily for ordnance items. Ohio led all the States in new orders for aircraft, with \$360,000,000 out of a grand total of \$1,300,000,000. California received more than half of the total \$600,000,000 ship contracts let for the month. Ship contracts averaged \$400,000,000 per month during the three months ended with February.

The Conference Board's announcement further stated:

"Awards for ordnance and other supply items totaled \$5,000,000,000 in March against an average for the three months immediately preceding of \$2,300,000,000. The total of all war contracts placed through the 12 months ended in March, 1943, and allocated to the various States, amounted to \$71,000,000,000. The total so placed and allocated from June, 1940, to March, 1943, is estimated at \$121,500,000,000, while an additional \$14,700,000,000 has been placed off the continent, or remains unallocated by States.

"The large March placements brought several changes in the relative position of certain states and areas as regards the total of

war contracts received since June, 1940. California continued to lead the States in cumulative awards since June, 1940, with \$12,400,000,000, while New York replaced Michigan in second place.

"Areas with lower percentages of war contracts in 1942 than of manufacturers in 1939 are gaining, relatively, in 1943. Thus, the heavy manufacturing states in the East North Central region increased their share of war contracts: from 25% in March, 1942, to 29.3% this year, almost equaling their peacetime contribution to manufacturing. Upward movements likewise developed in the Middle Atlantic and New England areas, which were also below their peacetime ratios a year earlier. The three areas composing the northeastern part of the United States held 61.4% of all prime contracts in March, 1943, as against 55.9% in March, 1942, and 71.1% of all 1939 manufactures.

"Conversely, those areas with relatively higher war contracts early last year than of peacetime manufactures dropped, relatively, in the subsequent twelve months. The Pacific region's share of war contracts fell from 16.1% to 14.2%, but remained more than twice that for 1939. Similar trends prevailed in the three other western areas. The South Atlantic and East South Central regions, however, had only 10.8% of war contracts in March, 1943, as against 12.7% a year previously and 12.5% of 1939 manufactures.

"Similar trends are also evident in the state pattern of war contracts. The eight heavy industrial states (New York, Pennsylvania, Illinois, Ohio, Michigan, New Jersey, Massachusetts and California, all with aggregate value added by manufacture of more than \$1,000,000,000 in 1939) boosted their combined share of total war contracts from 55.7% in 1942 to 59.8% in 1943. Their comparable share of 1939 output was 64%. California and Michigan are farthest above their 1939 ratios, the former dropping slightly in the later war period, the latter rising sharply. Of the group only Ohio, Pennsylvania and California had a smaller share of contracts than in 1942, the drop being very slight in the first two cases, and more severe in the last."

Warn Contractors Not To Delay Renegotiation

The War and Navy Departments on July 25 jointly cautioned their renegotiation agencies not to permit contractors to postpone renegotiation of war contracts in the expectation of Congressional revision of existing statutes.

A special House group has been conducting an investigation as to possible renegotiation law amendments for incorporation in the 1943 Revenue Act. Associated Press advices in the "Wall Street Journal" stated:

"Undersecretary of War Robert P. Patterson and Undersecretary of the Navy James V. Forrestal announced that 'certain contractors' are reported to be seeking delays in renegotiations in hope that Congress may amend the statute to exempt standard commercial articles from renegotiation and allow deductions of reserves for postwar reconversion. "While such amendments have been proposed, the officials said, there is little prospect of passage of any of these measures in the near future.

"Accordingly," they added, "Whenever a contractor is delaying renegotiation for this reason, the case should be immediately referred to the Undersecretary of War or Navy for final determination of the amount of excessive profits realized or likely to be realized by the contractor under his contracts and subcontracts."

Russian War Relief Supplies Total \$6,249,541 In First Half Of Year

Officers of Russian War Relief reported to the agency's Board of Directors at a meeting in the Bankers' Club of America, 120 Broadway, on July 26, that in the first half of this year the agency shipped \$6,249,541 worth of relief supplies to the Soviet Union. They forecast that shipments will be maintained for the rest of the year at approximately the same rate.

The organization reported on Jan. 1 of this year that it then had shipped \$1,017,743 worth of goods. The new report brought the total value of shipments to \$7,256,787. In the same period covered by the shipping report, Americans, it is stated, contributed to Russian War Relief \$3,509,139 and gifts in kind valued at \$2,119,858, a total income of \$5,628,997. Advices from the Russian War Relief, Inc., further state:

"Directors of the organization approved plans for enlistment of thousands of volunteer workers for Russian War Relief, organized in 285 city and state committees and hundreds of subsidiary groups throughout the country, in a year-around program of activities designed to 'convince the public that Russia needs relief and that it is to the advantage of the United States that we send it.'"

"A policy statement urging all committees of the organization to join in the propose campaign and enlist all of their manpower in support of the fund-raising campaign of the National War Fund this fall, was adopted unanimously."

Edward C. Carter, Russian War Relief President, said that the Board of Directors is determined constantly to expand activities in behalf of aid to Russia because "to do otherwise would be to desert the Russian people as their need for our aid and friendship increases."

Voted \$95.3 Billion For 1944 Fiscal Year

Congress appropriated a record high of \$95,300,000,000 to run the war and Federal domestic functions during the 1944 fiscal year which began July 1, an analysis by the Citizens National Committee showed on July 25.

This is \$22,000,000,000 higher than the original 1943 appropriation of \$73,300,000,000. The original 1944 appropriation is certain to be raised by many billions as President Roosevelt requests deficiency outlays.

United Press Washington advices as given in the "Wall Street Journal," said:

"Mr. Roosevelt's budget estimates for 1944 were \$7,500,000,000 under the Congressional total.

"These figures are at variance with Congressional compilations which show \$110,400,000,000 of direct appropriations as against budget estimates of \$113,900,000,000. Also the Congressional figure does not include \$15,000,000,000 left over from last fiscal year and reappropriated for 1944.

"The analysis estimated that \$88,100,000,000 of the total will go for war activities, with the two fighting services getting \$83,400,000,000.

"Civilian functions will receive \$4,200,000,000.

"Earmarked for paying interest on the public debt, which on June 30 stood at \$140,796,033,375 is \$3,000,000,000. Congress has increased the debt limitation to \$210,000,000,000, but it probably will have to be raised again before June 30, 1944.

"The War Department received the largest single appropriation—\$59,000,000,000. The Navy was second with \$24,000,000,000. Their 1943 allocations were \$42,000,000,000 and \$19,000,000,000 respectively.

"The analysis shows a \$458,000,000 increase in 1944 appropriations over 1943 for the executive office and independent officers,

with civil service retirement, railroad retirement, the Maritime Commission and the veterans administration allocations responsible for most of the raise.

"The Treasury Department appropriation of \$3,900,000,000 is more than \$1,000,000,000 over 1943, with the expanding debt interest absorbing that much more than needed in 1943.

"Congress made economies by liquidating the National Youth Administration, the National Resources Planning Board and the bituminous coal commission.

"Other reductions included: Federal Security Agency, \$30,000,000 under the \$759,000,000 received in 1943; Federal Works Agency, \$209,000,000 under the \$337,000,000 for 1943; National Housing Agency, cut from \$629,000,000 to \$5,000,000; Department of Commerce, reduced by \$225,000,000 under the \$351,000,000 under the 351,000,000 in 1943; War Department Civil Functions, \$46,000,000 as against \$145,000,000 in 1943."

Resources Of Fed. Savs.-Loan Ass'ns Up

Resources of the Federal Savings and Loan Insurance Corporation—which protects investments in insured thrift and home-financing institutions—have increased 43% since the organization was established by Congress in 1943, Oscar R. Kreutz, General Manager of the corporation, announced on July 31. A report for the fiscal year ended June 30, 1943, shows assets of the Corporation at \$143,249,154 on that date, as compared with \$134,371,152 12 months before, Mr. Kreutz said. The Insurance Corporation was founded with a capital of \$100,000,000.

Reserves of the Corporation totalled \$41,406,963 on June 30, an increase of \$8,741,059 for the year.

The announcement further stated:

"Nearly 2,430 savings and loan associations and similar institutions located in all states now carry insurance of their savers' accounts, covering up to \$5,000 for the investor, through the Federal Savings and Loan Insurance Corporation. About 3,500,000 individuals are so protected.

"Combined assets of the insured associations totalled \$3,811,473,000 at the end of May. The widening coverage of insurance in the field of savings and loan associations is indicated by an increase of 59 in the number of institutions so safeguarded, from May 1942 to May 1943. This increase, as well as the steady growth of insured associations, is reflected by a \$427,000,000 rise in the combined assets of insured institutions during those 12 months.

"Saving and investments of the public in the custody of insured associations are increasing at the rate of about 16% a year, the report showed. Faced with a wartime decline in lending on home mortgages, insured associations are investing heavily in U. S. Government securities. In the 11 months prior to May 30, their holdings of War Bonds and other government obligations rose from \$71,000,000 to \$370,000,000.

Maximum Food Production, Price Stabilization, And Fair Returns Require Centralized Authority

Unified Purpose Necessary Says Guaranty Trust In Discussing Food Situation

The assertion, once so confidently made, that "food will win the war" has given way in some measure to the fear that the lack of food, or its improper distribution, may retard the winning of the war—and the peace, says the Guaranty Trust Company of New York in discussing the situation in food in the July 27 issue of "The Guaranty Survey," its monthly review of business and financial conditions.

According to "The Survey" a network of cross-purposes in official quarters, together with the deeply ingrained complacency of a nation that has never experienced a severe food shortage, has permitted the gradual development of a situation that may present formidable obstacles in the prosecution of the war. "The Survey" states:

"The threat to price stability involved in the upward drift of prices of farm products in their raw and processed forms is now combined with an even more disquieting menace—the possibility that our system of food production and distribution may prove unequal to the huge task of adequately supplying ourselves and the other peoples that are and presumably will be dependent upon us for subsistence during the war and the early post-war period.

"Upon us has fallen and will fall the burden of supplying for a time the food deficiencies of a not inconsiderable percentage of the world's population. To feed these hungry millions is not merely a matter of international charity or humanitarianism. It is also a matter of wartime strategy and of preserving the values for which the war is being fought.

"Americans must rid themselves of the persistent notion that theirs is today a country of great exportable food surpluses. For 20 years before the outbreak of the present war, the United States was a net importer of foodstuffs. Moreover, between 1932 and 1940 the amount of land used for crops declined by 27.5 million acres, or more than 7%. To recover this lost acreage, or at least the more productive part of it, is one of our major wartime problems; and experience has already shown that, in the face of wartime manpower shortages and restricted supplies of farm equipment, the assignment is by no means an easy one.

"The actual food situation, however, as it affects the consumer at home and abroad, is one that cannot be accurately portrayed by statistics of past and future farm production. The explanation for at least a part of the discrepancy is to be found in the black market. Reliable and comprehensive information on the subject is, of course, impossible to obtain; but there can be no doubt that the illegal sale of foods, especially meats, has attained a volume that is not generally appreciated. The black market seems to have assumed proportions that not only threaten the food rationing and price stabilization programs but also tend to undermine morale, constitute a serious menace to public health, and afford criminal elements the richest opportunities since the days of national prohibition.

"To combine the three objectives of maximum food production, price stabilization, and fair returns to farmers and processors into an effective program is an exceedingly delicate and complex task that requires centralized authority and unified purpose. Neither Congress nor the Administration has displayed sufficient recognition of this imperative need. Congress has shown itself more concerned with increasing the financial returns of farmers than with stabilizing the cost

construction. Special attention will be given to the clarification of proposals made in both countries with respect to post-war commercial, shipping, and aviation policy, in addition to monetary and financial problems.

"Opinion is slowly crystallizing as to the respective merits of recent plans for currency stabilization. This subject will form a chief topic of discussion at the Banking Session by speakers who have made a study of the monetary question.

"The preservation of private enterprise is a question of the highest import to the future of American industry, upon which it is essential that the voice of the Convention again be heard. Current wartime problems of the exporter and importer will have particular attention in sessions participated in by officials of Government departments and wartime agencies. The Industrial Group Sessions, which have proven to be of great practical value to those concerned, will have an important place in the proceedings.

"It is the expectation of the Council that the deliberations at the coming Convention will bring into closer harmony the various proposals for post-war rehabilitation and reconstruction which have been a subject of discussion during the past year, and thus prepare the way for essential unity of policy and action before the war ends."

President Assures Pope Allies Will Spare Churches And Respect Vatican

President Roosevelt, in a formal message to Pope Pius XII concerning the Allied invasion of Italian soil, assured the leader of the Roman Catholic Church that churches and religious institutions will "be spared the devastations of war during the struggle ahead" and that "throughout the period of operations the neutral status of Vatican City as well as of the Papal domains throughout Italy will be respected."

The text of the President's message to the Pope, as made public by the White House on July 10, follows:

"By the time this message reaches Your Holiness a landing in force by American and British troops will have taken place on Italian soil. Our soldiers have come to rid Italy of Fascism and all its unhappy symbols, and to drive out the Nazi oppressors who are infesting her soil.

