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The Financial Situation

After months of conferences and discussions the Treasury now issues a revised scheme for the establishment of an international stabilization fund. Certain modifications have been made and some concessions evidently granted to foreign critics, among them one which further reduces the degree of control which would be exercised by the United States, which plainly would be the largest contributor to the fund. It is, however, officially asserted that the plan is in no sense "official" as yet, but is still in a highly tentative stage, still subject to modifications as future study suggests them. Confidence is, however, expressed that the United States and Great Britain will eventually be able to agree upon a mutually satisfactory program of the general sort here envisaged. Meanwhile further discussions and study are scheduled for the coming months.

Not A Central Bank

Here is a subject of first rate importance. Its importance, however, derives fully as much from the harm that may be done directly by any such program, and by injury which may result from serious misconceptions of the functions of such a fund, as from the possible good that it might do if carefully and wisely organized and managed. The public must not be permitted to gain the impression that what is proposed here is a "world bank," an "international central bank" patterned after the Bank of England or any of the other central banks, or any kind bank in the ordinary sense of the term. The Treasury summary specifically states that "the fund shall deal only with member governments and their fiscal agents and not intrude in the customary channels for conducting international commerce and finance."

In fine, the fund would deal, generally speaking, only with residuary balances remaining after "the customary channels for conducting international commerce and finance" have done their work—and failed. Failed, since otherwise there would ordinarily be no such residuary balances except for short periods of time, and the "customary channels" have ways of their own of dealing with such temporary disequilibria. True, the authors of the plan appear

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Peace In A New World

After The War Is Won What Kind Of A World Is Essential For A Just And Durable Peace

The International Nickel Company and its Chairman and President, Robert C. Stanley, have received a great deal of prominence in the recent past because the company has been making "PEACE" the theme of its advertising.

Without any reference to its business, or its products, the company in its latest copy asks, what kind of a world is essential for a just and durable peace after the war is decisively won? And provides this answer: "It must be a world as peaceful and neighborly as your own town; a world in which decent people can bring up their children decently. It must be a busy world where factories and farms are working and where there are jobs for all."

Robert C. Stanley

"How can such a world be brought into being?" The International Nickel Company believes the surest way is to think and talk about it. Or, as their latest advertising copy puts it: "Full and complete discussions on the porches of this country; over its fences; in churches; and always at meals—that is how the terms of a 'Just and Durable Peace' can be formulated."

The company cautions: "In your discussions keep in mind this fact; your terms of peace must be such that the people of other lands can agree with them. There must be provision in your plans for sustained production."

Then, wisely admonishes: "Only a world peace that squares with the conscience of men of good will can be just. Only a just peace can endure."

The News Behind The News

By PAUL MALLON

The drift of Republican sentiment (judging from returning Congressmen) is headed toward a party declaration at the Mackinac Island conference for international post-war cooperation of a restricted type in which each nation would maintain its own character and sovereignty.

Paul Mallon

The conference, they say, is likely to follow the lines of the Vandenberg-White resolution expressing these same sentiments.

The Willkie people may want more, and some party authorities like Senator Taft would like to be more specific and pledge something like a new league of nations, but the final compromise no doubt will be a sifted average of party opinion. It will resist the pressure of extremists for an international state or world legislature, or a composite world army.

Similarly, the House will adopt, soon after it resumes its session, the Fulbright resolution pledging only international cooperation.

A determined effort will be made to get the Senate to adopt

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GENERAL CONTENTS

Treasury's Revised Currency Program Holds To Gold Basis

Summary Of New Draft

A revised draft embodying the Treasury proposal for a post-war international stabilization fund was made public at Washington on Aug. 19 by Secretary of the Treasury Morgenthau, in accordance with his previously indicated announcement, referred to in our Aug. 19 issue, page 708. It was pointed out in Associated Press accounts from Washington on Aug. 19, that in the revised proposal the United States holds firmly to the idea of basing the plan on gold. The same advices stated that some observers saw in the revision a tendency to lean toward views expressed in the Canadian plan published in July as an effort at compromise between the British and American proposals. The Canadians suggested an \$8,000,000,000 fund with guaranteed resources of an additional \$4,000,000,000. From the Associated Press we also quote:

"The British plan envisions a world clearing union 'to supplant gold as a governing factor but not dispense with it.' Participating creditor nations would allow balances of currency exchange to accumulate as deposits. The union would be empowered to lend deposits for short periods to debtor nations. Each nation would be given quotas governing borrowings and deposits based on the volume of their world trade.

"Thus, the revision announced by Morgenthau retains the fundamental difference, however, between the original American proposal and the British plan, gold versus world trade volume. Harry D. White, author of both American drafts, emphasized there was no compromise in the sense of bargaining involved in the revision. Mr. White is director of the Treasury's Monetary Research Division.

"The British and American stabilization plans are perhaps best known to the public through the suggested names for their respective monetary units, moneys that would be used exclusively in international bookkeeping. The American plan sticks to the name 'unitas' with a fixed gold value of \$10. The British propose 'bancor,' to have a fixed gold value 'but not unalterably so.' The Canadians confined themselves to the term 'the unit.'

"Secretary Morgenthau is said to have emphasized that all the United and associated nations are involved in the idea of monetary stabilization, adding that 'it is not just England and the United

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From Washington Ahead Of The News

By CARLISLE BARGERON

There is a story of Treasury double crossing behind Senator George's statement of a couple of weeks ago protesting against an additional income tax increase this year. It hasn't improved Henry Morgenthau's standing, already pretty low, with the Senate Finance and the House Ways and Means Committees. The two committees had a very definite gentlemen's agreement with Morgenthau, when the 75% so-called forgiveness plan was passed instead of the 100%, that no additional increase in income levies would be sought. George's protest didn't get a favorable reception even in the conservative press. The Herald-Tribune, for example, said it couldn't follow him. It is one of those things that is very difficult to explain. George said that it was impractical to raise income levies further because the raises always have to be uniform and that new taxes would, therefore, be entirely too heavy on certain brackets. What is happening is that the war increases are eating terrifically into the \$12,000 and \$15,000 incomes. Right along in there, according to the tax experts, the new rates really bear down and if there is a further increase, these incomes will get an awful wallop. But you can imagine how a fight to prevent these incomes from a further beating would fare with the mob. Several members of the two committees think the Treasury is deliberately after this class of taxpayers and there is liable to be considerable bitterness when they get down to work. Morgenthau has let it be known that he is still dead set against a sales tax. Chairman Doughton of the House committee plans to go along with him, against his better judgment, rather than precipitate a party fight. This means that George on the Senate side, will realize the fight for a sales tax is hopeless and that nothing will come of it.

Doughton, a very elderly man, has long since given Morgenthau up. His dander gets up occasionally and most of the time he goes about grumbling but the time has passed when the Treasury Secretary's actions are likely to outrage him.

With George it is somewhat different. Because of the responsibility of his position he has leaned over backwards to cooperate with Morgenthau in spite of some very questionable things he thinks Morgenthau has pulled on him. Morgenthau has a way of pleading with him too, of saying that a lot of influences in the Administration are after him and begging George not to embarrass him. He particularly approached George in this way when Leon Henderson and Marriner Eccles were riding him. But the Senator is going to blow up some of these days. It would not be sur-

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The Financial Situation

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to hold hope that such a fund, by reason of its "official nature," doubtless, and perhaps for other reasons, would be able to bring pressure upon various member countries for the purpose of causing them to pursue policies conducive to international equilibrium. The fact remains, however, that no effective means for making itself effective would lie in the hands of the fund except to the degree in which it succeeded it making it worth the while of the various countries to remain a member in good standing of the fund—and, moreover, many policies and many courses of action which customarily cause disequilibria among the nations of the world lie largely beyond the control of non-dictatorial governments in peacetimes.

Stability Must Rest On Deep Foundations

It is essential that it be widely understood both here and abroad that stable international exchange relationships are at bottom not a product of banks or funds, whether operated by government or private enterprise. Government may do much to encourage, and often does much to make more difficult, the attainment and maintenance of such stability. It encourages stability largely by keeping its hands off financial affairs, and it usually impedes progress when it intervenes either directly or by devious means. Smooth and efficient international interchange of goods and services is greatly facilitated by sound banking; it may be, and not infrequently has been, injured by unsound banking, particularly, perhaps, when banking operations have been semi-political in character.

But the point is that normal and natural international trade generates its own power. It flows from the natural advantages to be derived from the interchange of goods, and it is most helpful in the long run when it is left fully free to respond to the differentials in costs which give rise to it. The stability of exchange rates which was enjoyed for many years under the international gold standard centered on London prior to the first World War doubtless could never have been achieved without that really remarkable financial system that had developed in London, and which on the whole was so well managed by the British financial interests. It is, however, equally true that no such financial system could conceivably have developed in vacuo. It in turn evolved out of a complex of industry and trade which through those years was also centered in London. London was likewise the center of a capital market which was as internationally minded as any that ever existed before or since. And nowhere else in the world was the play of natural economic forces left so free to operate.

Are We Willing To Make Stability Possible?

The outlook for re-attaining anything approaching the stability of international exchange rates in the years to come depends in the last analysis not upon banks or highly publicized "funds," but upon the willingness of the nations, not the least among them the United States, to permit—nay, to encourage—the development of the underlying economic conditions conducive to such stabilization. It is true that some form or system of international finance, centered more or less somewhere, will probably be an essential of such stabilization. That system will, however, not be a governmentally managed "fund" to sit astride the economic and financial world, and probably it will not be a mere replica of the system which worked so well for so long in London, since the fundamentals upon which that particular system rested no longer exist and are not likely to come back into existence. But a new or revised system, whatever it is, however it may function, and wherever its center may be, will be but a facility to serve industry and trade, which have their mainsprings in the nature of man and in the distribution of aptitudes, energies and resources of the world.

The real question at present is not whether this system or that is most desirable as a means by which to do the financial work of the world in the international sphere, or whether this plan or that is to be preferred for the constitution of some international stabilization fund, but is whether the United States and the other leading countries of the world, including Great Britain, the home of the international gold standard, are willing to permit conditions to exist under which any system can hope to succeed. And here the dispassionate observer must be excused for demanding evidence. It was, it will be recalled, the President of the United States who scuttled the London Economic Conference in terms which hardly are suggestive of willingness to permit the essentials of international stability to exist. Since that time much has been said about the desirability of stabilization, and a good deal of exchange manipulation has been undertaken, but all this is far from recognizing and accepting the fundamentals of stable international economic relations. Lord Keynes, who appears to be the guiding spirit in Great Britain, has long been on record as placing domestic schemes of a more than doubtful sort ahead of international exchange stability.

Temporary Or Permanent Problems

Of course, no one whose ideas are worth a second thought doubts that the war will leave international financial relationships in chaos. It will likewise inevitably leave conditions which must be corrected for humanity's sake. It will leave others which probably cannot be neglected—more or less regardless of cost—lest political chaos spread around the world. There will obviously be a sharp necessity for governmental action of a financial sort in a number of such cases. Probably arbitrary stabilization operations of one sort or another will be essential in some instances. All such things, however, must be as temporary as it is possible to make them, and they will leave the long-term problem of stability of international exchange relationships, soundly based upon solid economic foundations, largely where they found them.

The Lawyers Are Right, And . . .

"The lawyers point out . . . that if we are to reduce military power to serve the uses of the law only, the abolition of all but one military force, under a single command, is necessary.

"To attain that requires that there be a single sovereign power to direct that force. Unless one country succeeds in conquering all the others, any universal sovereign must be one of delegated authority, that is, a federated government of independent states.

"It seems obvious that if there is to be a single agency with delegated powers adequate to keep order on earth, every one of the existing and delegating sovereigns must give up some of the authority which it now has. There is the rub. Nations have heretofore clung to their sovereign powers as individuals have clung to their lives. The question posed is whether the maximum powers the nations would surrender could be made to total the minimum power required to make such a system work."—George Maurice Morris, President of the American Bar Association.

Such is indeed the question. And the relinquishment would have to be permanent! No acting under emotional tension, followed by a change of heart or mind!

If anyone supposes that the nations of the world are ready for any such thing, let him consider the day-to-day developments of the present time even among allies under the stress of war.

We are in great danger of deluding ourselves about international cooperation after the war.

B. M. Culver Named Chairman Of Insurance Group of N. Y. Committee Of National War Fund

Bernard Mott Culver, President of the Continental Insurance Co., has accepted appointment as Chairman of the insurance group of the New York Committee of the National War Fund, it was announced on Aug. 19 by James A. Farley, general chairman of the commerce and industry division. Under the aegis of the National War Fund, a single fund-raising campaign will be conducted in October for $125,000,000 for the work of 18 major war-related organizations, including the USO, the United Seaman's Service and various American agencies for United Nations relief.

In making known Mr. Culver's appointment, Mr. Farley stressed the fact that under the National War Fund plan of solicitation, contributors will be "immunized" from multiple appeals. Through a "once-for-all once-a-year" gift payment plan, contributors will be given a receipt for their pledges for the year, and a record of same will be filed at headquarters, Mr. Farley explained. By this method, he said, contributors will be afforded immunity from solicitation by any of the eighteen member agencies of the War Fund, and the War Fund will eliminate confusion in the minds of contributors who in the past have been faced with numerous demands upon their generosity.

"To enable contributors to make their gifts as large as possible, the War Fund will institute a deferred payment plan whereby pledges may be paid in installments over a period of a year," said Mr. Farley.

Mr. Culver's group is one of 280 vocations and professions which comprise the commerce and industry division. This division will be responsible for raising upwards of 50% of the five-borough quota of $17,000,000. This sum includes $1,000,000 to finance the work of the New York City Defense Recreation Committee, presently serving upwards of 1,000,000 service men a month. The fund-raising campaign is scheduled to start October 1, and will terminate Dec. 7, 1943, the second anniversary of Pearl Harbor.

The State Of Trade

Most of the heavy industries showed increases for the week, with power production showing its fifth consecutive weekly gain. Retail trade took on a more subdued tone last week as a seasonal lull continued. However, substantial gains are being shown over the figures of last year.

The steady rise for five weeks of power production is clearly indicative of the pace of war industries. Increasing its war production total by more than 80% in the last twelve months, the automotive industry has now reached an annual output rate of $9,300,000,000, according to the Automotive Council for War Production.

The Edison Electric Institute reports that electric power production set a fifth consecutive record in the week ended Aug. 14, with total output at 4,287,000,000 kilowatt hours compared with the preceding week's peak of 4,240,638,000.

This compares with 3,654,795,000 kilowatt hours in the like 1942 period and 3,238,160,000 in the similar week of 1941.

Against the same week of 1942 the increase for the country as a whole was 17.3%.

Carloadings of revenue freight for the week ended Aug. 14, totaled 887,165 cars, according to the Association of American Railroads. This was an increase of 15,088 cars over the preceding week, 18,320 cars more than the corresponding week in 1942 and 3,172 cars below the same period two years ago.

This total was 124.22% of average loadings for the corresponding week of the ten preceding years.

Steel operations this week will set a new high record at 99.4% of capacity on a revised capacity basis, according to the American Iron & Steel Institute. The current schedule is equal to production of 1,732,500 net tons of ingots and castings, compared with 1,731,700 tons in the week of April 26, the previous peak week.

At the same time the institute revealed that the industry's productive capacity has risen to 90,881,000 tons a year, an increase of nearly 10,000,000 tons in the last three years.

Under the original steel expansion program the institute pointed out, a goal of 96,000,000 tons was to have been reached by July 1. However, the relatively low priorities which were assigned to steel-plant projects, compared with other projects such as synthetic rubber and octane gasoline, delayed the delivery of needed materials and equipment.

Department store sales on a country-wide basis were up 4% for the week ended Aug. 14, compared with the like week a year ago, according to the Federal Reserve System.

Store sales were up 10% for the four-week period ended Aug. 14, compared with the like period last year.

Department store sales in New York City in the week ended Aug. 21, were 3% larger than in the corresponding week of last year, according to a preliminary estimate issued by the Federal Reserve Bank of New York.

In the previous week, ended Aug. 14, sales of these stores declined 2% from the total of the comparable week last year.

Reports from the field indicate that forthcoming department store earnings reports for the first half (ending July 31) of their current fiscal year will make a phenomenal showing. While that six months is normally not a profitable period in the department store field, which usually makes its real earnings during the holiday season, this year is an exception. In some cases, net results will be shown to have been the best for any first half-year in a decade; in others, the best in the history of the corporation.

Department store sales the country over averaged 17% higher in the six months ended July 31, than in the corresponding 1942 period. While volume in household appliances and related lines was down sharply, wide increases were shown in furs and other nonrestricted items.

In addition many new and substitute lines were taken on with the result that total dollar sales established a new high record. Price indexes to the contrary notwithstanding, higher average prices also contributed to the sales gain.

Operating revenues of eighty-seven class I railroads in July, 1943, experienced a 17.7% rise over the same period last year, according to statistics made public by the Association of American Railroads. Total revenues were estimated at $633,259,351 for the month as compared with $537,894,040 a year ago.

Passenger revenues accounted for most of the increase, totaling $124,368,156, compared with $75,254,976 in July, 1942, an increase of 65.3%.

Freight revenues increased from $429,484,468 to $467,456,736, an increase of 8.8%.

Jobs After The War

ROGER W. BABSON GIVES SUGGESTIONS TO SOLDIERS

The stock and commodity markets have already begun to discount peace, although I see no hope therefor until after the elections of 1944. However, if we should prepare for war in time of peace, we should prepare for peace in time of war.

Navy vs. Army Inductees

Germany will surely be licked before Japan is conquered. In some ways this should help materially in the shifting from war work to peace work. A year between these two events should serve as an industrial and employment cushion. There are, however, three other things which would surely result from such an event. Let me explain these.

Roger W. Babson

(1) The East will return to normal before the Pacific Coast. This applies to the supply of gasoline, fuel oil and other things to which the East is now severely rationed. The Pacific Coast may then be subject to more rationing restrictions and other so-called hardships. (2) The Army will commence demobilization before the Navy and Air Forces. In fact, the Government will probably begin to demobilize the Army as soon as Europe is straightened out; while the Navy men will probably be held for their entire term of enlistment or induction. (3) With the exception of the transcontinental lines, railroad earnings should then begin to drop and much war work **in the East** will then be curtailed.

Employment Adjustments

Following the above three certainties there will be a readjustment in employment. As firms in the East drop war work, plants must be retooled for peace. This will mean a temporary layoff of many employees which, added to the demobilized soldiers, should cause a temporary period of unemployment. According to the President's last fireside talk, this employment adjustment period will be taken care of by the Government (1) paying a small salary to the soldiers for awhile after demobilization, and (2) loaning money to the plants for reconversion back to peace work.

In this connection it is well to remember the Act of Congress which provides that all employers who are able to do so shall take back any inducted employee who applies within 60 days after honorable discharge. This assumes that the man will have the same job at his former salary. However, if by that time salaries in general have been increased, it seems only reasonable that he should have the same pay that others who are doing his former work will then be getting. A general wage **reduction,** especially for new employees may be expected, nevertheless, after the war is over.

Consider Different Industries

Industries may be divided into three groups.

Group I. Companies which should suffer severely after peace comes: Aircraft or radio manufacturing, shipbuilding, munitions and machine tools. They must permanently reduce their number of employees after the war.

Group II. Companies which will take some months to change over to peace-time work: Automotive, railroad equipment, heavy machinery, refrigerator, sewing machine, carpet, vacuum cleaner, and electrical equipment companies. These may **temporarily** lay off some employees after the war.

Group III. Companies which should do well after the war and have very little conversion problems: Air transport, insurance, retail trade, textile, baking, fertilizer, furniture, shoe, meat packing, milling, glass and jewelry, dry goods, tobacco, soap, natural gas, petroleum, soft drinks and paper companies. **These should permanently increase their number of employees after the war.**

More Education Desirable

The three groups above need no further comment. It should be self-evident that Group III represents the best immediate post-war opportunities. Group I represents the poorest opportunities. It almost seems as if many of those now engaged in Group I industries must get into some other industry after the war. Surely, unemployed soldiers should not now plan to get employment with the Group I industries after the war is over. As to Group II industries, these should provide for those who were in them before they were inducted; but I doubt if they will have opportunities for many more men **or any more women.**

Very few returning soldiers will feel justified in starting a four-year college course after returning from the war. They may be wise in completing a college course already started if one or two years more will give the desired degree. All men who can afford it, however, should take a one-year or two-year course to become an expert in some one line of work such as accountancy, merchandising, engineering, machine repairing, insurance or any of the other lines mentioned above in Groups II and III. I, however, cannot now recommend aircraft, radio or certain other lines in which a great surplus of Army men are now being trained, many of whom will be a drug on the market after the war is over.

Importance of Good Habits

I recently asked a group of employment managers what kind of men will be most demanded by employers after the war is over. The unanimous reply was: "We fear that the war is breaking down the moral foundation of many weaker men; if so, they will find it difficult to get positions after they return. We employment managers will then give special consideration to the character and habits of those who apply to us for positions. We will seek for men of good habits, especially those who do not touch liquor."

In rereading the above, I find that I have made no reference to the WACS and the WAVES and SPARS. As these have enlisted, rather than been drafted, I fear they may be out on an unemployment limb after the war is over. However, legislation could be passed which might be made retroactive in their cases. I have a feeling that the current advertising for and the soliciting of girls to enlist in these divisions of the armed services may be being overdone. However, "Women" is a subject that I should not discuss. I am too much prejudiced in their favor to give impartial judgment as to the present need of sending girls into the war. Besides, statisticians believe the country now is more in need of **good babies** than of **lady soldiers.** Of course, we may be wrong.

Col. Hewes Chairman Of Conn. War Finance

The Treasury Department announced on Aug. 20 the appointment of Col. Thomas Hewes, of Hartford and Lyme, as State Chairman of the new Connecticut War Finance Committee, and Grosvenor Ely, of Norwich, as Vice Chairman in charge of the Banking and Investment Division. The Treasury announcement added:

"The new committee will carry on all the war financing activities in Connecticut formerly directed by the War Savings Staff and the Victory Fund Committee, and will be in charge of the promotion and operation of the Third War Loan in September.

"Robert B. Newell of Hartford, formerly co-chairman of the Victory Fund Committee and chairman of the State War Savings Committee, who is unable to accept appointment to an administrative office, will actively participate as a member of the new committee.

"The appointment of E. Greenleaf Stewart, of Farmington, as Executive Manager of the War Finance Committee, also was announced. Mr. Stewart is the Connecticut representative of Smith, Barney & Co., New York investment bankers, and has been serving as chief deputy administrator of the War Savings group.

"Col. Hewes is a member of the law firm of Hewes, Prettyman & Awalt. He was formerly an Assistant Secretary of the Treasury and has been State Administrator of the Connecticut War Savings Staff. Mr. Ely is President of the Chelsea Savings Bank in Norwich and one of the leading bankers of Connecticut."

Lewis Warns Coal Output May Be Cut

John L. Lewis, President of the United Mine Workers of America, on Aug. 23, in pleading for recognition of the "human rights" of miners, attacked what he called "commercial exploitation" by anthracite operators and warned that unless miners' wages are kept at proper levels declining coal production may impair the war effort, United Press advices state. His plea climaxed a War Labor Board hearing on deadlocked wage contract negotiations between anthracite operators and UMW spokesmen for the 77,000 hard coal workers.

Mr. Lewis struck back angrily at the operators' arguments opposing a general wage increase and portal-to-portal compensation.

Ton-Miles Of Revenue Freight Up 8.9% In July

Railroads of Class I in the United States handled about 9% more ton-miles of revenue freight in July, 1943, than was handled in the corresponding month of 1942, according to a preliminary estimate prepared by the Association of American Railroads and made public Aug. 21.

In the first seven months of 1943, Class I railroads performed nearly 19% more revenue ton-miles of service than in the same period of 1942, 62% more than in the same period of 1941, and 138% more than in the first seven months of 1939.

The following table summarizes revenue ton-mile statistics for the first seven months of 1943 and 1942:

Revenue Ton-Miles of Freight
(000 Omitted)

	1943	1942	% Inc.
First 5 mos.	291,995,270	236,303,940	23.6
*Mo. of June	58,000,000	53,852,328	7.7
†Mo. of July	62,000,000	56,956,174	8.9
To. 7 mos.	411,995,270	347,112,442	18.7

*Revised estimate. †Preliminary estimate.

Wallace Exonerates 95 or 99% Of Corporations From Recent Criticisms Of Big Business

Exonerating "95 or even 99%" of American corporations from his recent denunciation of big business Vice-President Henry A. Wallace on Aug. 19, at the same time warned that "the common folks" must see through the propaganda of groups demanding a return to "old-fashioned Americanism." The modification of Mr. Wallace's earlier remarks was indicated in United Press accounts from Washington Aug. 19, from which we also quote:

"By old-fashioned Americanism they really mean corporation-controlled government," he said in an interview. "By free enterprise they really mean free enterprise for big business, but not for little business.

"It's vital for the people who buy from the corporations, who sell to them, who work for them —the common folks — to see through the propaganda of certain of the big corporations."

Mr. Wallace has been criticized for his remarks in Detroit on July 24 denouncing "American Fascists" as the "big-business haters" of President Roosevelt.

Mr. Wallace said in elaboration that he meant "large groups in international affairs whose objectives are the control of governments."

"They are a small minority," he said. "Perhaps 95 or even 99% do not fall into that category and they have suffered as much because of this minority as any one else—possibly they've suffered more."

He said his remarks had been widely misinterpreted.

"I hope to give before some group such as the United States Chamber of Commerce a more complete exposition in order that the big business men will not be under any delusion," he said.

It was learned from other sources that Mr. Wallace will pursue in a speech on international relations at Chicago on Sept. 11 his attacks on international cartels, which he charges seek to dominate the political and economic status of the governments.

"The corporate form of organization is essential in a democratic country like the United States for efficient carrying on, not only of large scale business, but also many types of small scale business," Mr. Wallace said.

"The difficulty with corporations comes when certain of the larger ones try to control the agencies of public opinion, including even the schools, and then go on to dominate elections, control state legislatures, the national Congress and even the President himself."

He said he hoped in the post-war period we would continue to have corporations, both large and small, including "those which have been guilty of trying to control public opinion, elections and government." But he also hoped that the tax system would be so modified as to encourage small corporations and enable them to play an important part in furnishing employment.

"The corporations which need to be watched most closely," he said, "are those which move in international trade, and those which enter into international cartels respecting markets, prices and the use of inventions.

"These corporations are often interested in getting subsidies from their government and therefore are especially interested in controlling government. They move in foreign affairs and therefore are interested in the State Department or Foreign Office. To make money they enter into arrangements with foreign corporations and foreign governments."

Reference to Mr. Wallace's criticisms of "isolationists," "reactionaries" and "American Fascists," in which he was quoted as saying that "sooner or later the machinations of these small but powerful groups which put money and power first and people last, will inevitably be exposed to the public," appeared in our July issue on page 427.

Ploesti Bombing Well Worthwhile: Roosevelt

An exchange of messages between King George of Great Britain and President Roosevelt regarding the American bombing of German-used oil refineries in Rumania was made known in Washington on Aug. 16. The President's message was sent in reply to that of the King, which commended the achievements of the United States Air Force in attacks on the oil refineries. In making public the messages Associated Press advices from Washington Aug. 16 reported:

"Secretary of War Stimson recently said that about 175 big bombers took part in the raid and that about 20% were missing. The The War Department reported yesterday that military analyses showed that the 'vast bulk of the operating capacity' of the refineries at Ploesti was destroyed."