"There is no need for me to reaffirm that respect for religious beliefs and for the free exercise of religious worship is fundamental to our ideas. Churches and religious institutions will, to the extent that is in our power, be spared the devastations of war during the struggle ahead. Throughout the period of operations the neutral status of Vatican City as well as of the Papal domains throughout Italy will be respected.

"I look forward, as does Your Holiness, to that bright day when the peace of God returns to the world. We are convinced that this will occur only when the forces of evil which now hold vast areas of Europe and Asia enslaved have been utterly destroyed. On that day we will joyfully turn our energies from the grim duties of war to the fruitful tasks of reconstruction.

"In common with all other nations and forces imbued with the spirit of good will toward men and with the help of Almighty God, we will turn our hearts and our minds to the exacting task of building a just and enduring peace on earth."

Commenting on the July 19th Allied bombing raid on Rome, Secretary of State Hull said on July 20 that care was taken to confine the bombing to military objectives. The Secretary said American forces received strict

House Group Blocks Corn Ceiling Rise

The House Agriculture Committee on July 8 tabled the Senate-approved legislation which would have permitted an increase in the ceiling price of corn from \$1.07 to \$1.40 a bushel.

The measure, setting aside the Office of Price Administration ceilings on corn, passed the Senate by a voice vote on July 7. However, the House group's action leaves the task of remedying the current shortage of purchasable corn up to the Administration.

The following concerning the situation was reported in United Press Washington advices July 7 appearing in the "Wall Street Journal."

"Administration leaders opposed the resolution on the grounds that a higher corn price inevitably will result in demands for higher prices by the users of corn—including dairy and poultry feeders. The only alternative, it was contended, would be for the Government absorb such an increase through subsidies.

War Food Administration officials said corn at \$1.40 a bushel likely would have the immediate effect of increasing the marketing of hogs, but would cause a long-range reduction in production unless price ceilings were raised proportionately on pork.

Corn fed hogs now is worth about \$1.30 a bushel to the farmer. Corn is said to be selling on the "black market" at about \$1.25 a bushel in the corn belt.

On other livestock and livestock products the result likely would be an immediate demand for an increase in ceiling prices of dairy and poultry products as well as higher ceilings on other meats—unless the increased feed costs were subsidized.

Urges Republicans To Act On Foreign Policy

A committee of the unofficial Republican Post-War Policy Association met with Harrison E. Spangler, Chairman of the National Republican Committee, at headquarters in Washington on July 27 to urge that the party issue a statement on foreign policy, favoring constructive and responsible participation by the United States in world affairs.

Mr. Spangler told the group that their stand will be referred to the official Republican Post-War Advisory Council of 49 which is scheduled to hold the first of a series of meetings at Mackinac Island, Mich., Sept. 6 and 7. In its advices from Washington July 23 the New York "Herald Tribune" said:

"The recommendations to be made by this group, composed of 24 Republican Governors, 17 Republican members of Congress and 8 representatives of the Republican National Committee, Mr. Spangler said, will be submitted to the national committee prior to the 1944 national convention, and through its resources committee to the convention.

"From this council of experienced legislators and executives," continued Mr. Spangler, "will begin to flow the program upon which America will depend for guidance in the years ahead. There seems to be little doubt now that next year the voters of this country will turn to the Republican party for leadership out of the morass into which the New Deal has led us."

instructions to avoid non-military objectives and to attack only installations of military importance. Some damage it is stated as a result of the bombing occurred to the Basilica of San Lorenzo, Outside the Walls.

Sen. Taft Criticizes Treasury Ruling On Pension Trusts

Senator Taft (Rep., Ohio) announced on July 28 that when Congress reconvenes in September he will offer a point resolution designed to declare invalid the Treasury Department's recently promulgated regulations relating to employees' pension trusts.

Senator Taft charged that the Treasury had waited until Congress adjourned to issue regulations in defiance of the "clear meaning" of the Revenue Act of 1942.

Secretary of the Treasury Morgenthau at a press conference on July 29 said that Senator Taft's charges were "entirely uncalled for and unjust."

In reporting the Senator's remarks, Washington advices of July 28 to the New York "Herald-Tribune" said:

"He recalled that Treasury officials had appeared recently before a subcommittee of the Senate Finance Committee and insisted that they would hold 'invalid' any trust which treated the employees in the trust better than the Social Security Act treats employees receiving \$3,000 or less.

"The Revenue Act of 1942, Senator Taft added, expressly provided that a trust should not be invalid merely because it excluded employees receiving \$3,000 a year or less, if it included substantially all employees receiving more than that amount.

A new paragraph was inserted by the Finance Committee, he pointed out, in order to mention in the law some of the acceptable provisions found in pension trust plans supplementary to the Social Security Act, both with respect to eligibility conditions and the scale of benefits and contributions.

"The Treasury officials," Senator Taft said, "were informed by the Finance subcommittee that, regardless of the merits of their proposal, there was nothing in the Act which authorized the Treasury to require employees' pension trusts to be integrated, or even compared with the provisions of the Social Security Act. Nevertheless, Congress had no sooner adjourned than regulations were issued in direct defiance of the committee's opinion and the clear meaning of the Act."

Pending the decision of the question, Senator Taft's resolution proposes to extend the time in which existing trusts may be conformed to the new law, from Dec. 31, 1943, to Dec. 31, 1944.

The Treasury's ruling was mentioned in these columns July 15, page 229.

ARC Workers Overseas

Norman H. Davis, Chairman of the American Red Cross, revealed on July 27 that there are 2,568 ARC workers in 18 areas outside the continental limits of the United States, with most of them in or near combat areas. The others serve in leave areas, where the Red Cross operates 181 clubs for service men, and in distant military outposts, such as Greenland, Trinidad and Puerto Rico. Washington advices to the New York "Times" July 27 reporting this added:

"The Red Cross has 627 workers in North Africa, 560 in Great Britain, 530 in Australia and the South Pacific area, 161 in undisclosed locations and a number in Alaska, Canada, India, China and the Middle East.

"In Great Britain the Red Cross runs 76 service men's clubs; in Australia, 34; North Africa, 26; Egypt, 15; India and China, 2."

War Workers Major Participants In Payroll Savings Plan, Survey Shows

An analysis of the source of funds received under the payroll savings plan, just completed by Treasury statisticians, shows conclusively it is stated that the men and women working in the war plants of America, with war-swollen incomes, provide the large bulk of the funds raised through payroll deductions.

It was found that 89% of the employees of the automotive industry, now devoted almost exclusively to the manufacture of munitions, are setting aside a portion of their pay each month to buy War Bonds, representing 9.4% of the industry's aggregate payroll and 10.6% of participating employees' pay deducted. In the greatly expanded shipbuilding industry, with over 75% of its employees enrolled under the plan, the percentage of participating employees' pay deducted is 11.6%, and the percent of the aggregate payroll 8.7%.

Advices to this effect were made available July 13 in the Financial Writers Bulletin, of the U. S. Treasury War Finance Committee, from which we also quote:

"Nearly 80% of the employees of the aviation industry are participants in the payroll savings plan, with 9.8% of the participating employees' pay deducted, and 7.8% of the industry's aggregate payroll invested in bonds each month.

"The employees of the so-called peacetime industries, such as food products, public utilities and railroads, where the expansion in personnel and the increases in payrolls have not been proportionately as large as those in the war plants, the showing is not nearly as good. It was found that less than 5% of the aggregate payrolls of the public utilities and railroads, and only 5.6% of the aggregate payroll of the food industry, are being invested in War Bonds under the deduction plan.

"Treasury economists estimate that seven-eighths of the nation's current income after taxes goes to persons earning less than \$5,000 a year. So, obviously, the investment in War Bonds of all salary and wage earners, either through payroll deductions or outside purchase, will have to be substantially increased if the Treasury is to be successful in raising \$18,000,000,000 from individual investors in the last six months of the year.

"As the first step, the Treasury recently set a goal of \$600,000,000 a month from payroll savings for the balance of the year. The individual quota of each firm participating must be increased. Each company will be given a dollar quota, which will represent a 50% increase over the monthly deduction of May, 1943. The quota, in any case, will be not less than 10% of the company's gross payroll which is the minimum objective.

"In addition, all workers will be asked to buy extra bonds in September during the Third War Loan drive.

"On May 31, 1943, the payroll savings plan was in operation in 182,144 firms. Included among these firms were more than 99% of those with 5,000 or more employees, 99% of those with 500 to 5,000 employees, and 95% of those with 100 to 500 employees. Approximately 27,000,000 persons were buying Series E. War savings Bonds in May, including 3,600,000 members of the armed forces and 2,700,000 employees of Federal, State and local Governments. Nearly 90% of the money deducted from pay each month to be accumulated for the purchase of war Bonds came from persons earning less than \$5,000 a year.

"The aggregate deductions of \$420,000,000 that were accumulating for the purchase of War Bonds under the payroll savings plan in May, 1943, representing an average deduction of \$15.50 for every person participating in the plan for that month. This average deduction represented 9.1% of the average wage of persons partici-

pating and was sufficient to provide each one of these persons with a \$25 bond once every five weeks.

"The payroll savings plan began to grow just after Pearl Harbor. In December, 1941, there were only 9,939 firms participating with 700,000 of their 3,200,000 employees purchasing \$5,000,000 in bonds that month, or an average deduction of 4.1% of the pay of those actually participating. By June, 1942, the number of firms with payroll deduction plans had jumped to 108,099 and 16,000,000 persons in these firms, in government service and in the armed forces purchased \$153,000,000 in bonds that month, or an average deduction of 5.8% of the persons actually participating.

"One year after Pearl Harbor—in December, 1942—the number of firms had increased to 167,813 and 24,500,000 persons purchased \$355,000,000 in bonds that month, or a deduction of 8.5% of the pay of persons actually participating. Each succeeding month has shown a steady increase in the number of firms participating, the number of persons voluntarily deducting a portion of their pay for the purchase of War Bonds, the amount of bonds purchased under the plan and the deductions as a percentage of pay of persons actually participating.

"During the last half of the year, it will be necessary to get far more from the people through voluntary purchases than ever before. In the first six months of the year, the Treasury sold approximately \$7,000,000,000 in War Bonds to individuals. In the last six months, the goal has been set at \$18,000,000,000. It is a tremendous but not an impossible task. It is hoped that much of this amount can be raised in the Third War Loan drive, which will begin on Sept. 9.

"Secretary Morgenthau stated recently that he agreed with Congressional leaders that none of the new income taxes should become effective before Jan. 1, 1944. Thus, bond buyers have the assurance that they may purchase bonds during the September drive without fear that the Government will take any more of their current year's earnings in higher income taxes."

Result Of Treasury Bill Offerings

Secretary of the Treasury Morgenthau announced on Aug. 2 that tenders for \$1,000,000,000, or thereabouts, of 92-day Treasury bills, to be dated Aug. 4 and to mature on Nov. 4, 1943, which were offered on July 30, were opened at the Federal Reserve Banks on Aug. 2.

The details of this issue are as follows:

Total applied for—\$1,408,809,000.

Total accepted—\$1,005,720,000 (including \$57,257,000 entered on a fixed-price basis at 99.905 and accepted in full).

Range for accepted bids:
High—99.909 equivalent rate of discount approximately 0.356% per annum.

Low—99.904 equivalent rate of discount approximately 0.376% per annum.

Average price—99.904 plus—equivalent rate of discount approximately 0.374% per annum. (72% of the amount bid for at the low price was accepted.)

There was a maturity of a sim-

ilar issue of bills on Aug. 4 in the amount of \$901,706,000.

As to the July 23rd offering of \$1,000,000,000 of 92-day Treasury bills, dated July 28 and maturing Oct. 28, 1943, the Treasury disclosed the following results on July 26:

The details of this issue are as follows:

Total applied for—\$1,373,786,000.

Total accepted—\$1,002,819,000 (includes \$48,779,000 entered on a fixed-price basis at 99.905 and accepted in full).

Range of accepted bids:
High—99.910 equivalent rate of discount approximately 0.376% per annum.

Low—99.904 equivalent rate of discount approximately 0.376% per annum.

Average price—99.904 equivalent rate of discount approximately 0.374% per annum.

(75% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on July 28 in amount of \$901,753,000.

Regarding the results of the previous week's offering of 92-day bills, dated July 21 and maturing Oct. 21, the Treasury issued the following details on July 19:

Total applied for—\$1,520,429,000.

Total accepted—\$1,003,796,000 (includes \$70,638,000 entered on a fixed-price basis at 99.905 and accepted in full).

Range of accepted bids:
High—99.910 equivalent rate of discount approximately 0.352% per annum.

Low—99.904 equivalent rate of discount approximately 0.376% per annum.

Average price—99.905 equivalent rate of discount approximately 0.374% per annum.