The President's reply to the King acknowledging the latter's congratulations follows:

"Thank you very much for your telegram of congratulations on the long range bombing of the Ploesti oil refineries.

"Later information leads us to believe that the damage to the refineries was greater than we had anticipated and that a large number of them have been put out of commission. This attack seems to have been well worth while."

The King in his message said:

"I have learned with deepest admiration of the memorable and inspiring achievement of the United States Ninth Air Force in attacks on Rumanian oil refineries.

"The bombing of this heavily defended center of Axis production after one of the longest operational flights of the war called for endurance and courage of the highest order as well as for practical skill in navigation and for brilliant organization on the part of those who planned the attack.

"The gallantry with which the crews pressed home their attacks at a very low level was beyond praise and their devotion to duty in spite of heavy losses has stirred the hearts of all who fight with us in the cause of freedom."

ABA Trust Conference To Be Held In Chicago

A Mid-Continent Wartime Trust Conference sponsored by the Trust Division of the American Bankers Association will be held in Chicago at the Drake Hotel, Oct. 14 and 15, it was announced Aug. 12 by Louis S. Headley, President of the Trust Division, ABA. Mr. Headley is Vice President of the First Trust Company of St. Paul State Bank, St. Paul, Minn. Speakers from eleven States are being invited to participate in the program, which will include discussions on these wartime trust problems: Taxes, manpower, operations, fees, special problems of smaller trust departments, powers of appointment, employees' trusts, investments, Washington developments, and postwar influences affecting ownership of property.

The Corporate Fiduciaries Association of Chicago will act as host to the conference. Committees have been appointed by Chester R. Davis, President of the Chicago Association, and Vice President and Trust Officer of the Chicago Title and Trust Co., to make arrangements for the meeting.

President Authorizes War Labor Board To Enforce Sanctions Against Strikers

Under action announced on Aug. 16 President Roosevelt has authorized the use of sanctions by the War Labor Board in the enforcement of its orders against defiant unions. Pointing out that this is the administration's first move to penalize unions for ignoring or disobeying WLB decisions, although employers have been acted against in some cases, Associated Press advices from Washington on Aug. 18 noted that the broad statement of policy, effective at once, is enunciated under the recently enacted Connally-Smith anti-strike act. A letter from the President to Chairman William H. Davis of the WLB and an Executive Order by the President empowering Stabilization Director Fred M. Vinson to proceed against recalcitrants as reported to him by the board comprised the White House announcement on Aug. 16; in his letter the President indicated that he had been informed "that during the past 18 months the Board disposed of over a thousand disputes" and that "only 7 had to be referred to him because of persistent non-compliance." The President expressed it as his "earnest wish" that the sanctions described by him, which, he said, "exist only as a matter of war time necessity," may not have to be invoked. The program outlined by the President in his letter to Mr. Davis to bring about compliance "in the relatively few cases in which executive action may become necessary" was summarized in an Associated Press Washington account, published in the New York "Sun:"

1. Government seizure and operation of a plant where either the employer or the union refuses to comply with a board order.

2. If this could not be done without impeding the war effort, then less drastic sanctions, such as withholding or withdrawing from an employer any priorities, benefits or privileges, including contracts, until compliance has been effectuated.

3. Where a plant is taken over for union non-compliance to prevent interference with production and protect workers who wish to work, the Government agency taking over shall ask the board to modify its terms of employment order to withhold union benefits and all other rights until the union abides by the WLB decision.

4. In cases where the latter penalty might involve the check-off, the order provides that such dues shall be held in escrow, to be turned over to the union upon compliance.

5. In the case of non-complying individuals, the order tells the stabilization chief to direct the War Manpower Commission to modify draft deferments or employment privileges, or both, for offenders.

The President's letter to Mr. Davis follows:

"August 16, 1943.

"Dear Mr. Davis:

"I am writing you regarding the question of compliance with board orders under the war labor disputes act which you and I have been considering. The act empowers the board to prescribe the 'terms and conditions . . . governing the relations between the parties, which shall be in effect until further order of the board.'

"Congress intentionally left the enforcement of these orders to executive action. I agree with you that it would be helpful, in the light of our combined experience in dealing with disputes under executive order 9017 and more recently under the act, to define a program for bringing about compliance in the relatively few cases in which executive action may become necessary.

"1. When an employer refuses to comply, his plant may be seized and operated by the Government in accordance with the terms and conditions of employment prescribed by the board. Less drastic sanctions, however, including controls of war contracts, of essential materials, and of transportation and fuel, should be applied if this can be done without impeding the war effort. I am accordingly requesting the Director of Economic Stabilization to direct the application of any or all available sanctions of this sort by the appropriate agencies of Government, in cases of non-compliances reported to him by the board.

"2. When a local union refuses to comply, by directing or advising workers not to work under the terms and conditions prescribed by the board, action by the responsible national or international officers has thus far, in all but one or two cases, sufficed to bring about compliance. If such action should prove ineffective, or if a national or international union should itself be the offender, the plant will be taken over under the war labor disputes act and operated by the Government, if this is necessary to prevent interference with production and to protect the workers who wish to work.

"The act provides that in such cases the terms and conditions of employment effective at the time of taking over shall continue, unless the board modifies them upon request of either the union or the Government agency operating the property. As a part of the compliance program the appropriate Government agency at the time of taking over shall ask the board to modify its order so as to withhold from the union (by escrow in the case of checked-off funds) the benefits, privileges or rights accruing to it as such under the agreement or proposed agreement with the employer, until the union demonstrates its willingness and capacity to abide by the obligations thereof. All questions of fact in this connection and the extent of any modification of the order, should be determined by the board. I am authorizing the Director of Economic Stabilization to issue any necessary instructions to Government agencies in carrying out this policy.

"Government operation in these cases will be conducted with the least possible interference with existing management. Plants will be returned to their owners as speedily as conditions permit, and in any event, as provided in the act, within sixty days after the restoration of productive efficiency. The board may of course on its own motion, except during Government operation, modify its orders in any way it deems appropriate to ensure compliance.

"3. As to compliance by individuals, the act contains penalties for certain types of interference with production which it is the province of the Attorney-General to enforce. In addition, sanctions can be applied by the Selective Service and the War Manpower Commission, and I am requesting the Director of Economic Stabilization to direct the application of any or all of such sanctions in necessary cases upon report by the board of non-compliance.

"I am informed that during the past 18 months the board disposed of over a thousand disputes. Only seven had to be referred to me because of persistent non-compliance. This is a remarkable record, in the making of which the industry, labor and public members of the board have each played an effective part. They could not have succeeded, however, without the patriotic support given to the national no-strike, no-lockout agreement by the great mass of American employers and workers and their leaders. I am confident that that agreement, which calls for final determination by the board of all disputes not settled by collective bargaining or conciliation, will continue to be supported, and it is my earnest wish that the sanctions described above, which exist only as a matter of wartime necessity, may not have to be invoked.

"Sincerely yours,

"FRANKLIN D. ROOSEVELT,

"Hon. William H. Davis,
"Chairman, National War Labor Board,
"Washington, D. C."

We also give as follows the President's Executive Order:

EXECUTIVE ORDER

Authorizing the Economic Stabilization Director to Take Certain Action in Connection with the Enforcement of Directives of the National War Labor Board.

By virtue of the authority vested in me by the Constitution and the statutes of the United States, it is hereby ordered:

In order to effectuate compliance with directive orders of the National War Labor Board in cases which the board reports to the Director of Economic Stabilization that its orders have not been complied with the director is authorized and directed, in furtherance of the effective prosecution of the war, to issue such directives as he may deem necessary:

(A) To other departments or agencies of the Government directing the taking of appropriate action relating to withholding or withdrawing from a non-complying employer any priorities, benefits or privileges extended, or contracts entered into, by executive action of the Government, until the National War Labor Board has reported that compliance has been effectuated;

(B) To any Government agency operating a plant, mine or facility, possession of which has been taken by the President under Section 3 of the war labor disputes act, directing such agency to apply to the National War Labor Board, under Section 5 of said act, for an order withholding or withdrawing from a non-complying labor union any benefits, privileges or rights accruing to it under the terms or conditions of employment in effect (whether by agreement between the parties or by order of the National War Labor Board, or both) when possession was taken, until such time as the non-complying labor union has demonstrated to the satisfaction of the National War Labor Board its willingness and capacity to comply: but, when the check-off is denied, dues received from the check-off shall be held in escrow for the benefit of the union to be delivered to it upon compliance by it.

(C) To the War Manpower Commission, in the case of non-complying individuals, directing the entry of appropriate orders relating to the modification or cancellation of draft deferments or employment privileges, or both.

FRANKLIN D. ROOSEVELT.
The White House.
August 16, 1943.

In United Press accounts from Washington it was stated:

"There was no indication that the Board would swing its new weapon immediately in the direction of John L. Lewis, whose United Mine Workers have staged the most spectacular insurrection against the WLB. Rather it was expected that any action on the case of the mine workers would await return of the coal mines to private operation. The miners have been back in the pits without a contract since Secretary of the Interior Ickes took over the mines as Government administrator after the strikes of eary summer."

Brownlee Named Deputy OPA Administrator In Reorganization After Congress Shake-Up

James F. Brownlee, for a number of years an official of the General Foods Corp., took office on Aug. 16 as Deputy Administrator in charge of prices in the Office of Price Administration. Announcement of this was made by Chester Bowles, new OPA General Manager, who said that Mr. Brownlee as Deputy Administrator will assist Mr. Bowles in completing the reorganization made necessary by the Congressional ban on persons in policy-making positions who lack business experience. Stating that Mr. Brownlee is one of the nation's leading business executives, Mr. Bowles said that "with his sound business background, he will be the key man in the OPA program of making price control practical and effective." Mr. Bowles' announcement also says:

"Mr. Brownlee succeeds Donald H. Wallace, who has been Acting Deputy Administrator since the resignation of J. Kenneth Galbraith in June. Mr. Wallace came to the predecessor of OPA early in 1940 from Williams College. He and two price division heads who are without direct business experience will leave their old positions today but will be retained for the present as economic advisers. . . .

"Division directors retained with Mr. Wallace as economic advisers are Clair Wilcox, who has been director of the Industrial Manufacturing Price Division, and R. B. Heflebower, who has been director of the Food Price Division. It is expected that successors to these men will be announced shortly.

"The dropping of the three men from their policy-making positions was mandatory under the Congressional ban which forbids payment of salary, after Aug. 15 to any person in the Office of Price Administration engaged in directing any program of price policy, price ceiling, or maximum price, unless such person, in the judgment of the Administrator, be qualified by experience in business, industry or commerce.'

In retaining the three as economic advisers, Mr. Bowles said:

"The formation and administration of war-time price regulation requires many diverse skills. Congress has directed that those in policy-making positions shall be skilled in business. We shall scrupulously adhere to this requirement and to the expressed wishes of Congress. But the OPA cannot afford to lose the services of these three able and practical men, and we are therefore retaining them as economists to aid Mr. Brownlee and his business-trained price division heads. The authority to direct price policy, however, will remain, in accordance with the Congressional order, solely in the hands of men experienced in business, industry or commerce."

The Congressional order on business experience applies to the heads of the six price divisions under Mr. Brownlee. The head of the fuel price division, Sumner Pike, who is also a member of the Securities and Exchange Commission, has made his career in business. . . .

"In addition to the divisions previously headed by Messrs. Wilcox and Heflebower, vacancies exist in the directorships of three other price divisions. Directors will be named soon. These divisions are industrial manufacturing; textiles, leather and apparel; and services and consumers durable goods.

"In addition to the price division heads and Deputy Administrator in Washington, the OPA regional administrators and district directors must also meet the Congressional requirements for business experience. The regional administrators in all eight regions, Mr. Bowles said, have the required business experience, as do the district directors in all except two of OPA's 105 districts. Those two are Earl W. Clark, Peoria, Ill., and Carl M. Frasure, Charleston, W. Va. Their successors will be appointed by the regional administrators."

Churchill Urges Italy To Break With Germany Or Suffer 'Avalanche Of Fire And Steel'

Prime Minister Churchill told the House of Commons on July 27 that, if the new Italian Government and people decide to continue under the German yoke, the "consequence will be that in the next few months Italy will be seared and scarred and blackened from one end to the other."

Mr. Churchill said that if the Italian people so decide, the "rescuing powers" of Great Britain and the United States will bring "relief from war, freedom from servitude, and, after an interval, a respectable peace in a new and rescued Europe."

The Prime Minister further stated that so far no overtures of peace have been received from the Italian Government and therefore no new decisions by the Allies were called for, except to bring "the maximum avalanche of fire and steel upon all targets of military significance throughout the length and breadth of Italy."

As given in Associated Press London advices, Mr. Churchill's remarks were further reported in part as follows:

"I know little or nothing of the new government," he said. "I express no opinion upon it."

The Allied course, he said, would be to let the Italians "stew in their own juice for a bit" and to "hot up the fire to the utmost" with the aim of obtaining from the Italian Government full facilities for carrying on the war against Germany. These facilities, it was assumed, included air bases.

But in the interest of the supreme object of destroying the Nazi war machine, he warned against throwing Italy into such political chaos as to leave the Allies no Government to deal with or to intrust with the policing of Italy while the war is pursued against Germany.

"The unconditional surrender of Italy should be brought about wholesale and not piecemeal," he said.

Declaring that the British and United States governments were in continuous consultation, he said they were acting in the closest concert in the Italian situation.

The British Government, he said, was conducting an "increasingly successful war and policy" and then he offered a "word of caution."

"The whole outlook of the Nazi party and regime, their whole ideological outlook as it is called, will be disturbed and darkened by events which have happened and are going to happen in Italy," he predicted, "and the overthrow and casting down in shame and ruin of the first of the dictators and aggressor war lords strikes a knell of impending doom in the ears of those that remain."

Nevertheless, he added, Italy's war power was about a tenth of that of Germany's and the Allies must not "allow this favorable inclination of our fortunes to blind us to the immensity of the task before us."

Treasury In Revised International Currency Stabilization Plan Holds To Gold Basis

(Continued from first page)

States'; 'this,' he said, 'is something we hope every member of the United Nations will join.' In his further comments, according to the Associated Press, he said Mr. White concurred with Morgenthau in expressing the belief that there are no 'insuperable differences of opinion,' but he acknowledged that the revised draft places greater emphasis upon gold.

"Mr. Morgenthau said the appropriate Congressional committees were being kept informed of monetary discussions, adding that he intends to appear before them again soon after Congress reconvenes in September.

"Reaffirming that the plan will require legislative action, he said he did not believe it would need to take treaty form. It could be handled, he said, in the same manner as the Tri-Partite Stabilization Agreement of the mid-thirties which brought about creation of the present $2,000,000,000 stabilization fund."

In advices Aug. 19 to the New York "Journal of Commerce" from its Washington bureau it was stated:

"While Dr. White stressed that the new plan is not a 'compromise' between the original White and the so-called Keynes (British) plans, it was noted that the veto power which the United States would have possessed in the earlier American proposal has been relinquished in all cases except one. This exception—an important one—concerns the change in the gold value of the Unitas, the proposed international monetary unit, over which a veto power would be retained.

"At the same time, the importance of gold in the operation of the stabilization fund is increased considerably. The proportion of gold which will be paid in by member countries in constituting their quotas has not only been revised upward, but an entirely new provision requiring countries to pay for 50% of the foreign exchange which they purchase from the fund in gold has been inserted. This provision, it was explained, is intended to discourage any tendency which might arise for a country to resort to the funds' assets and hoard its gold.

"The new plan does not alter the basis for computing quotas which determine a country's participation in the fund and its voting power, notwithstanding the fact that the British plan is based on prewar trade. As in the previous American plan, quotas are determined by a formula related to a country's holdings of gold and free foreign exchange, the magnitude and fluctuations of its balance of international payments and its national income."

As we noted in our issue of Aug. 19, pages 707 and 708, the currency stabilization plans of the United States, Great Britain and Canada are to be considered at a conference to be held in Chicago on Aug. 26, at the instance of Simeon E. Leland, Chairman of the Federal Reserve Bank of Chicago.

The U. S. Treasury's stabilization plan was referred to in these columns April 8, pages 1300-1305; the Keynes, or British proposals were indicated in our issue of April 15, page 1388, while the Canadian plan for an International Exchange Union was given in these pages July 15, beginning on page 201.

In making public on Aug. 19 the revised American proposal Secretary Morgenthau expressed confidence that "England and ourselves will get together on a plan designed to avoid the pitfalls that beset world trade after the last war." He added (we quote from the Associated Press) that differences between the two countries now have been reduced to "one or two." One presumably is that matter of gold. The same advices (Associated Press) said:

"The United States originally suggested last April establishment of a $5,000,000,000 international fund of which this country would contribute $2,000,000,000. This fund would stabilize currencies by fixing the rate at which it would buy and sell member currencies.

"Embodying chiefly technical changes and clarifications based on discussions with and suggestions from monetary experts of nearly 30 countries, the revised proposal alters among other things voting requirements to remove an American veto power over decisions of the fund's governing body. It also sets forth in more precise terms the amounts of gold that would be required from participating governments."

The following is the text of the summary made available by the Treasury Department of its revised proposal for an International Stabilization Fund:

I. PURPOSES OF THE FUND

The United Nations and the countries associated with them recognize, as declared in the Atlantic Charter, the need for the fullest cooperation among nations with the object of securing economic advancement and rising standards of living for all. They believe that attainment of these objectives will be facilitated by international monetary cooperation. Therefore, it is proposed that there be established an international stabilization fund with the following purposes:

1. To help stabilize the foreign exchange rates of the currencies of member countries.

2. To reduce the use of such foreign exchange restrictions and discriminatory foreign exchange practices as hamper world trade.

3. To help create conditions under which the smooth flow of foreign trade and of productive capital will be fostered.

II. COMPOSITION OF THE FUND

1. The fund shall amount to at least $5 billion contributed on the basis of quotas determined by an appropriate formula. The quota of a country cannot be increased without its consent.

2. Each country shall pay in gold 50% of its quota and the remainder in local currency. A country with inadequate gold holdings may have its gold contribution reduced and a country may substitute some government securities (redeemable at par) for local currency.

3. The resources of the fund shall be used exclusively for the benefit of the member countries.

III. MONETARY UNIT OF THE FUND

1. The monetary unit of the fund shall be the unitas, equal in value to 137 1-7 grains of fine gold (equivalent to $10). No change in the gold value of the unitas shall be made except with the approval of 85% of the member votes.

2. The accounts of the fund shall be kept and published in terms of unitas. No change in exchange rates shall be permitted to alter the value of the assets of the fund.

IV. EXCHANGE RATES

1. Initial rates of exchange for member currencies shall be based upon their value in dollars on July 1, 1943. If such a rate is clearly inappropriate, the initial rate shall be determined by consultation between the country and the fund.

2. When essential to the correction of fundamental disequilibrium, exchange rates may be changed only with the approval of three-fourths of the member votes including the countries concerned. Because of the extreme uncertainties of the immediate post-war period, such provision is made for adjusting exchange rates during the first three years.

V. POWERS AND OPERATIONS

1. The fund may sell to any member country foreign exchange required to meet an adverse balance of payments predominantly on current account. One-half of such exchange shall be paid for with gold or acceptable foreign exchange.

2. The fund's total holdings of the currency of any member country shall not exceed its quota by more than 100%, except with the specific approval of the board of directors, and provided satisfactory measures are being taken to correct the disequilibrium.

3. When a member country is preventing or unduly delaying a sound balance in its international accounts, the fund may place conditions upon additional sales of foreign exchange to that country. The fund may also require the country to deposit gold or other suitable collateral.

4. When the fund's holdings of the currency of a member country become excessively small, the fund shall render a report to that country. The fund shall also inform member countries of the probable supply of the currency and of a proposed method for its equitable distribution.

5. Each member country agrees that it will offer to sell to the fund, for its local currency or for foreign exchange which it needs, one-half of the gold and foreign exchange it acquires in excess of its official holdings at the time it became a member of the fund.

6. During the first two years the fund may buy from the governments of member countries blocked balances held in other member countries, not exceeding in the aggregate 10% of the quotas. At the end of two years the fund shall propose a plan for the gradual further liquidation of blocked balances.

7. The fund may levy a charge on the amount of currency held by the fund in excess of the quota of a country. If the fund finds it necessary to borrow currency to meet the demands of members, an additional charge shall be made sufficient to cover the costs of borrowing.

8. The fund shall deal only with member governments and their fiscal agents and not intrude in the customary channels for conducting international commerce and finance.

VI. MANAGEMENT

1. The administration of the fund shall be vested in a board of directors consisting of one director and alternate appointed by each member government. The board shall appoint an executive committee of not less than eleven of its members.

2. Each country shall have 100 votes plus one vote for each million dollars of its quota. No country shall cast more than one-fifth of the aggregate basic votes.

3. In voting on the sale of foreign exchange, the votes of creditor countries shall be increased and those of debtor countries decreased. In voting on proposals to suspend or restore members, each country shall cast one vote.

4. Any country may withdraw from the fund by giving notice of one year. A country failing to meet its obligations to the fund may be suspended by a majority of the member countries.

VII. POLICIES OF MEMBER COUNTRIES

Each member country of the fund undertakes:

1. To maintain by appropriate action exchange rates established by the fund and not to alter exchange rates except as provided above.

2. To abandon restrictions (except on capital transfers) over foreign exchange transactions with other member countries, and not to impose additional restrictions without the approval of the fund.

3. Not to enter upon any new bilateral clearing arrangements or engage in multiple currency practices which retard the growth of world trade or the international flow of productive capital.

4. To give consideration to the views of the fund on any monetary or economic policy, the effect of which would be to bring about a serious disequilibrium in the balance of payments of other countries.

The CHRONICLE invites comments on the Treasury's revised plan, or on any related phases of the subject. Comments should be addressed to Editor, Commercial and Financial Chronicle, 25 Spruce Street, New York.

Campaign Against Inflation Launched By Life Insurance Companies In Cooperative Effort

The life insurance companies of America, joining in the most comprehensive cooperative effort in their history, inaugurated on Aug. 16 a nationwide campaign to aid in the country's fight to hold down prices and the cost of living by the encouragement of savings and thrift. This program, undertaken in support of the Government's war effort and as a check against the forces of inflation, was announced on Aug. 15 by George L. Harrison, Chairman of the Policy Committee which was appointed to direct this joint effort by the life insurance companies. "In assuming an active role in the battle to hold down prices," said Mr. Harrison, "the life insurance companies have been influenced by the important part that the 67,000,000 policyholders and their life insurance play in the social and economic welfare of the country and by the opportunity afforded to render a service to the nation as a whole. An uncontrolled rise in prices would not only impair the effectiveness of the war effort but it would also seriously complicate the transition of the national economy from war to peace," said Mr. Harris, who further stated:

"The danger that prices may get out of control arises from the fact that there has been a tremendous increase in our national income with no corresponding increase in the supply of goods available for civilian consumption. So long as production must be directed primarily to supply war needs, this disparity between the amount of money which people have to spend and the volume of goods available for purchase is certain to continue.

"In such circumstances the fight against inflation can be won only with the understanding cooperation of the American people as a whole. Government action, alone, is not the complete answer. There is much that all of us can do to cooperate. It is the primary objective of this campaign, therefore, to point out some of the ways in which we may all do our share. With this in mind, the program will embrace a plan of action comprising seven practical things which the Government is asking all of us as our patriotic duty to do:

"1. Buy and hold war bonds—to lend our country the money it needs to fight the war to victory.

"2. Pay willingly your share of taxes—including increased taxes—that our country needs.

"3. Provide for your own and your family's future by adequate life insurance and savings.

"4. Reduce your debts as much as possible and avoid making needless new ones.

"5. Buy only what you need and make what you have last longer.

"6. Live faithfully by the rationing rules to conserve goods of which there are shortages.

"7. Cooperate with our Government's price and wage stabilization program."

Mr. Harrison reports that more than a hundred companies representing approximately 80% of the assets of the life insurance business have thus far agreed to participate in this campaign. The names of participating companies will not be announced until there has been opportunity to hear from all those who have been invited to participate. The campaign will be managed by the Institute of Life Insurance under the supervision and direction of the Policy Committee. The major part of the fund being raised by the companies will be expended on newspaper advertising with frequent insertions scheduled in 285 newspapers in the principal centers of population from coast to coast. Advertising will also be used in certain farm journals to carry the message directly to the agricultural sections of the country.

The Policy Committee, which will direct the campaign, is composed of the following members: M. J. Cleary, President, Northwestern Mutual Life Insurance Co.; Franklin D'Olier, President, Prudential Insurance Co. of America; Laurence F. Lee, President, Occidental Life Insurance Co.; Leroy A. Lincoln, President, Metropolitan Life Insurance Co.; Herbert K. Lindsley, President, Farmers & Bankers Life Insurance Co.; M. Albert Linton, President, Provident Mutual Life Insurance Co., Philadelphia; James Lee Loomis, President, Connecticut Mutual Life Insurance Co.; A. J. McAndless, President, Lincoln National Life Insurance Co.; Gerard S. Nollen, President, Bankers Life Co.; George Willard Smith, President, New England Mutual Life Insurance Co.; John A. Stevenson, President, Penn Mutual Life Insurance Co. and George L. Harrison, President, New York Life Insurance Company, Chairman.

Recapture Of Kiska From Japs Announced

President Roosevelt and Prime Minister W. L. Mackenzie King of Canada on Aug. 21 issued a joint statement in Quebec announcing the American-Canadian occupation of the Island of Kiska in the Aleutians, thus freeing "the last vestige of North American territory of Japanese forces."

The landing of United States and Candian troops began on Aug. 14, the statement said, adding that no Japanese were found.

The joint statement follows:

"A strong force of United States and Canadian troops, supported by surface vessels, have occupied the Island of Kiska in the Aleutians.

"The landing began on Aug. 14. No Japanese were found and it is our belief that the enemy evacuation was made under cover of heavy fog.

"It is evident that the position of the Japanese troops became untenable because of the occupation of Attu, the harassment of enemy supply lines and the recent bombing and bombardments of Kiska by air and surface craft.

"For security reasons this announcement has been witheld pending the unloading of transports.

"The present occupation of Kiska frees the last vestige of North American territory of Japanese forces."

Madden Finds Effective Currency Control Of Utmost Importance In Post-War Reconstruction

Discussing "Some Aspects of Post-War Economic Reconstruction of Europe" a bulletin issued on Aug. 23 by Dean John T. Madden, Director of the Institute of International Finance of New York University, points out that "the economic reconstruction of Europe after World War II will be a much more difficult task than that of 1919." Among other things the Bulletin treats of the restoration of currency and Central Banks, and observes that it has "been fully recognized that the stabilization of a currency is not merely a domestic but rather an international problem," and notes that, "the publication of the Keynes, White and Canadian plans indicates that this fact has been recognized by the leading governments of the world, and that considerable thought has already been given to the problem of placing world currencies on a sound basis." We quote in more detail from the Bulletin as follows:

"The economic reconstruction of Europe involves two distinct steps; namely, resumption of economic activity at the earliest possible time and permanent reconstruction. The problems of immediate reconstruction will arise as soon as one country, or the entire continent, has been liberated. The problems will be pressing indeed. The first task to confront the leaders of countries where governments have been established, or the occupation authorities, will be feeding and clothing the population, providing efficient sanitation, rebuilding homes, public utilities and schools, and supplying farmers with the necessary tools and seed to resume cultivation of the land. Immediate and effective control of the currency system is of utmost importance, since monetary inflation, if not checked, may wreck the relief and rehabilitation schemes, as was the case in Austria and Poland after World War I.