(61% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on July 21 in amount of \$905,584,000. With this offering the Treasury departed from its usual policy of realizing approximately \$200,000,000 in "new money" weekly from the bill sales.

With respect to the previous offering of bills, dated July 14 and maturing Oct. 14, the Treasury disclosed the following results:

Total applied for—\$1,344,535,000

Total accepted—\$1,000,411,000
*Includes \$68,564,000 entered on a fixed-price basis at 99.905 and accepted in full.

Range of accepted bids:
High, 99.925—Equivalent rate of discount approximately 0.293% per annum.

Low, 99.904—Equivalent rate of discount approximately 0.376% per annum.

Average, 99.904—Equivalent rate of discount approximately 0.374% per annum.

(73% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on July 14 in amount of \$803,925,000.

Canadian Member Of Life Sales Research Bureau

The Life Insurance Sales Research Bureau, Hartford, Conn., announced on July 22 that it has accepted for membership the application of the Canadian Branch of the Prudential Assurance Company of London, which is one of the great companies of the world, with \$4,313,000,000 insurance in force. The Canadian Branch, which is located in Montreal, is under the direction of Frank C. Capon, as Life Manager for Canada. A. C. Galbraith is the Manager of Life Agencies for Canada. This brings the Bureau membership up to 131, of which 102 companies are located in the United States, 19 in Canada, and 10 associate members in the following countries: Argentine Republic, Brazil, India, Mexico, and Sweden.

NYSE Short Interest Lower On June 30

The New York Stock Exchange announced on July 14 that the short interest as of the close of business on the June 30 settlement date, as compiled from information obtained by the Stock Exchange from its members and member firms, was 879,575 shares, compared with 980,047 shares on May 28, both totals excluding short positions carried in the odd-lot account of all odd-lot dealers. As of the June 30 settlement date, the total short interest in all odd-lot dealers' accounts was 32,630 shares, compared with 33,589 shares, on May 28.

The Exchange's announcement further said:

"Of the 1,231 individual stock issues listed on the Exchange on June 30, there were 56 issues in which a short interest of more than 5,000 shares existed, or in which a change in the short position of more than 2,000 shares occurred during the month.

"The number of issues in which a short interest was reported as of June 30, exclusive of odd-lot dealers' short positions, was 607 compared with 647 on May 28."

In the following tabulation is shown the short interest existing at the close of the last business day for each month for the last two years:

1941—	
June 30	478,859
July 31	487,169
Aug. 29	470,002
Sept. 30	486,912
Oct. 31	444,745
Nov. 28	453,244
Dec. 31	349,154
1942—	
Jan. 31	460,577
Feb. 27	489,223
Mar. 31	513,546
April 30	530,636
May 29	534,396
June 30	514,158
July 31	*517,422
Aug. 31	532,867
Sept. 30	548,365
Oct. 30	558,446
Nov. 30	551,053
Dec. 31	501,833
1943—	
Jan. 29	579,394
Feb. 26	663,750
Mar. 31	774,871
April 30	882,376
May 28	980,047
June 30	879,575

*Revised.

Interim Food Comm. Organized For Study

The United Nations' Interim Commission on Food and Agriculture has chosen L. B. Pearson, Minister Counsellor of the Canadian Legation, as its Chairman and has elected Pavel I. Tchegula, of the Russian Purchasing Commission, and Tsou Ping-Wen, of Chinese Ministry of Food, as Vice Chairmen.

The Commission is an international agency, set up in June by the 44 governments participating in the Food Conference at Hot Springs, Va., to create a permanent world food organization. Various committees have also been formed, consisting of representatives of both the large and small nations, to work out the plan for a permanent organization and to draft a proposed declaration of agreement by the participating nations.

The Interim Commission held its first meeting in Washington on July 15 at which the United States recommended that the body formulate plans and programs for the rapid transition and conversion for war production to post-war expansion of food production. The U. S. also suggested "appraisal of the immediate problems of agricultural credit and finance" and the development of "plans for a program that will

provide a long-term capital pool for international developments, production and other purposes."

On July 6 advices to the "Herald Tribune" from Washington stated that it was learned that the meeting of the Interim Commission, following its opening on July 15, would probably be in session for from two to five months, drawing up a plan for the organization of a permanent United Nations Food Board.

Plans for this meeting were noted in our issue of July 15, page 205.

Fed. Home Loan Banks Maintaining High War Bond Records

Nearly 650 of the member thrift institutions of the Federal Home Loan Bank System are selling War Bonds and Stamps at a rate equal to more than 1% of their assets every month, James Twohy, Governor of the System, announced on July 10. The System's "Honor Roll," consisting of member institutions which have maintained that record consistently this year, numbered 649 at the end of May, it is announced. This list of savings and loan associations and similar institutions is published in the July issue of the Federal Home Loan Bank "Review."

Of those institutions, 291 had sold double the amount required for inclusion on the "Honor Roll," according to the "Review." One member institution—the First Federal Savings and Loan Association of Chicago—has sold \$6,808,000 in bonds and stamps since Jan. 1, equivalent to 56% of its assets. Its May total amounted to \$2,315,000. The Haller Association of the same city, a smaller institution, has reported sales equal to nearly 300% of its resources since Jan. 1.

Hundreds of other member institutions of the Federal Home Loan Bank System have made outstanding records in the campaign, although not qualifying for the "Honor Roll" in a percentage basis. Up to May 31, members of the System had sold, or purchased for their own accounts, an aggregate of more than \$710,000,000 in War Bonds and other Government securities.

Inter-American Bar Group To Meet In Rio

A United Nations constitution and bill of rights will be among the chief topics of discussion when delegates from 65 American bar associations meet at Rio de Janeiro on Saturday (Aug. 7) for the second conference of the Inter-American Bar Association, according to the Office of the Coordinator of Inter-American Affairs.

The conference, which coincides with the 150th anniversary of the founding of the Brazilian Bar Association, will be formally opened by President Getulio Vargas. It is scheduled to last five days.

Delegates will likewise consider laws for the military government of occupied countries, punishment of war criminals by military tribunals and the creation of a United Nations court system and police force to curb international lawlessness. In the inter-American sphere, the conference is expected to make recommendations dealing with the settlement of disputes by arbitration.

The conference's agenda also calls for discussion of legislation affecting immigration and naturalization, taxation, collection of international judgments, communications, copyrights and patents, property and other matters of international scope.

Charges New Deal Fosters 'Fascist Planned Economy'—Says Pres. Hopes For Life Term

(Continued from first page)

Roosevelt dealt team work and national unity a dismal blow.

No president has ever had the unity that was Mr. Roosevelt's in early 1933. In December, 1942, he had the same complete unity.

Instead of pulling the country together as Commander-in-Chief—to face the greatest military effort of our lives—Candidate Roosevelt is pushing us farther apart on domestic issues. We have only unity of the shotgun wedding variety in high Administration circles.

We are winning the war. But we are like the football team that has been slow to get started. We are now in the third quarter. The enemy is firing fast and has no reserves.

If we keep up our hard driving pace we don't give the enemy a chance to catch his second wind.

Therefore we need unity and team work to get the full advantage of our immense superiority in men and materials.

If our drive slackens—if we fumble—if our intensified efforts are diverted by domestic bitterness the victory punch will be delayed. It is even possible that it may slip from our grasp.

That is the disturbing factor of Vice President Wallace's indiscriminate invective in Detroit. As one of the opening guns in a vital Presidential campaign he did not meet issues as issues—facing them frankly and openly and honestly with cold facts to lay before the judgment of the American people.

He sought to avoid clear-cut issues by hurling hard names at everybody including his fellow Democrats who are asking embarrassing questions about the notorious failures of the Roosevelt Administration.

He extended himself to hide facts behind the curtain of blind hate—of unthinking distrust and suspicion.

He struggled to kill judgment—not to call it forth.

And yet—intelligent, honest unemotional judgment is the only weapon which, in the hands of the ordinary citizens, can keep alive the blessings of liberty in any government of truly free men.

Schisms and hatred stalk the land. Hunger too rides close behind, if the present policies are continued. The appalling specter of uncontrolled inflation threatens. Disorder is increasing. Something is always going wrong with the planners' theories. The President refuses to obey certain laws enacted by Congress. Our government is being run too largely on the premise of threat and fear and secrecy.

The bitter controversies so deplorably characteristic of the administration are the results of life-term ambition. It is upon the meat of confusion that it feeds.

The Administration has abandoned the original New Deal. In other words, the post-war plans of the palace bureaucrats are to relieve the business of all responsibility. And to relieve organized labor of all responsibility. And to relieve the farmer of all responsibility. And to relieve the elected representatives of the people in the Congress of all responsibility.

That is the Fascist theory of a planned economy. It is the only New Deal answer to the unsolved problems of unemployment, poverty and mass machine production. It is necessary to remember—despite the propaganda of the Vice President—that the only way the New Deal was able to make a dent on the unemployment problem of this administration

was by a \$300,000,000,000 war production—and the draft.

With camp meeting fervor, the Vice President condemned economics of scarcity.

He was beclouding instead of clarifying the issue.

He carefully avoided mentioning the record which shows that it was the bureaucratic planners who sprang the idea of creating artificial scarcities of food and clothing by restricting production.

The mainspring in the New Deal watch of screwy economy was to kill the little pigs—to plow cotton under to restrict the planting of wheat even as late as this year.

Mr. Wallace also chose to forget that we are paying in topheavy taxes today—and increased prices for foods and clothing—for those dreary years in which we subsidized idle land—idle manpower and idle ambition.

Aside from our war the most urgent and stupendous problem confronting the American people is winning the peace—at home.

This is of greater importance than international solidarity. All important as that is now in the future. Because unless we get our domestic post-war plans in tip-top shape we will not have the strength to assist in spreading peace forevermore in the world at large.

After the war we shall face a very difficult task to convert this country to a sound and functioning peacetime basis. That is when the left wing of the New Deal with its overweening desire to regulate, expects to permanently establish State Socialism.

We are now witnessing the preview of life as it will be permanently under the New Deal—gone-to-seed—an arbitrary bureaucracy resulting in Nazism or Fascism—the death knell of individual freedom. The domineering attitude of New Deal bureaucrats who conduct themselves as masters rather than servants of the people—their contempt for any law but their own decrees made in secret, without enlightening Congressional debate—the delight they take in ordering the people around—in fact, their contemptuous attitude for the people—is being demonstrated daily.

The utter fallacy of permanently governing and regulating a country of this size and diversity of interests by muddling Washington bureaucrats is being proved before our very eyes.

That is, if the one-mulers, the independent farm owners, the independent business man, the labor leaders, the middle class—are to exist. Of course, it is not wholly fair to take the present as an example of the planner's ultimate rule, because according to their plans they do not intend to be bothered with the "one-mulers of this country," any more than the Russian or German bureaucrats were.

The small but dominant group of New Dealers does not expect to eliminate the middle class or the "one-mulers" with the firing squads as did the communists. Their plans really come closer to the early days of Hitler with the "one-mule" class eliminated through deficit financing, and business, labor and agriculture managed by the national government from Washington.

Wallace pants in theatrical horror of some mysterious and unnamed scoundrels whom he labels "American Fascists."

All right—what is Fascism?

Fascism is fundamentally nothing but the philosophy that

political officeholders should run the people, instead of the people running the political officeholders.

The New Deal represents the first time in American history that we have been told brazenly that Washington bureaucrats know more about how each of us should live and eat and work—how we should earn and spend our money—that Washington bureaucrats know more about how much liberty is good for us—than we do ourselves.

Fascism is government management of the total domestic economy of a nation.

Who, then, are the real fascists in American life today?

The Nazi theory of government forms the basic post-war issue on the outcome of which stability of business, employment and agriculture depends. Yes, the very life of the republic itself.

Can a greater blight be imagined than that to the business man and the farmer, who is planning for post-war production and employment—or to free and independent labor unions?

Can a greater blight be imagined to the future of the boys and girls who are returning from service to their country than to have our business, labor and agriculture managed by Washington bureaucrats? Let's stick to the record. They march away to fight fascism and they come back to—what?

There were more Americans on the humiliating dole in 1939 than at any time in our history. Mr. Roosevelt had been unable to solve the unemployment problem in six years and with lots of billions of dollars.

It was not until the war orders started pouring in from Europe in the fall of 1939 and the draft of 1940 followed by our own war production that Mr. Roosevelt had the unemployment problem solved for him.

Is that a record that entitled the Vice President to call everyone that's not a New Dealer a crook?

To the charges made by Democratic Congressmen on committee after committee—charges of appalling administration bungling—the Vice President has not a word to say. His only answer is to feed the fires of agitation by calling everyone else a crook.

Let's stick to the record. When you come to think about it, isn't that the only explanation the New Deal bureaucrats have ever given for the fact that something is always happening to their irridescent plans?

The pot of gold at the end of the New Deal rainbow never materialized for millions and millions on the dole.