"The nature and method of the permanent economic reconstruction of Europe will depend, to a very large extent, upon the post-war political organization of the Continent. It will take a different form in the event a European federation is organized, or an economic union of states is established, or if the political boundaries of Europe were to return to the status quo. It will also depend on whether there will exist an official international organization (Council of Nations) capable of planning and assisting in the economic reconstruction. Above all, it will depend on the form of government and the economic system that the individual countries or Federation will adopt.

"In any event the economic role played by the individual governments in post-war Europe will be much greater than it was prior to 1914 or during the Twenties because the reconstruction will have to be centrally planned."

In discussing industrial reconstruction the Bulletin states:

"During the period between the two wars the industries in Europe witnessed a mushroom growth. Each country, large or small, endeavored to become economically self-sufficient and established new industries regardless of the availability of raw materials, skilled labor, technical and managerial talent. The industrialization of many parts of Europe was accomplished through the enactment of high protective tariffs, import and exchange restrictions, the grant of subsidies, and government ownership, which often led to high prices for manufactured goods.

"If the restoration of Europe should be on a regional or Federation basis, then in establishing industrial plants consideration should be given to the availability of raw material and labor. As a result of war developments the opportunity will arise for the first time for diversifying and integrating industries in Europe, thus eliminating duplication of plant and equipment and unnecessary competition which led to tariff wars and ultimately to economic and political conflicts. The paucity of capital will be an important factor in preventing duplication of plants.

"The process of industrialization of Europe should be guided by the following objectives: (1) to render Europe interdependent economically and to remove competition employed in the Thirties as a weapon for gaining political aims; (2) to coordinate industry with agriculture and existing raw materials in order to strike a proper balance between them.

"The establishment of a sound industrial structure in Europe could be carried out only if a coordinating body were in existence with authority to enforce its decisions. It would be highly desirable that an international industrial board, on which all nations would be represented, be set up within some organization, such as the League or European Council of Nations, to plan and to coordinate the industrial development of Europe. Such a board would be in a position not only to make constructive plans, to eliminate duplication of plants and unnecessary expenditures of much needed capital, but might also be able to obtain foreign capital."

The problem of restoration of currency and central banks is discussed as follows:

"Two of the most difficult tasks that will confront the various European nations after the war will be the establishment of sound currency conditions and the restoration of the various central banks. In the past, stabilization of currency has simply meant the establishment of a fixed relationship of one currency to gold or to currencies of the leading countries of the world. At present, however, many people believe that a stable currency is one whose internal purchasing power remains relatively unchanged.

"It has now been fully recognized that the stabilization of a currency is not merely a domestic but rather an international problem because the rate at which a currency is fixed is bound to affect other countries, particularly those with which it has important trade relations. The publication of the Keynes, White and Canadian Plans indicated that this fact has been recognized by the leading governments of the world and that considerable thought has already been given to the problem of placing world currencies on a sound basis. The various plans, however, deal only with the machinery needed in the stabilization of currencies without stating how to achieve the prerequisites on which stable currencies can be maintained or the details of actual stabilization.

"Briefly stated the stabilization of currencies will require the following steps:

"1. The formation of some international organization able to provide the individual countries with necessary financial support. The true meaning and purposes of these foreign credits are well stated in the Canadian Plan. 'Extension of credit is not a cure-all; it merely provides time for adjustments in the positions of such out-of-balance situations as a country which consistently sells more abroad than it buys or vice versa.' Without such foreign credits it will be impossible for the individual countries even to attempt stabilization.

"In the Twenties individual countries obtained the necessary foreign credits or gold through the flotation of foreign loans either on their own credit standing or under the auspices of the League of Nations. At the end of the present war most European countries will not be able to obtain foreign loans on their own credit standing. Furthermore, since a number of loans sponsored by the League of Nations went into default, it is obvious that investors in other countries, and notably in the United States, will be unwilling to acquire bonds of most foreign countries unless guaranteed by the United States Government. (Such a guaranty is highly doubtful.)

"Since foreign assistance is a prime essential in the stabilization of currencies, an international organization strong enough to meet these needs is absolutely necessary. The White, Keynes, and Canadian Plans provide for the setting up of such machinery capable of rendering assistance to individual countries. In this respect, therefore, there is unanimous agreement among the various experts, although they differ as to the amount necessary and how the resources of the international organization should be obtained.

"2. The establishment of international machinery to prevent currency wars and to permit changes in the exchange rates of individual countries whenever necessary. Without such machinery individual countries might endeavor to fix an international exchange rate for their currencies which might be harmful to other countries.

"In this respect, too, the various plans offer practical suggestions for meeting the situation that will exist after the war. They contain ideas which could be elaborated and which could lead to the establishment of such machinery.

"3. The third step in the stabilization of currencies is the realignment of currencies among themselves. At present the European currencies, particularly those of countries under German domination, are stabilized in relationship to one another. This stability, however, is meaningless because it is maintained by rigid German orders and there is no possibility of testing the true value of the individual currencies. Moreover, the foreign trade of the German-dominated countries is not based on the price structure, but rests entirely on a system of barter intended to meet the military requirements of the German war machine."

As to the reorganization of central banks the Bulletin states:

"It would be highly desirable if a central banking organization similar to the Federal Reserve System could be established either for the entire Continent of Europe or at least for the individual federal unions of Europe. The establishment of one or several central banking systems on the Continent of Europe will be much easier at the end of the war because under German domination the policies of all existing central banks have been coordinated and for all practical purposes the currency systems have been unified. Such unification would also eliminate friction among the individual economic and political units and would play an important role in the integration of the national economies of the Continent of Europe."

In conclusion the Bulletin has the following to say:

"Planning on an inter-European scale would necessitate the establishment of central organizations with sufficient power to enforce their decisions. The creation of industrial, agricultural, and transportation boards under the supervision of some European council which would direct the reconstruction of industry, agriculture, and transportation would not only eliminate waste and hasten the return of sound economic conditions but would also play an important role in the integration of the natural resources of the Continent."

United States Approaching Britain In Proportion Of Production Channeled To War

More than two-fifths of the goods and services produced in this country last year were absorbed by the government, or well over twice the percentage taken by government expenditures in 1938, according to a study of the subject made by the National Industrial Conference Board.

This large share of our national output compares with British Government expenditures last year of 54%, which was more than three times the share of national output absorbed by that government in 1938. In that year British Government expenditures were 17% and expenditures of our government were 18% of national output.

The Board's statement regarding the study, issued Aug. 16, also said:

"To arrive at these comparisons, the Board converted this country's national income figures to a market price basis so that they would conform with comparable British statistics.

"Private consumption expenditures have naturally declined in both countries since 1938, but they accounted for about the same proportion last year: 59% in this country and 56% in the United Kingdom. These figures fail to tell the whole story, since consumption in our country last year was at unprecedented heights, while it was low in Britain. The tremendous expansion of our national output, however, kept the percentage of goods and services privately consumed at a low figure. In 1938, private consumption accounted for 81% of the national product in this country and for 79% in the United Kingdom.

"More than 9% of the national product of the United Kingdom last year was contributed at the expense of private fixed capital and there are indications that the United States had also begun to deplete its stock of privately owned capital goods last year.

"From British experience and the similarity of the trends in both countries, further cuts in the share of goods and services going to the people can be expected as the war continues. Government expenditures should continue to increase but at a slower rate, while privately owned capital facilities can be expected to become more rapidly depleted."

From Washington

(Continued from first page)

prising, indeed, if he did not pay his respects to Morgenthau when the Senate reconvenes.

* * *

Just as men have enjoyed their place in the sun and then been kicked off the New Deal Merry-Go-Round, so have the fellows of that ambitious gang in Moscow. Poor old Litvinoff who became a revolutionist while still in his teens, must be wondering now in his later years, if the game was worthwhile.

His recall from Washington marks the second time he has been subordinated. He was demoted from the job of foreign minister and ace diplomat when Stalin signed the pact with Hitler. He went into retirement out of which he bounced when Hitler turned on his old friend. He was sent to Washington, undoubtedly Moscow's most important foreign post, largely because of the build-up the Leftists in this country gave him. Had Britain and France followed his advice at Geneva, they claimed, all of this would not have happened to the world.

They don't come any more cynical than Litvinoff. It was he who came over and signed the agreement by which we recognized Russia in late '33 or '34. He cheerfully agreed that in return for our recognition his Government would not propagandize in this country, and when he was asked about it by fellow Communists a few hours later, he laughed heartily.

But as part of our program of whooping it up for our allies, he was unusually well received when he arrived in Washington this time, just a few days after Pearl Harbor. The White House was thrown open to him; he never had to go through Cordell Hull. One magazine titled an article about him "America's Most Beloved Ambassador." It was a very conservative magazine, too. I wrote the article and it didn't deserve the title. Our press went out of its way to blow him up and our Washington matrons fell over one another to entertain him.

Being as cynical as he was, he smiled to himself and refused all the matrons except his old friends, the Joe Davies. Their party for him was one of the swankiest things Washington had seen since the late Henry L. Doherty's adopted daughter had a coming out party.

Notwithstanding the so-called proletarian movement in which he is engaged, we have had few more autocratic gentlemen in our midst. At the embassy he was attended by and surrounded by as much martial ceremony as any German field marshal ever received. His rare press conferences had all the glitter of a general reviewing his troops. There is no doubt about it, he had us practically grovelling at his feet and he got a kick out of it.

But he overdid it. Roosevelt came to by-passing him. We sent over Harry Hopkins and Averill Harriman to tell Joe that we were going to give him everything we could. This was the same as saying to Joe that he really didn't need Litvinoff over here. Before he returned to Moscow I can't recall when he was last at the White House. It got so you never heard of him around town at all. So once again he has been set down.

Washington is apparently a bad post for these fellows. A correspondent returning recently from Russia tells of seeing a broken down old man getting a hair cut in a shop in an outlying city. A big shot came in and demanded a quick job. The old man was bounced out of the chair. Who should it be but poor old Troyonovsky, the Soviets' first ambassador over here, the most popular one, too.

Special Offering Plans Of Two Exchanges Modified

The Securities and Exchange Commission announced on Aug. 18 that it had declared effective the plans of the San Francisco Stock Exchange and the New York Curb Exchange for "special offerings" as modified, respectively, by amendments filed with the Commission on July 28 and Aug. 7. The Commission's advices also stated:

"The principal changes in the special offering plans of the two exchanges are to permit over-allotments to be made in special offerings, for the purpose of facilitating stabilization, up to 10% of the block of securities offered; they provide for announcements on the ticker tape upon the inception and termination of stabilizing, in accordance with present practice; they codify the information which member firms and their employees are compelled to disclose to customers in the solicitation and confirmation of purchases; and they provide for several other changes, primarily technical in character."

Interdependence Of Nations Of World Affects Lives Of All, Says Black

Declaring that "we have learned from bitter experience that the interdependence of nations of the world is more than a theory," Supreme Court Justice Hugo L. Black further asserted that "it is a vital fact which affects the lives of every one of us." Justice Black's remarks were addressed to graduates of the Miami Beach (Fla.) Air Forces Officer Candidate School on Aug. 21, at which time he said that "the lessons which wars and depressions have taught us is that if we want peace, prosperity and happiness at home we must help establish them abroad." In his remarks to the class of new Second Lieutenants which included his son, Sterling Foster Black, the Justice further stated, according to Associated Press accounts from Miami Beach:

"Surely it is time for us to face this fact, and, divesting ourselves of deep-rooted fears and prejudices, act with a boldness and intelligence befitting Americans."

Justice Black told the new officers that they were "citizen soldiers steeped in the philosophy of a democratic society dedicated to liberty, equality and justice."

Defeat of the Axis, he added, "will be but an episode in our continuing struggle for a better, fuller, more secure life for the average citizen."

"Our country must face the questions of peace, and must face them inspired by the same faith that will carry us to the total defeat of the enemy on the battlefield," he said.

Pursuing the concept of "fighting faith" applied to times of peace, Justice Black continued:

"There are men who do not have it, timid men who are ruled by an unreasoning fear of change.

"They say that periodic economic depressions, unemployment, poverty, economic insecurity, special privilege and inequality are ordained by inexorable natural laws. These timid persons have counterparts who assert that since we always have had war, a peaceful world is impossible."

Urges Tax Law Revision To Encourage System of "Risk Capital" After War

In proposing a revision of Federal tax statutes to encourage return to a system of venturesome "risk capital," Representative Dewey (Republican) of Illinois, states that "if 'risk capital' is to be induced to resume its historic place in American industrial development, our tax law should be so amended as to offer an incentive for people to risk investment in new and uncertain undertakings." Mr. Dewey's proposal was offered on Aug. 22 as a means of reinvigorating and expanding private industrial enterprise after the war. He also said that loans by banks to local industries offered the most practical solution for reconversion of industry to peace-time operations, and he suggested a system of Government guarantees on such loans. The Associated Press reported these proposals as having been made in a letter to the House Naval Affairs Committee in which Mr. Dewey, who was Assistant Secretary of the Treasury in the Coolidge Administration, gave his reply to the question as to how the reconversion problem could be met without "a gigantic WPA for industry." From the press accounts from Washington Aug. 22 we also quote:

"He described as impractical the various proposals that, in the renegotiation of war contracts, allowances be made for post-war reconversion reserves. The Naval Committee now is studying effects of the renegotiation law. The Ways and Means Committee, of which Mr. Dewey is a member, will open hearings Sept. 9 to determine whether revision of the statute is needed.

"American industry had its humble beginnings through what is known as 'risk capital' being available and seeking investment," he wrote.

"Under existing taxes whatever gain is realized on a risk is promptly taxed away and the tax system gives little compensation to whatever loss may be sustained. When the war terminates and returning soldiers are seeking jobs or are desirous of setting up new enterprises themselves, our tax system should be so amended that it will favor these adventurers in trade and industry instead of handicapping the initiative."