It is characteristic of an Administration representative to make glowing references to laudable future plans. But what about now? What about the Administration's failure to plan decent housing conditions for war workers? We will be lucky if we escape terrible epidemics as a direct result of that. Our tragic, tense race situation is a further direct result of that failure, and the President burying for so long his committee on fair employment practice.

These are some concrete questions the Vice President could have discussed in Detroit. Instead of clarifying, he evaded them by the same old tactics of the master politician in the White House, by a glowing discussion of problems far from the present and far from the home front.

What a contrast to Prime Minister Churchill, who never promises the English people anything but toil; while Mr. Roosevelt is always promising the American people a piece of pie, by-and-by—on the cuff.

The shadow of a notably bitter election that will mean either the eclipse of the fascist New Dealers—or the American republic—is al-

Crawford Says Industry Accepts President's Nomination As Job Provider

(Continued from first page)

sufficient funds to reconvert, as the President forecast earlier last week, 'from a war economy to peacetime operation.' The earnings which industry should set aside to pay for this reconversion and for the resumption of peacetime operations, are being taxed away or renegotiated away from private industry almost as fast as they are earned. Unless industry can first bring together the money which must be employed, it can not bring together the men who want employment. That should be plain beyond dispute.

'Further, if industry which has not been permitted to accumulate sufficient post-war reserves, is told to go to the capital markets for its needs, the same necessity appears in another form. Capital is reluctant. It is not the reluctance of a few plutocrats, but the reluctance of an investing public of millions of ordinary citizens.

'A recent report shows that for 1942 the total number of stockholders in the United States was almost 10,000,000. They don't think of their money as capital, but as their lifetime savings; and they won't risk it with taxes mopping up earnings, and when they don't know what is going to be done to the currency or the public debt.

'Further, in view of the growth of monopolistic practices among labor, there is need for the Congress to change the economic climate by establishing a fair labor policy for the nation. The public has already indicated a growing recognition that monopoly is against the public interest when labor practices it, just as much as when capital does it.

'The capital of which I have been speaking also needs assurance that it will not be in peacetime competition with the \$12,000,000,000 of government-owned plants and manufacturing facilities, or with the post-war clearance sale of government surpluses of goods.

'Enterprise also needs assurance that the wartime controls of materials, wages, prices and rationing will come off as the need for deflecting industry into wartime production is eased off, and as the danger of an inflationary scramble for goods is abated. It is encouraging that the President, in his speech, announced the lifting of the first wartime control on coffee.

'The only peacetime basis on which industry can hope to provide full employment is under a free enterprise system whereby men, materials and money draw pay according to their performance; and in which the government makes and polices only such rules as are necessary for the maintenance of fair and free competition and a fair and free pricing.

'Under such circumstances, we can plan our return to a steadily increasing productivity, which has been our only way of raising the American standard of living. The pent-up demand for goods and services, and the accumulated money savings of the public, present an unlimited opportunity. But until fair wages, fair profits and fair prices permit the making of more goods and services and still more and still more, there can never be sufficient jobs.

'The only other way to provide

ready appearing over the land.

The Republican Party and real Democrats are the only representatives of the great liberal principles of Jefferson, as they are being given force and vitality under the Republican leadership.

And the high ideals of freedom for all peoples will be nothing but "promises written on water" if the fascist New Dealers win this battle against the one-mulers.

jobs to which the President does not seem to look forward any more than we, is a program of 'made' work which the government would not otherwise undertake. These 'made' jobs lower the standard of living because they equip the workers to take up goods and services without contributing anything of equal desirability to those who made the goods and services.

'If there is to be full employment at productive labor, private industry must provide it. It is planning to do so.'

Global Alphabet Is Devised By Owen

Using 41 novel symbols and holding 16 others in reserve, former United States Senator Robert L. Owen of Oklahoma has developed a global alphabet he thinks capable of breaking down language barriers.

This was reported in an Associated Press Washington despatch of July 28, published in the New York "Sun" which went on to say:

'Through it I can teach any reasonably intelligent man Chinese in two months,' he said. 'It is a means by which we can teach the English language to all the world at high speed and negligible cost. It will pay its own way.'

Although at first glance Mr. Owen's alphabet resembles some shorthand systems, he said it is entirely different. His is based on 18 vowel sounds, 18 consonants and five double consonants—"ch," "sh," "th," "ng" and "wh." The 41 regular letters are little hooks and wiggles and slashes and curves.

In case it develops that some tongue contains sounds not capable of expression by the 41, Mr. Owen has 16 orthographic substitutes, chiefly angular.

Mr. Owen at 87 is blind—a handicap he scoffs at.

'I just dictated them to my secretary, by metes and bounds,' he explained. 'In my mind, I would picture a square, and describe to her how the character should fit into its limits.'

'(Metes and bounds" is a surveyors' term, used to describe the outlines of an inclosure.)

A former Indian agent for the five civilized tribes in Oklahoma, Mr. Owen was inspired by Sequoia, who in 1823 invented an 85 character alphabet which enabled his Cherokee tribesmen to learn quickly to write their own language.

An outline of the system was printed recently as Senate Document No. 49 at the request of Senator Thomas (D.-Okla.). Illustrations show the global alphabet standing in for the conventional Roman letters, for those of Greek, Japanese, and Cherokee Indian, and for Chinese sounds.

Mr. Owen said his shorter, phonetic word forms would save paper, ink, and postage and simplify spelling, and with their defined pronunciation would tend to end or limit dialects.

In announcing that the copyrighted system would be "my free gift to the world," Mr. Owen stressed this:

'The global alphabet comprises a mechanical agency through which to make effective the dreams of the great men now leading the people of the United Nations in a struggle for peace, abundance, goodwill, justice and happiness. The four freedoms, the Atlantic Charter, the Twentieth century economic policy adopted by the London Chamber of Commerce could be quickly put before the world.'

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)										
1943— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
Aug. 3	120.19	111.25	119.20	117.00	111.44	99.04	103.13	114.03	117.20	
31	120.19	111.25	119.20	117.00	111.44	99.04	103.13	114.03	117.20	
July 31	120.18	111.44	119.41	117.00	111.62	99.04	103.30	114.08	117.20	
29	120.18	111.44	119.41	117.00	111.62	99.04	103.30	114.08	117.20	
27	120.26	111.25	119.20	117.00	111.44	99.20	103.30	114.27	117.20	
26	120.36	111.25	119.20	117.00	111.44	99.20	103.47	114.08	117.20	
24	120.52	111.25	119.20	116.80	111.44	99.36	103.47	114.08	117.20	
23	120.51	111.25	119.20	116.80	111.44	99.20	103.30	114.08	117.20	
22	120.27	111.25	119.41	116.80	111.44	99.20	103.30	114.03	117.20	
21	120.14	111.25	119.20	116.80	111.44	99.20	103.30	114.08	117.20	
20	120.24	111.25	119.20	116.80	111.44	99.20	103.30	114.08	117.20	
19	120.36	111.25	119.20	116.80	111.44	99.20	103.13	114.27	117.20	
17	120.43	111.25	119.20	116.80	111.44	99.20	103.13	114.27	117.20	
16	120.46	111.25	119.20	116.80	111.44	99.20	103.13	114.08	117.20	
15	120.56	111.25	119.20	116.80	111.44	99.20	103.13	114.08	117.20	
14	120.63	111.25	119.20	116.80	111.44	99.04	103.13	114.08	117.00	
13	120.64	111.07	119.00	116.61	111.25	99.04	102.96	114.08	117.00	
12	120.78	111.07	119.20	116.61	111.25	98.88	102.96	114.08	116.80	
10	120.77	111.07	119.20	116.61	111.25	98.88	102.96	114.08	116.80	
9	120.73	111.07	119.20	116.61	111.25	98.88	102.80	114.08	117.00	
8	120.75	110.88	119.00	116.61	111.25	98.57	102.80	113.89	116.80	
7	120.79	110.88	119.00	116.41	111.25	98.57	102.80	113.89	116.80	
6	120.87	110.88	119.00	116.22	111.25	98.57	102.63	113.70	116.80	

EXCHANGE CLOSED										
1943— Daily Averages	U. S. Govt. Bonds									
3	120.78	110.70	118.80	116.22	111.25	98.25	102.46	113.70	116.61	
2	120.75	110.70	118.80	116.22	111.25	98.25	102.46	113.70	116.61	
1	120.71	110.70	118.80	116.22	111.25	98.41	102.46	113.89	116.61	
Jun 25	120.41	110.70	118.80	116.22	111.07	98.03	102.46	113.70	116.61	
18	120.15	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41	
11	119.99	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41	
4	119.92	110.34	118.40	115.82	111.07	97.78	102.30	113.50	116.02	
May 28	119.82	110.34	118.20	115.82	110.88	97.78	102.30	113.31	115.82	
21	119.44	110.15	118.20	115.82	110.70	97.47	101.97	113.12	115.82	
14	119.27	109.97	118.00	115.63	110.70	97.47	101.80	113.12	115.82	
7	119.03	109.79	118.00	115.43	110.52	97.16	101.47	112.93	115.82	
Apr. 30	118.36	109.79	118.00	115.43	110.34	97.00	101.31	113.12	115.63	
22	118.22	109.60	118.00	115.43	110.34	96.69	100.98	113.12	115.82	
16	118.06	109.60	117.80	115.43	110.52	96.38	100.81	112.93	115.63	
9	117.48	109.60	117.80	115.43	110.52	96.23	100.98	113.12	115.63	
Mar. 26	116.93	109.60	117.80	115.43	110.52	96.69	100.98	113.12	115.63	
19	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43	
12	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43	
5	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43	
High 1943	120.87	111.44	119.41	117.00	111.62	99.36	103.47	114.27	117.20	
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46	
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66	
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75	
1 Year ago	118.03	106.92	116.61	113.31	108.16	91.77	95.92	111.44	114.27	
Aug. 3, 1942	118.03	106.92	116.61	113.31	108.16	91.77	95.92	111.44	114.27	
2 Years ago	119.54	107.98	118.40	115.24	108.52	92.23	97.62	112.00	115.24	
Aug. 2, 1941	119.54	107.98	118.40	115.24	108.52	92.23	97.62	112.00	115.24	

MOODY'S BOND YIELD AVERAGES† (Based on Individual Closing Prices)										
1943— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
Aug. 3	1.84	3.10	2.69	2.80	3.03	3.81	3.56	2.95	2.79	
31	1.84	3.10	2.69	2.80	3.03	3.81	3.56	2.95	2.79	
July 31	1.84	3.09	2.68	2.80	3.08	3.81	3.55	2.95	2.79	
29	1.84	3.09	2.68	2.80	3.08	3.81	3.55	2.95	2.79	
27	1.83	3.10	2.69	2.80	3.03	3.80	3.55	2.94	2.79	
26	1.83	3.10	2.69	2.80	3.03	3.80	3.54	2.95	2.79	
24	1.81	3.10	2.69	2.81	3.09	3.79	3.54	2.95	2.79	
23	1.81	3.10	2.69	2.81	3.09	3.80	3.55	2.95	2.79	
22	1.83	3.10	2.68	2.81	3.09	3.80	3.55	2.95	2.79	
21	1.84	3.10	2.69	2.81	3.09	3.80	3.55	2.95	2.79	
20	1.84	3.10	2.69	2.81	3.09	3.80	3.55	2.94	2.79	
19	1.83	3.10	2.69	2.81	3.09	3.80	3.56	2.94	2.79	
17	1.82	3.10	2.69	2.81	3.09	3.80	3.56	2.94	2.79	
16	1.82	3.10	2.69	2.81	3.09	3.80	3.56	2.95	2.79	
15	1.81	3.10	2.69	2.81	3.09	3.80	3.56	2.95	2.80	
14	1.81	3.10	2.69	2.81	3.09	3.81	3.56	2.95	2.80	
13	1.81	3.11	2.70	2.82	3.10	3.81	3.57	2.95	2.80	
12	1.80	3.11	2.69	2.82	3.10	3.82	3.57	2.95	2.81	
10	1.80	3.11	2.69	2.83	3.10	3.82	3.57	2.95	2.81	
9	1.80	3.11	2.69	2.82	3.10	3.82	3.58	2.95	2.80	
8	1.80	3.12	2.70	2.82	3.10	3.84	3.58	2.96	2.81	
7	1.79	3.12	2.70	2.83	3.10	3.84	3.58	2.96	2.81	
6	1.79	3.12	2.70	2.84	3.10	3.84	3.59	2.97	2.81	

*These prices are computed from average yields on the basis of one "typical" bond (3 3/4% 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 Jan. 14, 1943, page 202.

National Fertilizer Association Commodity Price Index Again Unchanged

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Aug. 2, remained unchanged for the second consecutive week. This index, in the week ended July 31, registered 134.6% of the 1935-1939 average, the same as in the preceding week. A month ago it was 134.8 and a year ago it 129.3. The Association's report went on to say:

Although there was a fractional decline in the foods group, the advance in the farm products group was enough to hold the general

index to the same level as it was in the preceding week. Last week changes in the farm products group were evenly balanced as to number with 5 advances and 5 declines. The quotations for livestock, however, were sufficiently higher to offset the declines in grain prices. The food price index advanced fractionally this week because of rising quotations for eggs and oranges which offset the drop in the potato price. All other groups with the exception of textiles remained unchanged for the ninth consecutive week.