Turning to his suggestion of government guarantees for reconversion loans, Mr. Dewey wrote:

"In a great many cases, perhaps the majority, local banks will need no encouragement of any kind to finance the reconversion of local industries. But, in order that there may be assurance that capital in the hands of the banks is made available to industry, a certain protection may have to be given the banks.

"For this purpose I believe that government machinery already in existence could be employed. It could be done simply through the device of the government executing guarantees of loans made for reconversion purposes. Such loans by the local banks might be guaranteed up to a maximum of 90% and have a maturity not in excess of 10 years.

"The plan could be so worked out that the amount of return which the local bank would receive on its loan to the local industry would be based on a graduated scale to encourage the local bank to assume a higher proportion of the risk.

"From the interest on the loan paid by industry would be deducted a 'guarantee fee,' but the amount of 'guarantee fee' the government would charge the bank would depend upon the percentage of the loan guaranteed by the government.

"Inasmuch as the graduated guarantee charge would reduce the local bank's interest return, there would be the natural tendency on the part of the bank to keep the percentage of government guarantee at a minimum."

Cotton Spinning For July

The Bureau of the Census announced on Aug. 20, that according to preliminary figures, 23,405,384 cotton spinning spindles were in place in the United States on July 31, 1943 of which 22,654,790 were operated at some time during the month, compared with 22,777,328 for June, 22,788,058 for May, 22,893,630 for April, 22,925,194 for March, 22,859,160 for Feb., and 23,109,576 for July 1942. The aggregate number of active spindle hours reported for the month was 9,885,059,104. Based on an activity of 80 hours per week, the cotton spindles in the United States were operated during July, 1943 at 120.0% capacity. This percentage compares, on the same basis, with 129.7 for June, 134.1 for May, 133.2 for April, 134.4 for March, 135.9 for Feb., and 130.2 for July, 1942. The average number of active spindle hours per spindle in place for the month was 422.

The News Behind The News

(Continued from first page)

the Ball-Burton-Hatch-Hill resolution going much further and demanding an international agreement now with a police force later, but it will not have sufficient strength behind it to become an adopted policy.

Thus while we are involved in a strong and somewhat confusing discussion as to what we want for postwar, the final outcome of the debate is beginning to be discernible.

Everyone seems to have a definite opinion, and practically everyone has expressed himself except the three men whose judgment will be final—Roosevelt, Churchill and Stalin. Not by one word has Mr. Roosevelt indicated what he has in mind.

After Senator Hatch called at the White House a few weeks back, he reported in the cloakrooms that the President had no objection to the Senate passing his resolution, but this is the only indirect suggestion available indicating the President may wish to go further than the Republicans or the House presumably intend to go.

In the end, of course, the character of the "police force" will be the determining factor. On one hand, the phrase is now used to mean a world army, and, on the other hand, to signify a system in which the great victorious world powers would police their own hemispheres with their own armed strength.

No trouble will be encountered in getting strong popular opinion behind the latter interpretation, but it is already evident no national agreement can be achieved in this country behind the first interpretation.

The legislators who are dropping into town every few days also seem determined to adopt legislation preventing the draft of fathers. Even members of the Military Affairs Committees, who work exceptionally close to the War Department, are displaying a tendency to break with the Army authorities on this matter.

They say they will surely pass the Wheeler bill, postponing father drafts until Jan. 1, 1944. The prospect, however, is by no means assured.

The Administration very likely will turn on pressure to let the military leaders have their way. Mr. Byrnes followed this line in his speech.

July Cotton Consumption

Under date of Aug. 16, 1943, the Census Bureau at Washington issued its report showing cotton consumed in the United States, cotton on hand and active cotton spindles for the month of July.

In the month of July, 1943, cotton consumed amounted to 839,705 bales of lint and 107,334 bales of linters, as compared with 916,789 bales of lint and 96,956 bales of linters in June, 1943, and 994,552 bales of lint and 121,955 bales of linters in July, 1942.

For the twelve months ending with July 31, cotton consumption was 11,098,513 bales of lint and 1,301,208 bales of linters against 11,170,106 bales of lint and 1,487,506 bales of linters in the same twelve months a year ago.

There were 2,117,343 bales of lint and 465,369 bales of linters on hand in consuming establishments on July 31, 1943, which compares with 2,222,391 bales of lint and 472,787 bales of linters on June 30, 1943 and with 2,251,549 bales of lint and 438,922 bales of linters on July 31, 1932.

On hand in public storage and at compressors on July 3, 1943, there were 7,704,181 bales of lint and 57,197 bales of linters, and 8,549,749 bales of lint and 67,317 bales of linters on June 30, 1943, and 7,648,742 bales of lint and 94,820 bales of linters on July 31, 1943.

There were 22,654,790 cotton spindles active during July, 1943 which compares with 22,777,328 active cotton spindles during June, 1943, and with 23,109,576 active cotton spindles during July, 1942.

Post-War Unemployment Problem Demands Action Now; A. F. of L. Proposes Program

In the expectation that something like 12,000,000 persons might be unemployed six months after the war ended, the Post-War Division of the Bureau of Labor Statistics at Washington warned on Aug. 19 that a program to handle the problem must be undertaken now lest the country be led to the brink of "another and even more terrible war." United Press accounts from Washington reporting this said:

"Even under favorable conditions, it said, there might be 7,000,000 jobless immediately after the war.

"In a report prepared for the American Federation of Labor, the division gave a six-point program which it said management, labor and government must follow to minimize the effects of post-war idleness:

"1. Rapid reconversion of industry from war to peacetime production.

"2. A public works program to supply jobs during industrial reconversion.

"3. Financial assistance, during the period of transition, to returning servicemen and demobilized war workers.

"4. A gradual demobilization of the armed forces to level out the impact of unemployment.

"5. Voluntary withdrawal from labor markets of as many women, school-age youths and over-age employes as possible.

"6. A Federal job placement service to direct workers to available jobs and help rehabilitate war wounded.

"The post-war employment problem, certain to be critical, might be devastating if these principles were not followed, the report said.

"It suggested exploration of inter-related problems such as disposal of Government-owned war plants and surplus war stocks in such a manner as to help private enterprise, war-time business taxes and aid to small business; continued or gradual tapering off of war contracts; continuation of anti-inflation measures—such as continued (wartime) taxation, Government bond sales and price controls—so that accumulated consumer purchasing power would not burst loose when markets were not sufficiently supplied with peacetime goods; high-output and low-price business policies to encourage production and employment, and a reduction in the work week."

Life Insurance Divs. Down In First Half

Dividends paid by American life insurance companies to their policyholders in the first six months of the year are reported by the Institute of Life Insurance at $206,570,000, a decrease of $22,081,000 from the aggregate of $228,651,000 disbursed in the corresponding period a year ago. This decrease is in line with the trend of the last several years, being a direct reflection of the continuous decline in the general level of interest rates.

"The effect of lower interest rates on policy dividends is cumulative," the Institute pointed out, on Aug. 19. "The result of the investment of money over the past years at continually lower rates is being felt more and more. Not only is this true of new money but as the older, higher yield investments mature, the reinvestment of funds produces a lower rate of return," said the Institute which added:

"While the decline of interest rates is primarily responsible for the decrease in policyholder dividends, other factors that are operating at this time in the direction of lower dividends and higher costs to policyholders are increased Federal income taxes and moderately increased provision for current and future death claims, made under war conditions.

"In this connection it should be noted that dividends paid to policyholders are not dividends in the usual sense; rather they are a return to policyholders of that portion of the premium remaining after a reasonable allowance for future contingencies and after meeting costs. The premium rate is based on three principal cost factors: claim payments, operating expenses and interest earnings with some margin added for safety; while the dividend scale is determined on the basis of an appraisal of actual experience, some regard must be had for possible future conditions."

The Institute reports that in the full year 1942, the amount paid in dividends to policyholders was $434,700,000 as compared with $432,200,000 in 1941. The increase of $2,500,000, the Institute points out, was due to an increase in the amount of insurance in force, and did not, therefore, constitute a real interruption in the downward trend.

More New Locomotives On Order As Of Aug. 1, 1943

Class I railroads on Aug. 1, 1943, as reported to the Car Service Division, had 27,795 new freight cars on order, the Association of American Railroads announced on Aug. 23. Of this total, there were 4,094 plain box; 2,525 automobile box; 5,754 gondolas; 14,184 hoppers; 200 stock, and 1,038 flat cars. On Aug. 1 last year the roads had a total of 36,453 cars on order.

Locomotives on order on Aug. 1, this year, totaled 1,014, which included 485 steam, four electric, and 525 Diesel locomotives. On Aug. 1, 1942, they had 881 locomotives on order which included 334 steam and 547 electric and Diesel.

Class I railroads put 12,030 new freight cars in service in the first seven months of 1943, compared with 51,606 in the same period last year. Those installed in the seven months of 1943 included 4,682 hopper, 4,905 gondola, 1,673 flat, 135 automobile box, 585 plain box, three stock, and 47 miscellaneous freight cars.

The railroads also put 343 new locomotives in service in the first seven months this year, of which 230 were steam, 14 electric, and 99 Diesel. New locomotives installed in the same period last year totaled 432, of which 175 were steam and 257 were electric and Diesel.

The ODT also report 43 new locomotives on order on Aug. 1 and 16 new locomotives installed in the first seven months of this year by other than Class I carriers. This brings the total of new locomotives on order on Aug. 1 to 1,062 and the number installed during the first seven months to 359.

Selected Income And Balance Sheet Items Class I Railways For May

The Bureau of Statistics of the Interstate Commerce Commission has issued a statement showing the aggregate totals of selected income and balance sheet items for class I steam railways in the United States for the month of May, 1943 and 1942, and the 5 months ending with May, 1943 and 1942.

These figures are subject to revision and were compiled from 132 reports representing 136 steam railways. The present statement excludes returns for class A switching and terminal companies. The report is as follows:

	All Class I Railways			
	For the Month of May		For the 5 Months of	
Income Items—	1943	1942	1943	1942
Net ry. operat. income	$128,169,023	$103,667,562	$596,288,151	$432,945,838
Other income	12,754,060	11,556,253	60,810,278	58,469,736
Total income	140,923,083	121,223,815	657,098,429	491,415,574
Miscellaneous deductions from income	2,362,130	3,154,792	11,839,734	13,052,363
Income available for fixed charges	138,560,953	118,069,023	645,258,695	478,363,211
Fixed charges:				
Rent for leased roads and equipment	14,176,150	14,778,718	73,131,897	69,384,501
*Interest deductions	36,1 4,227	37,033,310	181,804,473	185,176,605
Other deductions	125,623	117,601	625,247	587,528
Total fixed charges	50,496,000	51,929,629	255,561,617	255,148,634
Inc. after fixed charges	88,064,953	66,139,394	389,697,078	223,214,577
Contingent charges	2,332,997	2,427,750	11,614,148	11,455,477
†Net income	85,731,956	63,711,644	378,082,930	211,759,100
Depreciation (way and structures and equip.)	26,469,518	20,213,608	132,628,536	97,243,262
Amortization of defense projects	11,004,946	6,754,326	51,670,564	26,417,772
Federal income taxes	118,558,711	64,483,415	544,787,461	205,639,941
Dividend appropriations:				
On common stock	32,598,851	30,007,342	55,853,135	49,530,145
On preferred stock	7,067,753	6,674,321	13,446,686	12,607,599
¶Ratio of income to fixed charges	2.74	2.27	2.52	1.87

	All Class I Railways Balance at end of May		Class I Railways Not in Receivership or Trusteeship Balance at end of May	
Selected Asset Items—	1943	1942	1943	1942
Investments in stocks, bonds, etc., other than those of affiliated companies	$542,723,405	$474,049,083	$523,071,164	$456,140,673
Cash	1,007,962,913	817,914,286	770,614,300	614,741,559
Temporary cash investments	1,316,677,116	177,204,507	1,015,613,742	147,123,555
Special deposits	191,177,937	138,964,351	150,298,023	96,341,274
Loans and bills receivable	287,744	1,027,931	266,619	914,573
Traffic and car-service balances (Dr.)	43,149,814	39,804,777	33,584,522	33,504,298
Net balance receivable from agents and conductors	164,514,115	109,235,564	132,522,975	91,072,478
Miscellaneous accounts receivable	573,032,822	288,703,325	449,833,209	229,646,872
Materials and supplies	512,237,711	533,690,173	416,562,175	430,060,251
Interest and dividends receivable	22,427,433	23,364,126	21,601,432	21,404,273
Rents receivable	1,277,115	1,400,882	930,832	1,061,770
Other current assets	45,858,054	27,838,070	34,323,875	25,997,096
Total current assets	3,886,652,774	2,159,147,992	3,026,151,704	1,691,867,999
Selected Liability Items—				
‡Funded debt maturing within six months	$185,458,392	$73,959,834	$173,581,459	$62,176,153
§Loans and bills payable	15,623,192	16,639,256	1,600,000	2,270,686
Traffic and car-service balances (Cr.)	144,775,812	81,079,801	100,036,373	58,350,806
Audited accounts and wages payable	417,549,340	349,141,038	335,526,733	283,880,921
Miscellaneous accounts payable	106,348,995	58,130,026	82,247,240	39,931,405
Interest matured unpaid	45,478,545	46,640,249	36,877,710	37,906,756
Dividends matured unpaid	6,831,920	4,907,214	6,489,756	4,554,952
Unmatured interest accrued	73,745,583	83,575,913	68,782,297	70,437,025
Unmatured dividends declared	45,859,457	38,191,385	45,859,457	38,191,385
Unmatured rents accrued	30,640,762	29,852,973	27,557,510	27,661,303
Accrued tax liability	1,351,672,837	502,720,457	1,195,154,857	459,407,640
Other current liabilities	65,565,513	61,478,361	42,962,478	46,550,650
Total current liabilities	2,304,096,956	1,272,396,733	1,943,094,411	1,069,143,529
Analysis of accrued tax liability:				
U. S. Government taxes	1,218,973,113	384,337,633	1,089,322,196	367,762,424
Other than U. S. Government taxes	132,699,724	118,382,824	105,832,661	91,645,216

*Represents accruals, including the amount in default. †For railways not in receivership or trusteeship the net income was as follows: May, 1943, $65,822,134; May, 1942, $52,536,484; for the five months ended May, 1943, $235,931,787; five months ended May, 1942, $177,784,085. ‡Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report. ¶For railways in receivership and trusteeship the ratio was as follows: May, 1943, 2.57; May, 1942, 1.93; five months, 1943, 2.46; five months, 1942, 1.59. §Includes obligations which mature not more than two years after date of issue.

Cotton Ginned from Crop of 1943 Prior to Aug. 16

The census report issued on Aug. 23, compiled from the individual returns of the ginners is shown below:

Number of bales of cotton ginned from the growth of 1943 prior to Aug. 16, 1943, and comparative statistics to the corresponding date in 1942 and 1941.

RUNNING BALES
(Counting round as half bales and excluding linters)

State—	1943	1942	1941
United States	*345,949	*233,335	*74,079
Alabama	10,857	5,579	15,600
Arizona	754	29	1,481
Florida	400	1,071	2,099
Georgia	27,994	28,591	35,064
Louisiana	13,331	1,845	106
Mississippi	7,411	99	166
Texas	283,675	194,828	19,110
All other States	1,527	1,293	453

*Includes 107,053 bales of the crop of 1943 ginned prior to Aug. 1 which was counted in the supply for the season of 1942-43, compared with 48,625 and 1,969 bales of the crops of 1942 and 1941.

The statistics for 1943 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail.

Consumption and Stocks—United States

Cotton consumed during the month of July, 1943, amounted to 839,705 bales. Cotton on hand in consuming establishments on July 31, was 2,117,343 bales, and in public storages and at compresses 7,704,181 bales. The number of active consuming cotton spindles for the month was 22,654,790.

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

World Statistics

Because of war conditions and the difficulties in obtaining dependable world statistics such data are being omitted from this report for the time being.

Steel Operations At New High—More CMP Orders Impend To Crowd Mill Books

"Steel products such as plates, sheets and bars were tighter than ever this week," according to The "Iron Age" in its issue of today (Aug. 26). "This situation seems to indicate that if the WPB is to carry through its promises for more steel to essential civilian users something more than talk will be needed," says this publication, which further adds in part as follows:

"Because of the change in capacity figures the Pittsburgh ingot rate this week is off one and a half points to 100.5%. Chicago operations have gained a half a point to 99.5%. The Cincinnati area reflects an increase of seven points to 100.5% of capacity.

"As it has been for the past several weeks the manpower situation is one of the most threatening of all current factors and it is expected to grow worse.

"Reports from Chicago say the hot roll sheet situation continues to grow tighter with some mills booked solidly through February. With demand for plates continually increasing sheets have now become as scarce as plates. Orders at Chicago last week were generally higher and in some cases cancellations also gained but not enough to cause much concern.

"Some plants closing down on tank manufacture will continue to produce tank destroyers now being made along with the tanks themselves. Some factories finished up their tank programs several months ago. Among these were locomotive companies who are now able to get back to the increasingly important production of locomotives.

"On the subject of Ordnance there are some signs that military truck output may shortly be increased. This appears to be a direct reflection of the course of the war. Supply lines will be undergoing constant lengthening. Railroads can not be depended upon to handle the freight of active war fronts. This is particularly true of the sparse trackage north from southern Europe, and more generally any rail facilities which lie in enemy bomber range."

The American Iron and Steel Institute on Aug. 23 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 90% of the steel capacity of the industry will be 99.4% of capacity (a new high record) for the week beginning Aug. 23, using as a basis the revised capacity ratings as of July 1, 1943. That compares with the revised figures of 98.2% one week ago, and 97.4% one month ago. One year ago the operating rate was 97.3% of capacity. The operating rate for the week beginning Aug. 23 is equivalent to 1,732,500 tons of steel ingots and castings, compared to 1,710,900 tons one week ago, 1,697,000 tons one month ago, and 1,664,500 tons one year ago. The previous peak week was that beginning April 26 when the operating rate was equivalent to 1,731,700 tons.

On the basis of the new capacity rating, the Institute adds, the revised operating rates for previous weeks in 1943 are as follows: July 5, 96.0%; July 12, 96.4; July 19, 97.7; July 26, 97.4; Aug. 2, 97.7; Aug. 9, 97.8; and Aug. 16, 98.2.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Aug. 23 stated in part as follows:

"Additional allotments of steel under Controlled Materials Plan are expected to be certified shortly, causing an upturn in bookings, including additional tonnage for first and second quarters, following the recent lull in buying.

"Consumers of numerous products have ordered to the extent of their allotments and limitations through fourth quarter and into next year and while mills generally are booked through the year and into first quarter some open capacity develops occasionally through deferments based on excess inventories. This is filled immediately by pressing needs from other sources.

"Bars of all specifications, plates, hot and cold-rolled sheets, strip and some wire products are sold into January and beyond, except for occasional open spots caused by revision in schedules. Shapes, pipe and reinforcing bars are easier.

"Output of pig iron and ferroalloys in July totaled 5,022,745 net tons, compared with 4,836,283 tons in June and 5,051,149 tons in July, 1942. For seven months this year the aggregate production was 35,366,188 tons, slightly above 34,482,021 tons in the comparable period last year. The rate of operation in July was 93.5% of capacity, compared with 92.8% in June, reflecting continued recovery from the effects of the coal strike.

"Consumption of Lake Superior iron ore in July was heavier than in June, 7,155,703 gross tons, compared with 6,939,998 tons for the prior month. Compared with 7,175,845 tons smelted in July, 1942, a slight decline is shown. For seven months cumulative consumption was 51,248,423 tons, compared with 49,116,562 tons in the corresponding period last year. Stocks at furnaces and Lake Erie docks Aug. 1 totaled 32,388,932 tons, compared with 37,326,533 tons at the same date last year.

"Final accounting of the share-the-steel campaign shows that contracts for 935,000 tons were cancelled, 712,000 tons being carbon steel and 214,000 tons alloys.

"Steel mills in important centers are depending more on pig iron than scrap at present and demand for the latter has eased in numerous instances."

Warns Economists To Consult History When Planning Post-War Rehabilitation

Charging that a lack of training in history characterizes "many so-called experts," Dean John T. Madden of the New York University School of Commerce, Accounts, and Finance, warned on Aug. 17 in his annual report to Chancellor Harry Woodburn Chase that post-war economic rehabilitation of the world must be approached with an understanding of past events in addition to a realistic view of existing conditions.

"If one pauses to survey the economic developments of the past forty years," Dean Madden wrote, "he cannot avoid noting the economic fallacies that have misled our people and those of other nations into one business disaster after another." He went on to say:

"One great weakness of many so-called economic experts is their wholly inadequate training in history. The 'professors' who are so justly and so universally condemned in these days have either not been sufficiently exposed to historical discipline or, if they were, the lessons of history have gone unheeded insofar as they were concerned. Numerous finely-spun theories dressed in modern garb are only discredited projects of some past period, so well delineated by historians that it is astonishing to find them neglected in modern economic planning.

"The danger we face in the post-economic development is that we shall not take a realistic view of the conditions which shall exist at the conclusion of this war. We run the risk of committing similar or even worse follies than those we were guilty of after the last war."

Dean Madden pointed out that the economic rehabilitation of the post-war world "will not be the result of some new alchemy developed in the retorts and crucibles of the neo-economics." "Too often," he added, "our business men have lacked business sense. Our politicians have been woefully ignorant of simple and fundamental economic principles. Labor has been weak in its leadership. Management has too often been guilty of gross stupidity. Our educational institutions have harbored many professors of the long-haired and large-ear variety, who seem to obtain a hearing over the larger number who hold fast and true to sound philosophies of economic life and government." He further said:

"Schools of business have a job to do. Their influence must be felt not only by the students but they must go out into the highways and byways and preach a few simple truths. A poet once put into the mouth of his character these words, 'A knowing kind of cattle ain't fooled by mouldy corn.' A knowing and intelligent citizenry will not be fooled with mouldy economic theories."

Coal Mines Being Returned To Private Ownership

Certain coal mines having contracts with the United Mine Workers of America were restored to private ownership by Harold L. Ickes, Secretary of the Interior, on Aug. 23, despite John L. Lewis' statement in June that his men would work until Oct. 31 only if the Government kept control of the property, according to Associated Press advices from Washington which further state:

"Mr. Ickes, as coal administrator, announced termination of Government possession and control of the mines of 53 companies and a spokesman said 'some' of them were operated under contracts with the UMW. Asked about Mr. Lewis' threat, he said 'we'll just have to see what happens.'

"The mines were returned in accordance with the Smith-Connally Anti-Strike Act requirement that property seized by the Government be returned within 60 days after restoration of 'productive efficiency.'

"Although citing this provision of the act, Mr. Ickes did not reveal his interpretation of the provision or say whether Attorney General Biddle had given him the ruling he had asked on what the act requires him to do about restoring the mines.

"Approximately 3,700 mines continue under Government control. Mr. Ickes has been 'surveying the productive efficiency' of these mines 'preliminary to determining the applicability of the provisions of the Smith-Connally Act pertaining to the release of the property.' "

July Department Store Sales In New York Federal Reserve District 8% Above Year Ago

The Federal Reserve Bank of New York announced on Aug. 18 that July sales of department stores in the Setcond (New York) Federal Reserve District increased 8% above a year ago. The combined sales for January through July are 7% higher than in the same period last year. Stocks of merchandise on hand in department stores at the end of July were 32% below July 31, 1942.

The apparel stores in the New York Reserve District reported a gain of 22% in net sales in July. Their stocks on hand at the close of the month were 11% below last year.

The following is the bank's tabulation:

DEPARTMENT STORE TRADE BY MAJOR LOCALITIES: JULY, 1943
Second Federal Reserve District

	Percentage changes from a year earlier		
	Net Sales		
Department Stores—	July	Jan. thru July	Stock on hand. July 31, 1943
*New York City	+9	+8	—35
*Northern New Jersey	—4	—1	—41
*Newark	—7	----	—43
Westchester and Fairfield Counties	+2	—1	—28
Bridgeport	—5	—4	—31
Lower Hudson River Valley	+16	+4	—6
Poughkeepsie	+14	+5	----
Upper Hudson River Valley	+9	—1	—7
Albany	+12	—6	----
Schenectady	+5	+7	—1
Central New York State	+20	+12	—20
Mohawk River Valley	+26	+15	—23
Utica	+25	+15	----
Syracuse	+17	+10	—19
*Northern New York State	+16	+4	----
Southern New York State	+31	+13	—4
Binghamton	+47	+17	----
Elmira	—4	—3	----
*Western New York State	+8	+12	—22
*Buffalo	+9	+12	—17
*Niagara Falls	+28	+35	—1
Rochester	+4	+8	—32
*All department stores	+8	+7	—32
*Apparel stores	+22	+21	—11

*Subject to possible revision.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS
Second Federal Reserve District
[1923-25 average = 100]

	1942	1943		
	July	May	June	July
Sales (average daily), unadjusted	81	108	110	90
Sales (average daily), seasonally adjusted	114	115	115	127
Stocks, unadjusted	*160	104	104	94
Stocks, seasonally adjusted	*171	102	109	105

*Revised.

Bankers' Dollar Acceptances Outstanding On July 31 Decline To $138,692,000

The volume of bankers' dollar acceptances outstanding on July 31 amounted to $138,692,000, a decrease of $1,154,000 from the June 30th total, according to the monthly acceptance survey issued by the Federal Reserve Bank of New York. As compared with a year ago, the July 31 total represents a decline of $17,610,000.

In the month-to-month comparison, credits for exports, domestic warehouse credits and those for dollar exchange were higher, while in the year-to-year analysis only export credits were higher.

The Reserve Bank's report follows:

BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	July 31, '43	June 30, '43	July 31, '42
1 Boston	$28,442,000	$28,464,000	$30,516,000
2 New York	79,809,000	82.635,000	94,804,000
3 Philadelphia	7,203,000	7,198,000	8,906,000
4 Cleveland	1,443,000	944,000	2,714,000
5 Richmond	1,719,000	1,499,000	1,218,000
6 Atlanta	2,019,000	1,988,000	1,886,000
7 Chicago	5,273,000	4,288,000	4,011,000
8 St. Louis	687,000	587,000	376,000
9 Minneapolis	273,000	179,000	94,000
10 Kansas City	----	----	----
11 Dallas	549,000	565,000	607,000
12 San Francisco	11,275,000	11,499,000	11,170,000
Grand Total	$138,692,000	$139,846,000	$156,302,000

Decrease for month $1,154,000 Decraese for year $17,610,000

ACCORDING TO NATURE OF CREDIT

	July 31, '43	June 30, '43	July 31, '42
Imports	$81,471,000	$81,717,000	$91,515,000
Exports	11,809,000	9,884,000	8,438,000
Domestic shipments	9,785,000	12,258,000	14,110,000
Domestic warehouse credits	25,507,000	23.967,000	31,045,000
Dollar exchange	195,000	194,000	396,000
Based on goods stored in or shipped between foreign countries	9,925,000	11,826,000	10,798,000

BILLS HELD BY ACCEPTING BANKS

Own Bills $63,999,000 Bills of Others $38,357,000 Total $102,356,000
Increase for month $75,000

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES, AUG. 16, 1943

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	1/2	7/16
60	1/2	7/16
90	1/2	7/16
120	9/16	1/2
150	5/8	9/16
180	5/8	9/16

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since Aug. 31, 1940:

	$		$		$
1940—		1941—		1942—	
Aug. 31	181,813,000	Aug. 30	197,472,000	Aug. 31	139,304,000
Sept. 30	176,614,000	Sept. 30	176,801,000	Sept. 30	123,494,000
Oct. 31	186,786,000	Oct. 31	184,806,000	Oct. 31	118,581,000
Nov. 30	196,683,000	Nov. 29	193,590,000	Nov. 30	116,067,000
Dec. 31	208,659,000	Dec. 31	194,220,000	Dec. 31	118,039,000
1941—		1942—		1943—	
Jan. 31	212,777,000	Jan. 31	197,278,000	Jan. 30	119,682,000
Feb. 28	211,865,000	Feb. 28	190,010,000	Feb. 27	127,062,000
Mar. 31	217,312,000	Mar. 31	182,675,000	Mar. 31	129,818,000
Apr. 30	219,561,000	Apr. 30	177,293,000	Apr. 30	128,350,000
May 31	215,005,000	May 29	173,906,000	May 29	135,815,000
June 30	212,932,000	June 30	162,849,000	June 30	139,846,000
July 31	209,899,000	July 31	156,302,000	July 31	138,692,000

Statutory Debt Limitation As Of July 31, 1943

The Treasury Department made public on August 6 its monthly report showing the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding on July 31, 1943, totaled $145,469,995,403, thus leaving the face amount of obligations which may be issued, subject to the new $210,000,000,000 statutory debt limitation at $64,530,004,597. In another table in the report, the Treasury indicates that from the total face amount of outstanding public debt obligations ($145,469,995,403) should be deducted $5,115,351,079 (the unearned discount on savings bonds), reducing the total to $140,354,644,324, but to this figure should be added $1,169,810,786 (the other public debt obligations outstanding but not subject to the statutory limitation). Thus, the total gross debt outstanding as of July 31, 1943 was $141,524,455,110.