Once more the changes in the index were evenly balanced with six declines and six advances; in the preceding week there were six declines and five advances; and in the second preceding week there were seven declines and five advances.

WEEKLY WHOLESALE COMMODITY PRICE INDEX Compiled by The National Fertilizer Association 1935-1939=100*					
Each Group Bears to Total Index	Group	Latest Preceding		Month Ago	Year Ago
		Week	Week		
25.3	Foods	137.7	137.8	138.3	128.3
	Fats and Oils	145.1	145.1	145.1	129.6
	Cottonseed Oil	159.0	159.0	159.0	160.7
	Farm Products	153.1	152.3	152.7	136.9
	Cotton	198.1	198.1	201.0	176.8
	Grains	144.0	144.5	148.1	111.9
	Livestock	147.8	146.2	145.3	135.9
17.3	Fuels	122.8	122.8	122.8	125.4
10.8	Miscellaneous commodities	130.1	130.1	130.1	127.0
8.2	Textiles	150.9	150.9	151.3	147.2
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.6	152.6	152.6	151.5
1.3	Chemicals and drugs	126.6	126.6	126.6	120.7
	Fertilizer materials	117.7	117.7	117.7	117.9
	Fertilizers	119.8	119.8	119.8	115.3
	Farm machinery	104.1	104.1	104.1	104.1
100.0	All groups combined	134.6	134.6	134.8	129.3

*Indexes on 1926-1928 base were July 31, 1943, 104.9; July 24, 104.9; and Aug. 1, 1942, 100.7.

Electric Output For Week Ended July 31, 1943, Shows 15.8% 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 July 31, 1943, was approximately 4,226,705,000 kwh., compared with 3,649,146,000 kwh. in the corresponding week last year, an increase of 15.8%. The output for the week ended July 24, 1943, was 15.7% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR Week Ended				
Major Geographical Divisions—	July 31	July 24	July 17	July 10
New England	6.70	9.3	11.3	0.8
Middle Atlantic	17.6	17.5	19.0	12.0
Central Industrial	14.1	13.6	13.0	9.1
West Central	14.2	12.3	13.5	8.2
Southern States	16.0	17.6	22.0	18.7
Rocky Mountain	16.5	10.2	11.1	11.1
Pacific Coast	21.1	20.6	23.4	19.5
Total United States	15.8	15.7	17.4	14.3

* Decrease from 1942.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)						
Week Ended—	1943	1942	% Change			
			1943	1941	1929	
Apr. 3	3,889,858	3,348,608	+16.2	2,959,646	1,465,076	1,633,291
Apr 10	3,882,467	3,320,858	+16.9	2,905,581	1,480,738	1,696,543
Apr 17	3,916,794	3,307,700	+18.4	2,897,307	1,469,810	1,709,331
Apr 24	3,925,175	3,273,190	+19.9	2,950,448	1,454,505	1,693,822
May 1	3,969,161	3,304,602	+17.0	2,944,906	1,429,032	1,688,434
May 8	3,903,723	3,365,208	+16.0	3,003,921	1,436,928	1,698,942
May 15	3,969,161					

Weekly Coal 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 July 24, 1943 is estimated at 12,100,000 net tons, an increase of 300,000, or 2.5%, over the preceding week. Output in the corresponding week of 1942 amounted to 11,055,000 tons. For the present year to July 24, soft coal production is but 0.7%, or 2,277,000 tons, above that for the same period last year.

The U. S. Bureau of Mines estimated that the total production of Pennsylvania anthracite for the week ended July 24, 1943 was 1,326,000 tons, which compares with a pre-strike average of about 1,350,000 tons. Output in the week ended July 17, 1943 amounted to 1,338,000 tons, while in the week ended July 25, 1942 it totaled 1,230,000 tons.

ESTIMATED UNITED STATES PRODUCTION OF COAL WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM (In Net Tons—000 Omitted.)

Commodity	Week Ended			January 1 to Date		
	July 24, 1943	July 17, 1943	July 25, 1942	July 24, 1943	July 25, 1942	July 24, 1937
Total incl. mine fuel	12,100	11,800	11,055	325,388	323,111	248,853
Daily average	2,017	1,967	1,843	1,870	1,873	1,443
*Crude petroleum						
Coal equivalent of weekly output	6,597	6,572	5,912	184,880	177,758	160,404

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. (Minerals Yearbook, Review of 1940, page 775.) †Revised. ‡Subject to current adjustment.

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					July Avg. 1923
	July 17, 1943	July 10, 1943	July 18, 1942	July 19, 1941	July 17, 1937	
Alabama	403	381	354	344	257	389
Alaska	6	6	5	5	2	**
Arkansas and Oklahoma	96	77	92	31	26	74
Colorado	137	132	114	109	76	165
Georgia and North Carolina	1	1	1	1	1	††
Illinois	1,482	1,310	1,105	1,098	668	1,268
Indiana	442	475	484	400	236	451
Iowa	42	39	41	37	28	87
Kansas and Missouri	153	144	151	121	80	134
Kentucky—Eastern	988	960	945	970	701	735
Kentucky—Western	278	269	226	191	114	202
Maryland	36	34	37	35	23	42
Michigan	8	7	3	2	5	17
Montana (bituminous and lignite)	104	92	71	59	41	41
New Mexico	42	38	31	26	30	52
North and South Dakota (lignite)	33	34	19	17	13	**14
Ohio	620	665	663	655	406	854
Pennsylvania (bituminous)	2,635	2,396	2,818	2,801	2,006	3,680
Tennessee	135	125	148	153	98	113
Texas (bituminous and lignite)	3	2	8	7	19	23
Utah	112	104	111	62	43	87
Virginia	416	417	405	389	242	239
Washington	29	26	35	29	32	37
*West Virginia—Southern	2,356	2,316	2,245	2,317	1,564	1,519
†West Virginia—Northern	968	972	889	828	479	866
Wyoming	167	147	136	117	60	115
††Other Western States	2	1	††	††	1	**4
Total bituminous and lignite	11,800	11,170	11,139	10,814	7,250	11,208
‡Pennsylvania anthracite	1,338	1,238	1,222	1,314	582	1,950
Total all coal	13,138	12,408	12,361	12,128	7,832	13,158

*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.

Wholesale Commodity Index Unchanged During Week Ended July 24, Says Labor Dept.

The U. S. Department of Labor announced on July 29 that during the week ended July 24 the Bureau of Labor Statistics' index of commodity prices in primary markets remained unchanged at 102.9% of the 1926 average. Weakening markets for farm products, particularly grains and livestock, were offset by higher quotations for fruits, vegetables and eggs.

The Department's announcement further said:

"Farm products and foods. Average prices for farm products during the week dropped to the lowest level since early in May. Grains declined 1.4% with prices for oats and rye off about 5% and wheat 1%. Cotton fell off 0.8%. Lower prices for hogs, steers and cows brought the index for livestock and poultry down 0.9%, while quotations for calves and ewes were considerably higher. The movement in prices for fresh fruits and vegetables was mixed. Potatoes were higher in most markets except New York. Oranges averaged slightly higher while lemons declined. Onions dropped over 6%.

"Following the decline during the preceding week, prices for foods in primary markets moved up 0.5% as a result of higher quotations for fresh beef at New York, for wheat flour, and eggs, and for apples and potatoes in certain markets. Notwithstanding the advance, average prices for foods at wholesale are nearly 1% lower than at this time last month.

"Industrial commodities. Except for higher prices for gasoline, rosin and turpentine, and Office of Price Administration action in making an upward adjustment in ceiling prices on lower grade wooden barrels, industrial commodity markets remained steady during the week."

The following notation is made:

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. 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 June 26, 1943, and

July 25, 1942, and the percentage changes from a week ago, a month ago, and a year ago:

Commodity groups—	(1926=100)						Percentage changes to July 24 1943 from—		
	7-24 1943	7-17 1943	7-10 1943	6-26 1943	7-25 1942	7-17 1942	6-26 1942	7-25 1942	
All commodities	*102.9	*102.9	*103.0	*103.1	98.4	0	-0.2	+4.6	
Farm products	*128.8	*125.0	*126.0	*126.2	105.4	-0.2	-1.1	+18.8	
Foods	107.0	106.5	107.3	108.0	98.9	+0.5	-0.9	+8.2	
Hides and leather products	118.4	118.4	118.4	118.4	118.8	0	0	+0.3	
Textile products	96.9	96.9	96.9	96.9	96.8	0	0	+0.1	
Fuel and lighting materials	81.8	81.6	81.5	81.4	79.5	+6.2	+0.5	+2.9	
Metals and metal products	*103.8	*103.8	*103.8	*103.9	103.9	0	-0.1	+0.1	
Building materials	110.6	110.6	110.5	110.4	110.1	0	+0.2	+0.5	
Chemicals and allied products	100.1	100.1	100.1	100.2	96.4	0	-0.1	+3.8	
Housefurnishing goods	104.4	104.4	104.3	104.3	104.4	0	+0.1	0	
Miscellaneous commodities	92.1	91.6	91.6	91.6	89.6	+0.5	+0.5	+2.8	
Raw materials	*113.3	*113.4	*114.0	*114.2	99.8	-0.1	-0.8	+13.5	
Semimanufactured articles	92.7	92.7	92.7	92.7	92.6	0	0	+0.1	
Manufactured products	*99.8	*99.6	*99.6	*99.7	98.8	+0.2	+0.1	+1.0	
All commodities other than farm products	*98.3	*98.1	*98.1	*98.1	96.9	+0.2	+0.2	+1.4	
All commodities other than farm products and foods	*97.1	*97.0	*96.9	*96.9	95.9	+0.1	+0.2	+1.3	

Civil Engineering Construction \$41,154,000 For Week

Civil engineering construction volume in continental U. S. totals \$41,154,000 for the week. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 16% lower than in the preceding week, and 84% below the total for the corresponding 1942 week as reported by "Engineering News-Record" on July 29. Private construction gains 23% over a week ago, but declines 58% from a year ago. Public work is 20 and 86% lower, respectively, than last week and last year as both state and municipal construction and federal volume report declines. The report continues as follows:

The current week's volume brings 1943 construction to \$2,062,540,000, an average of \$68,751,000 for each of the 30 weeks. On the weekly average basis, 1943 construction is 65% below the \$6,106,820,000 for the 31-week period in 1942. Private construction, \$255,188,000, is 35% lower than last year, and public work, \$1,807,352,000 is down 67% when adjusted for the difference in the number of weeks.

Civil engineering construction volumes for the 1942 week, last week, and the current week are:

	July 30, '42	July 22, '43	July 29, '43
Total U. S. Construction	\$259,800,000	\$48,969,000	\$41,154,000
Private Construction	14,888,000	5,055,000	6,207,000
Public Construction	244,912,000	43,914,000	34,947,000
State and Municipal	10,034,000	6,997,000	3,034,000
Federal	234,878,000	36,917,000	31,913,000

In the classified construction groups, commercial building and large-scale private housing gains over a week ago. All classes of work are below their respective totals of a year ago. Subtotals for the week in each class of construction are: waterworks, \$544,000; sewerage, \$571,000; bridges, \$246,000; industrial buildings, \$687,000; commercial building and large-scale private housing, \$5,234,000; public buildings, \$17,853,000; earthwork and drainage, \$367,000; streets and roads, \$3,813,000; and unclassified construction, \$11,839,000.

New capital for construction purposes for the week totals \$954,000, and is made up entirely of state and municipal bond sales. New construction financing for the 30 weeks of 1943, \$2,921,188,000, is 68% lower than the \$9,500,250,000 reported for the 31-week period in 1942.

Non-Ferrous Metals—Lead Active Because of Demands For Foreign Metal For Aug. Shipment

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 July 29, stated: "Mussolini's fall was accepted in non-ferrous metal circles as evidence that Italy will withdraw from the war. Fabricators appeared to be more concerned than producers about the probable consequences of this important move. However, opinion leaned to the view that the price structure in major metals is safe just as long as war demands show no signs of slackening. Lead attracted attention during the last week because of heavy demands for foreign metal for August shipment. Manufacturers of semi-fabricated silver products using Treasury silver released under the Green Act have been granted permission by OPA to raise their price schedules to the 71.1c. basis." The publication further went on to say:

Copper

As long as war demands for copper remain large, political developments in Europe are not expected to influence the market, producers believe. But something will have to be done soon about the stockpile program, leaders in the industry maintain.

Production of copper in Sweden is estimated at 18,000 tons a year, indicating that output has been increased in recent years. Production in 1940 was estimated at 13,700 tons.

According to Controlled Materials Plan Regulation No. 4, all warehouse deliveries of brass and wire mill products are banned after Sept. 30 except to fill authorized controlled materials orders. Until that time, a warehouse may fill from stock orders for these products bearing preference ratings of AA-5 or higher, up

Lead

Interest in lead centered in the meeting held in New York on July 26 to discuss allocations of foreign lead. Call for lead for August delivery from supplies controlled by Metals Reserve was much larger than expected, amounting to about 25,000 tons. Part of this unusual request for lead resulted from the suggestion by WPB for consumers to build up inventories before fall demands on the railroads become heavy. Far more common lead was asked for than conveniently available. A compromise was reached with buyers, which resulted in allocating an even amount of common and corroding lead, the usual premium obtaining on the latter. To supply the August tonnage the stockpile will be called upon for a fair contribution.

Zinc

Allocation certificates for zinc covering the essential needs of the war program for August went into the mail yesterday. The industry looks for no change in policy, with the result that a good tonnage again will be available for the reserve supply. The price situation remains unchanged, Prime Western continuing on the basis of 8.25c., East St. Louis.

Cadmium

The War Production Board on Monday issued Conservation Order M-65-a, as amended, prohibiting the use of cadmium in the production of pigments, except for specific purposes, most of which are military. This action was taken to further conserve supplies of the metal.

Tin

Press accounts to the effect that the cartel section of the Department of Justice is looking into the tin situation, particularly in reference to production quotas fixed under the so-called tin cartel, were viewed in the trade as interesting but of little consequence. The International Tin Committee is a foreign organization in which governments as well as producers have a hand. The scheme at present is innocuous and will remain so for the duration of the war. Anthony Eden signed the international accord in behalf of the United Kingdom. In renewing the agreement last year, it was announced that consumers will be asked to participate in future deliberations, and it is hoped that two representatives from this country will be appointed, one representing the United States government.

Prime Minister Churchill has informed the House of Commons that after the war no British firm shall join a cartel or similar organization for the purpose of restricting production, fixing prices, or allocating markets without prior consent of the government, and added that the terms of any such arrangement will be laid before Parliament for approval before it becomes operative.

The price situation in tin here remains unchanged. Straits quality tin for shipment was as follows:

	July	August	Sept.
July 22	52.000	52.000	52.000
July 23	52.000	52.000	52.000
July 24	52.000	52.000	52.000
July 26	52.000	52.000	52.000
July 27	52.000	52.000	52.000
July 28	52.000	52.000	52.000

Chinese or 99% tin, continues at 51.125c. a pound.

Quicksilver

The labor situation continues to hamper operations in some sections of the country. However, total output of the metal has held up well. Demands remain large. Metals Reserve has been releasing quicksilver to consumers whenever the call for the metal suddenly increases to fill special war orders. Quotations in New York continued at \$196@198 per flask.

Silver

During the last week the silver market in London has been quiet, with the price unchanged at 23½d. an ounce troy.

The New York Official and the Treasury prices were also unchanged at 44¾c. and 35c., respectively.

Manufacturers of semi-fabricated silver products have been authorized by OPA to charge the same prices for products made of Treasury silver sold under the Green Act as they are permitted to charge for items made of newly mined domestic silver. Both classifications of silver sell on the basis of 71.1c. per ounce. (The amendment to the price regulation became effective August 2.)

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.

Trading On New York Exchanges

The Securities and Exchange Commission made public on July 31 figures showing the 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 July 17, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended July 17 (in round-lot transactions) totaled 7,677,115 shares, which amount was 18.10% of the total transactions on the Exchange of 7,398,000 shares. This compares with member trading during the week ended July 10 of 1,609,681 shares, or 18.12% of total trading of 4,442,840 shares. On the New York Curb Exchange, member trading during the week ended July 17 amounted to 579,305 shares, or 15.34% of the total volume of that exchange of 1,888,145 shares; during the July 10 week trading for the account of Curb members of 423,515 shares was 14.28% of total trading of 1,483,175.

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

WEEK ENDED JULY 17, 1943		
	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	151,790	
†Other sales	7,246,210	
Total sales	7,398,000	
B. Round Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	644,750	
Short sales	73,390	
†Other sales	576,180	
Total sales	649,570	8.75
2. Other transactions initiated on the floor—		
Total purchases	431,860	
Short sales	16,643	
†Other sales	416,430	
Total sales	433,070	5.85
3. Other transactions initiated off the floor—		
Total purchases	246,525	
Short sales	25,750	
†Other sales	245,590	
Total sales	271,340	3.50
4. Total—		
Total purchases	1,323,135	
Short sales	115,780	
†Other sales	1,238,200	
Total sales	1,353,980	18.10

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

WEEK ENDED JULY 17, 1943		
	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	7,125	
†Other sales	1,881,020	
Total sales	1,888,145	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	155,225	
Short sales	5,185	
†Other sales	175,915	
Total sales	181,100	8.91
2. Other transactions initiated on the floor—		
Total purchases	63,620	
Short sales	900	
†Other sales	64,025	
Total sales	64,925	3.40
3. Other transactions initiated off the floor—		
Total purchases	52,670	
Short sales	200	
†Other sales	61,565	
Total sales	61,765	3.03
4. Total—		
Total purchases	271,515	
Short sales	6,285	
†Other sales	301,505	
Total sales	307,790	15.34
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	78,952	
†Customers' other sales	78,952	
Total purchases	78,952	
Total sales	57,740	

*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."

Daily Average Crude Oil Production For Week Ended July 24, 1943 Increased 15,600 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended July 24, 1943 was 4,118,700 barrels, a gain of 15,600 barrels over the preceding week and 428,100 barrels per day more than produced in the week ended July 25, 1942. The current figure, however, is 209,800 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of July, 1943. Daily output for the four weeks ended July 24, 1943 averaged 4,082,250 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,973,000 barrels of crude oil daily and produced 11,423,000 barrels of gasoline; 1,409,000 barrels kerosene; 3,896,000 barrels

of distillate fuel oil, and 8,366,000 barrels of residual fuel oil during the week ended July 24, 1943; and had in storage at the end of that week 75,714,000 barrels of gasoline; 8,987,000 barrels of kerosene; 35,889,000 barrels of distillate fuel, and 66,992,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations July	*State Allowables Begin July 1	Actual Production Week Ended July 24, 1943	Change from Previous Week	4 Weeks Ended July 24, 1943	Week Ended July 25, 1942
Oklahoma	361,400	363,400	1329,950	- 700	332,800	379,050
Kansas	300,000	300,000	1306,150	+12,450	230,000	283,700
Nebraska	2,200		12,200	+ 50	2,150	3,550
Panhandle Texas			90,400		90,350	84,900
North Texas			137,700		136,850	139,100
West Texas			245,600		243,200	211,550
East Central Texas			128,000		128,400	87,100
East Texas			371,000		365,850	293,150
Southwest Texas			230,000		226,900	155,150
Coastal Texas			412,900		408,250	253,900
Total Texas	1,727,000	1,728,136	1,615,600		1,596,800	1,224,850
North Louisiana			85,050	- 200	85,100	95,100
Coastal Louisiana			264,000		260,700	229,050
Total Louisiana	331,300	360,300	349,050	- 200	345,800	324,150
Arkansas	77,200	75,043	77,300	+ 100	76,750	72,350
Mississippi	50,000		54,150	+ 3,500	55,300	75,850
Illinois	233,000		215,400	+ 5,400	216,500	268,450
Indiana	14,500		14,050	+ 1,700	13,400	17,950
Eastern— (Not incl. Ill. Ind. Ky.)	88,100		76,400	- 1,450	77,000	79,600
Kentucky	25,000		23,150	+ 1,800	22,050	11,600
Michigan	60,100		55,800	- 100	56,200	60,100
Wyoming	97,200		96,500	+ 2,800	91,700	91,150
Montana	21,800		20,850	- 50	20,900	21,700
Colorado	7,000		7,300	- 100	7,100	6,700
New Mexico	105,700	105,700	104,050	+ 100	100,500	70,650
Total East of Calif.	3,501,500		3,347,900	+25,100	3,306,950	2,991,400
California	827,000	827,000	770,800	- 9,500	775,300	699,200
Total United States	4,328,500		4,118,700	+15,600	4,082,250	3,690,600

*P.A.W. 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 April, 1943, as follows: Oklahoma, 27,400; Kansas, 5,400; Texas, 107,400; Louisiana, 20,000; Arkansas, 2,700; Illinois, 11,200; Eastern (not including Illinois, Indiana or Kentucky), 8,900; Kentucky, 3,200; Michigan, 100; Wyoming, 2,300; Montana, 300; New Mexico, 5,200; California, 44,900.

†Oklahoma, Kansas, Nebraska figures are for week ended 7 a.m. July 22, 1943. ‡This is the net basic allowable as of July 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 3 to 15 days, the entire state was ordered shut down for 9 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 9 days shut-down time during the calendar month. §Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JULY 24, 1943 (Figures in Thousands of barrels of 42 Gallons Each)

District—	Daily Refining Capacity	Crude Runs to Still	Production				Stocks of Residual Fuel Oil	
			at Re- fineries	Finished and Un- finished Gasoline	Gas Oil	Distillate		
*Combin'd. East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,888	77.3	5,267	30,904	15,122	14,162
Appalachian	177	84.8	143	80.8	416	2,159	1,056	509
Ind., Ill., Ky.	824	85.2	753	91.4	2,627	15,051	5,623	3,270
Okla., Kans., Mo.	416	80.1	348	83.7	1,161	6,267	2,026	1,693
Rocky Mountain	147	55.9	96	65.3	278	1,733	355	659
California	817	89.9	745	91.2	1,674	19,600	11,707	46,699

Tot. U. S. B. of M. basis July 24, 1943—	4,825	86.4	3,973	82.3	11,423	75,714	35,889	66,992
Tot. U. S. B. of M. basis July 17, 1943—	4,825	86.4	3,962	82.1	11,189	76,565	35,036	67,017
U. S. Bur. of Mines basis July 25, 1943—			3,640		10,706	80,762	36,046	77,512

*At the request of the Petroleum Administration for War. †Finished, 65,264,000 barrels; unfinished, 10,450,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,409,000 barrels of kerosene, 3,896,000 barrels of gas oil and distillate fuel oil and 8,366,000 barrels of residual fuel oil produced during the week ended July 24, 1943, which compares with 1,453,000 barrels, 3,989,000 barrels and 8,331,000 barrels, respectively, in the preceding week and 1,159,000 barrels, 3,647,000 barrels and 6,796,000 barrels, respectively, in the week ended July 25, 1942.

June Hotel Sales Higher

In its August bulletin, Horwath & Horwath, New York public accountants, report that the large monthly gains over last year continued in June at pretty much the same rates as in May. The increase in total sales was 32% compared with 30 the month before and 31% for the first half of 1943.

The firm supplies the following statistical data: JUNE, 1943, COMPARED WITH JUNE, 1942

	Sales, Increase or Decrease					Occupancy		†Room Rate Increase or Decr.
	*Total	Rooms	Restaurant	Food	Beverages	June 1943	June 1942	
New York City	+34%	+36%	+31%	+30%	+31%	88%	70%	+ 8%
Chicago	+35	+31	+39	+34	+31%	84	72	+12
Philadelphia	+51	+38	+69	+56	+92	82	68	+14
Washington	+17	+7	+22	+18	+34	93	92	+ 6
Cleveland	+24	+22	+26	+25	+26	85	75	+ 8
Detroit	+28	+17	+39	+34	+47	89	81	+ 7
Pacific Coast	+46	+42	+50	+50	+49	81	66	+15
Texas	+36	+25	+54	+55	+52	92	80	+ 8
All Others	+29	+22	+36	+35	+38	81	71	+ 7
Total	+32%	+27%	+56%	+37%	+39%	84%	71%	+ 8%
Year to Date	+31%	+26%	+34%	+32%	+39%	83%	71%	+ 7%

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on July 31 a summary for the week ended July 24 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended July 24, 1943	
Odd-Lot Sales by Dealers: (Customers' purchases)	Total for Week 19,910
Number of Orders	554,595
Number of Shares	21,852,172
Dollar Value	
Odd-Lot Purchases by Dealers: (Customers' Sales)	
Number of Orders	218
Customers' short sales	18,465
Customers' other sales	
Customers' total sales	18,683
Number of Shares	
Customers' short sales	4,560
Customers' other sales	475,512
Customers' total sales	480,072
Dollar value	16,573,099
Round-Lot Sales by Dealers: (Customers' Sales)	
Number of Shares	160
Short sales	119,935
Other sales	
Total sales	120,095
Round-Lot Purchases by Dealers: (Customers' Sales)	
Number of Shares	180,690

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

Lumber Movement—Week Ended July 24, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 472 mills reporting to the National Lumber Trade Barometer were 3.2% below production for the week ended July 24, 1943. In the same week new orders of these mills were 0.03% greater than production. Unfilled order files in the reporting mills amounted to 106% of stocks. For reporting softwood mills, unfilled orders are equivalent to 41 days' production at the current rate, and gross stocks are equivalent to 36 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 10.6%; orders by 13.8%.

Compared to the average corresponding week of 1935-39 production of reporting mills was 27.5% greater; shipments were 29.8% greater; and orders were 30.2% greater.

Lend-Lease For Martinique

Approximately 6,200 tons of essential foods and other supplies have arrived at the French islands of Martinique and Guadeloupe, it was announced on July 26 by Edward R. Stettinius, Jr., Lend-Lease Administrator.

An International News Service dispatch from Washington published in the "Wall Street Journal" had the following to say:

"The shipment was dispatched immediately after Admiral Georges Robert resigned as French High Commissioner to the islands. The supplies were earmarked for the islands last May. "The goods are being distributed under the direction of Robert's successor, Henri Etienne Hoppenot, and a representative of the Lend-Lease Administration. Stettinius said Lend-Lease will be reimbursed for the full cost of the shipment."

Revenue Freight Car Loadings During Week Ended July 24, 1943 Increased 6,496 Cars

Loading and revenue freight for the week ended July 24, 1943 totaled 883,826 cars, the Association of American Railroads announced on July 29. This was an increase above the corresponding week of 1942 of 28,311 cars, or 3.3%, but a decrease below the same week in 1941, or 13,738 cars or 1.5%.

Loading of revenue freight for the week of July 24, increased 6,496 cars, or 0.7% above the preceding week.

Miscellaneous freight loading totaled 385,837 cars, an increase of 7,681 cars above the preceding week, but a decrease of 4,504 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 97,316 cars, a decrease of 524 cars below the preceding week, but an increase of 9,728 cars above the corresponding week in 1942.

Coal loading amounted to 177,700 cars, an increase of 1,451 cars above the preceding week, and an increase of 15,413 cars above the corresponding week in 1942.

Grain and grain products loading totaled 58,839 cars, a decrease of 3,665 cars below the preceding week, but an increase of 12,509 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of July 24, totaled 43,625 cars, a decrease of 4,138 cars below the preceding week but an increase of 13,521 cars above the corresponding week in 1942.

Live stock loading amounted to 13,767 cars, a decrease of 174 cars below the preceding week, but an increase of 3,131 cars above the corresponding week of 1942. In the Western Districts alone, loading of live stock for the week of July 24, totaled 9,454 cars, a decrease of 267 cars below the preceding week, but an increase of 1,976 cars above the corresponding week in 1942.

Forest products loading totaled 47,690 cars, an increase of 1,441 cars above the preceding week but a decrease of 6,444 cars below the corresponding week in 1942.

Ore loading amounted to 88,567 cars, a decrease of 1,104 cars below the preceding week and a decrease of 1,757 cars below the corresponding week in 1942.

Coke loading amounted to 14,110 cars, an increase of 1,390 cars above the preceding week, and an increase of 235 cars above the corresponding week in 1942.

All districts reported increases compared with the corresponding week in 1942, except the Southern but all districts reported decreases compared with 1941 except the Northwestern, Centralwestern and Southwestern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
4 weeks of March	3,073,426	3,174,781	3,066,011
4 weeks of April	3,136,253	3,350,996	2,793,630
5 weeks of May	4,149,703	4,170,548	4,160,060
4 weeks of June	3,151,146	3,385,655	3,510,057
Week of July 3	852,106	753,740	740,359
Week of July 10	808,630	855,158	875,142
Week of July 17	877,330	857,145	899,370
Week of July 24	883,826	855,515	897,564
Total	23,518,914	24,384,960	23,264,167

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended July 24, 1943. During this period 69 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED JULY 24

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	222	416	629	1,584	1,272
Bangor & Aroostook	930	1,096	1,105	258	174
Boston & Maine	6,157	5,900	9,049	13,610	13,023
Chicago, Indianapolis & Louisville	1,456	1,500	1,559	2,104	1,961
Central Indiana	30	35	40	46	68
Central Vermont	1,118	905	1,470	2,587	2,443
Delaware & Hudson	6,638	6,490	7,591	12,243	10,826
Delaware, Lackawanna & Western	7,704	7,697	10,541	12,340	9,525
Detroit & Mackinac	163	247	367	135	147
Detroit, Toledo & Ironton	2,099	1,461	2,892	1,329	1,254
Detroit & Toledo Shore Line	268	307	365	2,381	3,061
Erie	14,267	12,722	16,259	18,148	15,922
Grand Trunk Western	3,614	4,128	6,122	8,059	8,238
Lehigh & Hudson River	168	132	154	2,584	3,054
Lehigh & New England	2,264	2,149	2,607	1,666	2,072
Lehigh Valley	8,569	8,889	10,361	16,046	12,704
Maine Central	2,258	2,250	2,260	2,304	2,543
Monongahela	6,403	6,286	6,391	399	356
Montour	2,435	2,338	2,469	183	36
New York Central Lines	54,567	46,643	53,774	57,472	56,060
N. Y., N. H. & Hartford	9,664	9,744	12,357	18,941	18,848
New York, Ontario & Western	1,349	1,025	1,344	2,644	2,617
New York, Chicago & St. Louis	7,235	7,336	7,444	16,035	17,000
N. Y., Susquehanna & Western	523	383	487	2,652	1,411
Pittsburgh & Lake Erie	7,532	7,856	8,653	9,540	9,056
Pere Marquette	4,905	5,193	6,664	8,428	6,024
Pittsburgh & Shawmut	913	744	643	24	26
Pittsburgh, Shawmut & North	422	211	412	270	205
Pittsburgh & West Virginia	1,152	1,032	1,286	3,470	2,703
Rutland	367	325	575	948	1,094
Wabash	5,699	5,528	6,662	13,684	12,921
Wheeling & Lake Erie	5,377	5,224	5,567	5,136	5,028
Total	166,468	156,253	189,110	237,450	221,683
Allegheny District—					
Akron, Canton & Youngstown	724	690	809	957	1,112
Baltimore & Ohio	43,641	41,753	43,510	29,864	25,214
Bessemer & Lake Erie	6,465	6,686	7,656	1,771	2,610
Buffalo Creek & Gauley	278	299	317	3	2
Cambria & Indiana	1,801	2,019	1,703	4	2
Central R. R. of New Jersey	7,182	6,925	8,411	21,951	18,864
Cornwall	667	643	668	62	61
Cumberland & Pennsylvania	253	276	307	13	19
Ligonier Valley	126	147	118	29	49
Long Island	1,463	921	911	3,766	3,713
Penn-Reading Seashore Lines	1,783	1,659	1,785	2,806	2,443
Pennsylvania System	86,237	84,268	90,960	69,460	65,129
Reading Co.	16,073	14,341	17,481	27,259	27,826
Union (Pittsburgh)	20,201	21,385	19,884	8,508	7,166
Western Maryland	4,308	3,969	4,085	12,202	12,100
Total	191,207	185,981	198,615	178,656	166,346
Pocahontas District—					
Chesapeake & Ohio	29,454	28,828	29,338	14,036	13,888
Norfolk & Western	22,537	23,139	25,027	7,897	6,757
Virginian	4,915	4,602	4,928	2,115	1,965
Total	56,906	56,569	59,293	24,048	22,610

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Southern District—					
Alabama, Tennessee & Northern	266	305	321	371	308
Atl. & W. P.—W. R. R. of Ala.	556	771	965	2,569	2,940
Atlanta, Birmingham & Coast	826	1,131	1,507	1,234	962
Atlantic Coast Line	11,305	9,992	9,121	9,481	9,083
Central of Georgia	3,694	4,205	5,123	3,969	3,878
Charleston & Western Carolina	507	379	488	1,573	1,385
Cinchfield	1,591	1,561	1,785	2,744	2,573
Columbus & Greenville	302	405	316	138	277
Durham & Southern	110	156	187	519	756
Florida East Coast	1,152	565	408	1,658	1,341
Gainesville Midland	44	36	36	101	156
Georgia	1,123	1,338	1,387	3,025	2,960
Georgia & Florida	289	438	360	406	500
Gulf, Mobile & Ohio	3,567	4,195	4,014	4,329	5,035
Illinois Central System	28,337	29,990	25,909	17,862	18,200
Louisville & Nashville	25,635	25,753	26,144	12,055	10,984
Macon, Dublin & Savannah	281	209	190	640	571
Mississippi Central	269	228	186	429	563
Nashville, Chattanooga & St. L.	3,142	3,021	3,515	5,131	4,637
Norfolk Southern	1,892	1,503	1,286	1,107	1,772
Piedmont Northern	349	286	471	1,014	1,125
Richmond, Fred. & Potomac	458	451	449	10,078	9,052
Seaboard Air Line	9,785	9,366	9,749	8,133	8,159
Southern System	22,333	23,212	24,521	23,289	22,939
Tennessee Central	530	582	545	948	877
Winston-Salem Southbound	96	84	148	855	822
Total	118,539	119,663	119,131	113,658	111,755
Northwestern District—					
Chicago & North Western	22,294	21,364	23,051	14,435	13,981
Chicago Great Western	2,769	2,253	2,783	2,734	3,236
Chicago, Milw., St. P. & Pac.	20,560	19,539	23,149	11,410	9,678
Chicago, St. Paul, Minn. & Omaha	3,716	3,050	3,941	3,718	3,496
Duluth, Missabe & Iron Range	29,729	31,731	24,470	439	464
Duluth, South Shore & Atlantic	795	1,167	955	539	685
Elgin, Joliet & Eastern	8,627	9,389	10,593	10,967	10,815
Ft. Dodge, Des Moines & South	428	575	571	109	131
Great Northern	26,246	27,448	26,234	5,505	5,222
Green Bay & Western	404	470	625	1,000	711
Lake Superior & Ishpeming	3,239	2,036	2,698	38	49
Minneapolis & St. Louis	1,601	2,086	2,278	2,366	2,331
Minn., St. Paul & S. S. M.	7,555	7,675	8,055	2,871	3,173
Spokane International	13,835	11,644	12,250	5,973	5,240
Northern Pacific	153	215	258	586	828
Spokane, Portland & Seattle	2,680	2,667	2,546	3,138	2,676
Total	144,832	143,339	144,457	65,828	62,716
Central Western District—					
Atch., Top. & Santa Fe System	22,343	23,924	24,158	11,927	11,817
Alton	3,610	3,603	3,629	4,164	4,921
Bingham & Garfield	617	670	608	115	127
Chicago, Burlington & Quincy	21,981	17,705	19,948	11,795	11,341
Chicago & Illinois Midland	3,184	2,445	2,638	827	1,042
Chicago, Rock Island & Pacific	13,551	12,780	14,432	11,747	11,356
Chicago & Eastern Illinois	2,580	2,213	2,886	5,641	4,046
Colorado & Southern	887	759	804	1,769	1,512
Denver & Rio Grande Western	3,760	3,760	3,484	6,458	6,114
Denver & Salt Lake	697	651	698	12	21
Fort Worth & Denver City	1,609	1,049	1,280	1,558	1,307
Illinois Terminal	1,977	1,607	1,935	1,933	2,583
Missouri-Illinois	1,049	1,340	1,157	503	449
Nevada Northern	2,058	2,050	1,930	94	150
North Western Pacific	943	1,169	1,149	882	612
Peoria & Pekin Union	24	24	19		
Southern Pacific (Pacific)	34,218	31,221	30,202	14,438	9,955
Toledo, Peoria & Western	271	354	323	1,650	1,650
Union Pacific System	15,906	14,030	16,538	17,280	15,526
Utah	567	606	280	4	2
Western Pacific	2,057	2,255	1,815	4,138	3,697
Total	133,289	124,295	129,993	96,935	88,228
Southwestern District—					
Burlington-Rock Island	432	537	182	178	229
Gulf Coast Lines	5,665	4,392	2,815	3,137	2,292
International-Great Northern	2,566	2,546	2,228	3,129	2,482
Kansas, Oklahoma & Gulf	327	338	218	1,128	1,063
Kansas City Southern	5,346	4,626	2,712	2,791	3,078
Louisiana & Arkansas	3,501	4,360	2,001	3,271	2,197
Litchfield & Madison	373	290	379	1,478	1,298
Midland Valley	731	683	837	258	213
Missouri-Kansas-Texas	225	168	158	397	403
Missouri-Kansas-Texas Lines	5,320	5,432	4,798	5,860	4,738
Missouri-Pacific	17,058	16,558	17,387	19,763	18,795
Quannah Acme & Pacific	64	81	166	249	215
St. Louis-San Francisco	9,116	8,820	9,247	9,487	7,979

Items About Banks, Trust Companies

Eugene W. Stetson, President of the Guaranty Trust Company of New York, announced on July 29 the appointments of Robert W. Morey and Francis P. Ford as Second Vice President of the company. Both Mr. Morey and Mr. Ford were formerly Assistant Treasurers, having been associated with the Guaranty for many years, and with their new appointments continue to be identified with the company's banking relationships in the New England States.

Walter L. Schnaring, Vice President of the Central Hanover Bank and Trust Co., New York City, died on July 17 at his home in Summit, N. J. Mr. Schnaring had been associated with the Central Hanover since 1929. He had previously been connected with the National City Bank of New York and the National Bank of Republic, Chicago.

Horace Havemeyer, Jr., Executive Vice-President and a Director of the National Sugar Refining Co., has been elected a Trustee of the New York Trust Co., John E. Bierwirth, President, announced on Aug. 3. Mr. Havemeyer is also a Director of the Brooklyn Eastern District Terminal and the Scranton and Lehigh Coal Co.

The Norfolk County Trust Co., Brookline, Mass., a State member bank of the Federal Reserve System, has absorbed the Walpole Trust Co., Walpole, Mass., a non-member insured bank, it is announced by the Board of Governors of the Federal Reserve System. In connection with the absorption two branches were established at Walpole.

The Riverside Trust Co., Hartford, Conn., has been admitted to membership in the Federal Reserve System, it was announced July 29 by William J. Paddock, President of the Federal Reserve Bank of Boston. The bank was incorporated in 1907, and its deposits at the present time are approximately \$7,733,000. Oliver B. Ellsworth is President and Trust Officer of the institution.

The Springdale (Conn.) Bank and Trust Co., a State member bank of the Federal Reserve System, has absorbed the Stamford Industrial Bank, an uninsured bank, and changed its location to Stamford, it is announced by the Board of Governors of the Federal Reserve System.

Robert Munro Boyd, Jr., attorney and Vice-President of the Bloomfield (N. J.) Trust Co., died on July 23 at his home in Montclair, N. J. He was 80 years old. Mr. Boyd was one of the organizers of the Montclair Trust Co. and of the Bloomfield Trust Co. He also served as a director of both these institutions and acted as legal advisor to them and the Essex Title Guaranty & Trust Co. of Montclair.

Thomas H. Cullinan, retired President of the Beneficial Saving Fund Society of Philadelphia, died on July 26 in a Philadelphia hospital. Mr. Cullinan, who was 69 years old, retired from the bank in June, 1942, because of illness after having been associated with the institution for 45 years. He retained his membership on the Board of Directors. Mr. Cullinan entered the service of the Beneficial Saving Fund Society in 1897 and advanced through various positions until he was elected President in 1935.

C. Edwin Webb, President of Charles J. Webb Sons Co., Inc., has been elected a Director of the Corn Exchange National Bank & Trust Co., Philadelphia.

Henry H. McKee, President of the National Capital Bank, Washington, D. C., announced his resignation on July 31. Mr. McKee will be succeeded as President by George A. Didden, Jr., First Vice-President and a Director of the National Capital Bank. Mr. McKee, who has been associated with the bank since it was organized in 1889, will remain as Chairman of the Board. He has been President for the past 26 years. He also will remain as President of the East Washington Savings Bank, which he helped organize in 1905.

Earl G. Jonscher, Chairman of the Fiduciaries Section of the District of Columbia Bankers Association, announced on July 28 appointment of seven committee chairmen. They are, according to the Washington "Post," Nominating, Aubrey O. Dooley, of Hamilton National Bank; program, Lester A. Lawrence of National Savings & Trust Co.; publicity, Edwin B. Shaw, of Riggs National Bank; standardization, Bernard L. Amis, of Washington Loan & Trust Co.; taxation, William Rea, of American Security & Trust Co.; trust investment, Max E. Quigley of National Metropolitan Bank; trust law and legislation, Henry K. Dierkoph, of Riggs National Bank.

M. J. Fleming, President of Federal Res. Bank of Cleveland, announced on Aug. 2 that the Miners & Merchants Bank, Smithfield, Ohio, had been admitted to membership in the Federal Reserve System, and is now operating as a member bank. The bank commenced operations in 1908 with a capital of \$25,000. Total deposits at the present time are in excess of \$500,000. A. G. Wolfe is President of the institution.

The Gary State Bank, Gary, Ind., a state-chartered institution since its founding on March 4, 1908, has been granted preliminary approval by the Comptroller of the Treasury to convert into a national bank under the name Gary National Bank. Final approval has been assured after the proposal has been ratified and approved by the stockholders, who are being notified of a meeting in the near future to take action, it was announced by W. W. Gasser, President. The change is expected to take effect around the middle of this month.

Explaining the reason for the conversion, Mr. Gasser said deposits had grown to a point—ranging from \$23,000,000 to \$31,000,000 that the directors felt a national charter would be welcome to the depositors. Many of the national firms the bank serves, he said, are more familiar with the national bank laws than those of the various states.

A. J. Mulrooney, Vice-President of the Federal Reserve Bank of Chicago, died in Evanston Hospital, Chicago, after a brief illness. He was 45 years old. Mr. Mulrooney was Second Deputy Comptroller of the Currency in Washington from May, 1939, until he was elected to his Federal Reserve office in September, 1941. Mr. Mulrooney went to Washington in 1933 to serve in the Reorganization Division of the Office of the Comptroller of the Currency being in charge of reorganizing all national banks in the Seventh (Chicago) and Ninth (Minneapolis) Federal Reserve Districts. Later he was Assistant Chief National Bank Examiner in charge of the Preferred Stock Division. Before going to Washington, Mr. Mulrooney was a bank examiner in his native Iowa and later a national bank examiner.

Following the regular monthly meeting of the Board of Directors of the United States National Bank of Portland (Ore.), on July

Presidential Group Offers Program For Post-War Readjustment Of Military, Civil Personnel

President Roosevelt made public on July 30 a report on demobilization and readjustment in the post-war period of the civilian and military personnel.

The President said he approved of the general objectives but gave no broad endorsement of its details, since, he added, Congress would have to make the decision.

The report was drafted by a 12-member committee which Mr. Roosevelt named last year operating under direction of the now defunct National Resources Planning Board.

The report in general was an elaboration of the six recommendations the President made in his radio address of July 28.

The following concerning the group's study was reported in Associated Press Washington advices of July 30:

The committee foresaw a possible temporary unemployment of eight or nine million persons after demobilization, but said this should not be accepted as an argument "against the possibility of attaining a high level of employment under long-term stabilization plans."

Briefly, it recommended for members of the armed services three months' furlough or mustering-out pay of not more than \$100 a month, unemployment insurance benefits for 26 weeks for those not working inside of three months, readjustment counsel to help find new jobs, free tuition and allowances for education and training, old-age insurance benefit credits for time spent in uniform, and opportunities for agricultural employment and purchase of farms.

For civilian war workers, the group proposed creation of readjustment centers similar to those to aid ex-service men, with counsel regarding re-training for other jobs; strengthening of existing employment agencies for their heavier load and an orderly cancellation of war contracts.

Evidently opposed to a bonus such as that voted veterans of the first World War, the committee said the furlough or mustering-out pay—to visit home, to sustain the men while seeking a job or more education, and to acquire civilian clothes—are "explicitly made in lieu of any other grants for such purposes to avoid making large payments at any one time, which might be dissipated and fail to fulfill the social purposes for which they are granted."

The committee said it "believes that full employment in the post-war world is a goal not impossible to attain," but that it "cannot be achieved by piecemeal or partial measures."

"It will require a general integration of policy and a guiding philosophy of national management, covering fiscal, economic, industrial and social activities," the report said, adding:

"We must assume, however, that it is the intention of the government to foster what may be generally described as a dynamic expansionary economy in the readjustment period. Such an economy would seek to make full and effective use of the nation's resources and its productive capacity.

"It would strive to establish and maintain production and consumption on high levels. It would seek the rapid conversion of war plants to peacetime use and give all proper encouragement to the development of private industry

30, Paul S. Dick, President, announced the election to the Board of Edmund Hayes. Mr. Hayes is President of the Row River Lumber Co., Vice-President of the National Lumber Manufacturers Association and former President of the West Coast Lumbermen's Association. He is also a member of the Industrial Advisory Committee of the Federal Reserve Bank, San Francisco, and of the War-Manpower Committee for the Portland, Ore., area.

and a corresponding rapid development of needed public works and services."

The report declared that the country "will look to the government for the development and expression of this philosophy and for leadership—the sort of leadership that, exerted at the proper time, will carry the country over a period of doubt, hesitation and inactivity."

As one aid to help lessen an otherwise big unemployment army right after the war ends, the committee proposed that the men should not be finally discharged until after three months during which they would receive their furlough, or separation pay.

The committee said the nation's industrial experience during the war indicates "there are no insuperable technical difficulties in bringing about a state of full employment." They added that "We have reached such a state of industrial and general productivity that it is technically possible for us, under conditions of full employment in times of peace, to provide a reasonable standard of living for all our people."

But this will not come automatically, the committee said.

"In order to attain full employment there must be devoted to the effort as high a degree of planning and organizing ability, as great a willingness to adopt new methods, and as great an interest in and devotion to our national welfare as the nation is now developing and exhibiting with military victory at stake."

Here are the detailed recommendations as they affect members of the armed forces:

1. Three months' furlough or mustering-out pay at regular base pay not to exceed \$100 a month, plus family allowances.

Acceptance of employment during this period would not terminate this separation pay. Discharge would follow at end of three months' transition period unless the man is accepted for re-enlistment for active duty.

Such a transition period was recommended to avoid the abrupt discharge after previous wars and permit service men to relocate in jobs and generally to readjust themselves in civilian life.

2. Beyond the three months' period, if necessary, unemployment insurance for 26 weeks for those registering with the United States Employment Service. After discharge, men would be eligible for such payments at any time they became unemployed within the following 12 months.

3. Special aid and counsel regarding readjustment and rehabilitation. For men desiring to resume industrial or other employment, a program of vocational and job training designed to prepare them to re-enter their old jobs or occupations or to find appropriate employment in new ones. A consulting service should be provided to advise, guide and direct men to the courses of study appropriate to their needs.

4. Special provision, including tuition and allowances, for those who wish to pick up the broken threads of their education or follow some special course of training.

Education and training programs would involve two major plans—a general plan to meet the needs of the great majority of ex-service men, and a supplementary plan for those who had entered upon an extended educational program when inducted.

Duration of the training under the general plan would not exceed one year. Eligibles would receive

free tuition for general and vocational or professional training plus modest allowances for maintenance. Men serving 90 days or more could qualify for the supplemental training, with selections made on a competitive basis. This education would be under a system of scholarships carrying with them reasonable maintenance allowances.

5. Veterans' credit for old-age and survivors insurance on the basis of service in the armed forces. Federal credits under these laws for veterans at the rate at which he would have been covered had he remained in a job covered by the law.

6. Opportunities for agricultural employment and settlement to be provided for a limited number of qualified service men, with the object of keeping a high level of farm output. These opportunities should also be called to the attention of war industry workers through an agricultural employment service.

The National Resources Planning Board (NRPB) in an introduction to the report said, however, that in general "agriculture should not be looked upon as a dumping ground for the industrial unemployed, since the problem is broader than that of agriculture alone."

For demobilization of war workers, whether in industry or Government, the Committee proposed:

1. Setting up of readjustment centers in the chief centers of war industry to help civilian workers find new jobs.

2. Strengthening of Federal agencies to provide such assistance.

3. A moderate policy in the continuation or cancellation of war contracts—a policy which the Resources Board commented should "avoid the dumping of workers on an over-stocked market, so far as this is feasible."

The independent group making the exhaustive study—which the board endorsed and asked that action be taken now—was composed of:

Dr. Floyd W. Reeves, of the Resources Board, chairman; Dr. Francis J. Brown, education adviser, joint Army-Navy Committee on Welfare and Recreation; Dr. Edward C. Elliott, chief, professional and technical employment and training division, War Manpower Commission (WMC); Dr. William Haber, director, Bureau of Program Requirements, WMC; Brig. Gen. Frank T. Hines, Administrator, Veterans Administration; Major Gen. Lewis B. Hershey, Selective Service Director; Dr. A. F. Hinrichs, acting commissioner, Bureau of Labor Statistics; Lieut. Commander Ralph A. Sentman, retired, Educational Service Section, Training Division, Navy Bureau of Personnel; Col. Francis T. Spaulding, chief education branch, War Department Special Service Division; Howard R. Tolley, chief, Bureau of Agriculture Economics, Agriculture Department; Dr. Thomas J. Woofler, Jr., director of research, Federal Security Agency, and Leonard Outhwaite, Resources Board Secretary.

Simms Now At Seattle Reserve Bank Branch

David E. Simms, immediate past President of the American Institute of Banking, who formerly was Assistant Manager of the Salt Lake City branch of the Federal Reserve Bank of San Francisco, has been transferred effective July 27, from that branch to the Seattle, Wash., branch of the bank. He will serve in the Seattle branch as Assistant Manager. Mr. Simms has a long record of service to the AIB. He has served as a member of its Executive Council and was elected President in 1942. He is now ex-officio a member of the Executive Council, and is Chairman of its Budget Committee.