The following is the Treasury's report for July 31:

Section 21 of the Second Liberty Bond Act, as amended, provided that the face amount of obligations issued under authority of the Act, "shall not exceed in aggregate $210,000,000,000 outstanding at any one time."

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

Total face amount that may be outstanding at any one time			$210,000,000,000
Outstanding as of July 31, 1943:			
Interest-bearing:			
Bonds—			
Treasury	$57,520,492,900		
*Savings (Maturity value)	27,145,598,975		
Depository	239,745,250		
Adjusted Service	721,422,956		
		$85,627,260,081	
Treasury notes	$26,195,908,050		
Certificates of indebtedness	20,874,595,000		
Treasury bills (Maturity val.)	12,459,813,000		
		59,530,316,050	
		$145,157,576,131	
Matured obligations, on which interest has ceased		105,144,250	
Bearing no interest (U. S. Savings stamps)		207,275,022	
			145,469,995,403
Face amount of obligations issuable under above authority			$64,530,004,597

RECONCILEMENT WITH DAILY STATEMENT OF THE UNITED STATES TREASURY JULY 31, 1943

Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act		$145,469,995,403
Deduct unearned discount on Savings Bonds (difference between current redemption value and maturity value)		5,115,351,079
		$140,354,644,324
Add other public debt obligations outstanding but not subject to the statutory limitation:		
Interest-bearing (pre-war, etc.)	$195,942,720	
Matured obligations on which interest has ceased	8,081,390	
Bearing no interest	965,786,676	
		1,169,810,786
Total gross debt outstanding as of July 31, 1943		$141,524,455,110

*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement $22,030,247,896.

Non-Ferrous Metals—Aluminum and Magnesium Output Reported Adequate—Prices Unchanged

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 Aug. 19 stated: "With production statistics for copper, lead, and zinc still 'strictly confidential,' the public last week was given a full view of the position of the light metals. Secretary of Commerce Jesse Jones announced that the production of aluminum and magnesium in Government-owned plants is now at a rate that insures an adequate supply of these metals. Aluminum produced in Government-owned plants for July was 73,292,000 lb.; production of Alcoa and Reynolds 77,600,000 lb.; total 150,892,000 lb. Government-owned plants produced 31,410,000 lb. of magnesium in July; Dow Chemical 3,500,000 lb. The price situation in non-ferrous metals last week was unchanged." The publication further went on to say in part:

Copper

The trade was busy on allocations of copper for September shipment. Notices came through in volume on Aug. 16 and 17. WPB again held back on allocations for brass, which was interpreted as indicating that large tonnages of mill scrap are available to round out requirements for next month.

The base price of monohydrated copper sulphate produced in Western territory, effective Aug. 18, is to be quoted f.o.b. works, instead of on a delivered basis. This pricing change is contained in Amendment 4 to MPR 354.

Lead

Though most consumers were fully informed in reference to the new date for considering allocations, there were some buyers who slipped up on the change in the deadline. Several consumers came into the market for lead during the current week after allocations were fixed, indicating that they did not know about settling for next month's requirements before the 12th of the month. At the allocations meeting held on Aug. 16, requests for foreign lead for September shipment exceeded 20,000 tons.

Sales of common lead for the last week by domestic producers amounted to about one-sixth of that for the week previous. The reduced volume of buying was expected.

Zinc

Supplies of High Grade are said to be ample, owing in part to the strong measures in force limiting civilian consumption. Stocks have been increasing. The industry believes that conversion of Prime Western into High Grade will soon be reduced in volume to bring more ordinary zinc into the picture.

Magnesium

Stockholders of Revere Copper & Brass were informed that the company will shortly widen its field of operations by opening the largest magnesium sheet and strip mill in the United States. A special laboratory has been equipped to conduct research in the application and utilization of magnesium and magnesium alloys in the post-war world. Exploration of the light metal market will be conducted in the aviation, automotive, electrical, chemical, refrigeration, shipbuilding, and building industries. By January 1944, Revere plans to attain a capacity of 500,000 lb. of magnesium sheet and strip a month, the equivalent of rolling and handling 3,000,000 lb. of copper and brass a month.

Tin

Under the conservation program that has been in effect for some time past, the supply situation in tin is viewed as satisfactory, even though production at the smelter in Texas has not increased appreciably this year as many in the industry expected.

Quicksilver

Manpower shortages at the mines has reduced production, though not to the extent of influencing the market for quicksilver. Over-all output remains substantial and the price situation, if anything, might even be described as softer. Offerings in some directions have been freer. Owing to developments in Europe, consumers are wondering whether Spanish production will come into the Allies' supply picture on an increasing scale. Quotations in New York continued last week at $196@$198 per flask.

Silver

Mexican silver shipments to the United States will be resumed April 29, 1944, Eduardo Suarez, Minister of Finance, announced during the last week. Remelting of coins for industrial purposes and hoarding had placed a heavy call on the Mexican mint, forcing a suspension of shipments.

Finance Minister Suarez added that on the basis of the first six months of the current year, Mexico's 1943 production of silver would be only 72,000,000 oz. However, he predicted that the normal rate of production of 80,000,000 oz. a year would be reached by the end of 1943. The American Smelting & Refining Co. is increasing its production, he said.

WPB last week asked manufacturers holding stocks of silver "frozen" under conservation regulations to report such material on a special inventory record. The idle metal is to be diverted into essential uses.

Makers of solder and babbit using 71.11c. Treasury silver have been granted permission by OPA to lift their prices to meet higher costs.

During the last week the London market for silver continued at 23½d. an ounce. The New York Official for foreign silver and the Treasury prices were unchanged at 44¾c. and 35c., respectively.

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.

Living Costs Down In 58 Industrial Cities

The cost of living for wage earners and lower-salaried clerical workers in July declined in 58 of 65 industrial cities surveyed by the National Industrial Conference Board. Living costs were higher in 6 of the cities, and remained unchanged in one of them. Reporting this, the Board on Aug. 24 added:

"The largest decline, 2.3%, occurred in Manchester, N. H., but there was a decline of 1.0% or more in 32 other cities. The largest increase, 0.8%, occurred in New Orleans. For the United States as a whole, the cost of living declined 1.2%.

"Living costs were higher this July than in July, 1942, in all cities for which comparable figures are available. Newark recorded the largest increase during the 12-month period with an advance of 8.4%. The smallest was shown in Bridgeport, where it rose only 2.3%. The cost of living for the United States as a whole stands 5.4% higher than a year ago, and 19.9% above Jan., 1941.

New York State Quota In War Loan Drive

In the Third War Loan Drive starting Sept. 9, New York State is asked to buy bonds amounting to $4,709,000,000. Its quota represents over 30% of the $15,000,000,000 which the nation is called upon to raise in the coming campaign. New York City alone will be asked to subscribe $4,161,000,000, which is almost exactly the amount raised in the entire country by the Third Liberty Loan Drive in the first World War.

Of the city's quota, Manhattan is scheduled to raise $3,705,000,000. The goals for the other boroughs are as follows: Kings, $324,000,000; Queens, $92,000,000; Bronx, $38,000,000, and Richmond, $9,000,000. The War Finance Committee for New York State indicated on Aug. 23 that to reach its goal of $4,709,000,000, New York State will have to exceed the sales of the April drive by $331,000,000. The Committee further said:

"Greatly increased purchases will have to be made by individual and corporate buyers. In the First and Second War Loan drives last December and April, there were surplus funds in the hands of trustees, savings banks and insurance companies, which greatly swelled their subscriptions. This added buying power was pretty well absorbed in the first two drives."

The principal aim of the Third War Loan campaign is to reach a greatly increased number of individuals. "This is going to be a drive for and by the small bondholder," stated W. Randolph Burgess, Chairman of the War Finance Committee for New York State. The goal is to obtain subscriptions from more than twice the three and one-quarter million people who bought bonds in this State during the April drive. Individuals are expected to subscribe to almost $1,000,000,000 of bonds. "This is a challenge to each of us," Mr. Burgess said. "Our objective should be to obtain 10 bondholders for every man and woman from this State who is serving in the armed forces, and thus 'Back the Attack.'" When the September drive gets under way there will be a volunteer army of 500,000 soliciting subscriptions. The aim is to obtain a wider distribution of buyers throughout the State, rather than to concentrate sales in the nation's financial center.

The quotas for the districts follow:

District No. 1, Dexter P. Rumsey, Chairman, Buffalo ($122,829,232): Allegany, Cattaraugus, Chautaugua, Erie, Genesee, Niagara, Orleans and Wyoming.

District No. 2, Raymond N. Ball, Chairman, Rochester ($63,615,331): Livingston, Monroe, Ontario, Seneca, Wayne and Yates.

District No. 3, Thomas A. Wilson, Chairman, Binghamton ($37,309,453): Broome, Chemung, Chenango, Cortland, Delaware, Schuyler, Steuben, Tioga and Tompkins.

District No. 4, Albert B. Merrill, Chairman, Syracuse ($75,026,184): Cayuga, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego and St. Lawrence.

District No. 5, Herbert J. Kneip, Chairman, Albany ($131,670,000): Albany, Clinton, Columbia, Essex, Franklin, Fulton, Greene, Hamilton, Montgomery, Otsego, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington.

District No. 6, Richard F. Meyer, Chairman, Poughkeepsie ($37,679,500): Dutchess, Orange, Putnam, Rockland, Sullivan and Ulster.

District No. 7, Andrew Wilson, Jr., Chairman, White Plains ($45,000,000): Westchester.

District No. 8, Nevil Ford, Chairman, New York City ($3,752,860,400): Bronx, New York, Richmond.

District No. 9, Clifford E. Paige, Chairman, Brooklyn ($324,009,900): Kings.

District No. 10, Charles D. Hilles, Chairman, Long Island City ($119,000,000): Nassau, Queens and Suffolk.

Mr. Burgess has directed the War Finance Committee for New York State since June 7, last, when he was appointed by Secretary of the Treasury Morgenthau. He is Vice-Chairman of the board of the National City Bank and a former Vice-President of the Federal Reserve Bank of New York. Bayard Pope, Chairman of the Marine Midland Corp., is Vice-Chairman of the Committee, and its Executive Manager is Nevil Ford, Vice-President and Director of the First Boston Corp.

The up-State organization is headed by Edward H. Letchworth of Buffalo and Mrs. Edward H. Cumpston of Rochester and Miss Dorothy Wakerley of Albany as Vice-Chairmen. The down-State activities are presided over by Lewis E. Pierson of New York, as Chairman, with Mrs. Courtland D. Barnes of New York as Vice-Chairman.

Gross And Net Earnings Of United States Railroads For The Month Of May

Gross earnings of the United States railroads for the month of May established a new high record in the history of the railroads, exceeding the previous peak reached in March. Net earnings, however, did not come up to the March figure, or, the $329,157,847 attained in October, 1942.

Gross earnings of the railroads of the United States in May, 1943, were $759,330,030 against $601,063,784 in May, 1942, a gain of $158,266,246, or 26.33%. As operating expenses were kept at a comparatively low basis, net earnings amounted to $304,968,698 in May this year, as against $225,577,824 in May of last year, an increase of $79,390,874, or 35.19%.

The ratio of expenses to earnings in May, 1943 was 59.84% which compares with 62.47% in the same month of 1942. We now give in tabular form the results for the month of May, 1943, as compared with the month of May, 1942:

Month of May—	1943	1942	Incr. (+) or Decr. (—) Amount	%
Mileage of 132 roads	231,368	229,357	+ 2,011	+ 0.88
Gross earnings	$759,330,030	$601,063,784	+ $158,266,246	+ 26.33
Operating expenses	454,361,332	375,485,960	+ 78,875,372	+ 21.01
Ratio of expenses to earnings	(59.84%)	(62.47%)		
Net earnings	$304,968,698	$225,577,824	+ $79,390,874	+ 35.19

In order to understand more clearly the significance of the 26.33% increase in rail operating earnings for the month of May over the corresponding period of the previous year, we turn now to consider the numerous aspects of general business and industry. In relation to their bearing on the revenues of the railroads, we have compiled in the subjoined tabulation those figures indicative of the activity in the more essential industries together with those pertaining to grain and livestock receipts and revenue freight carloadings for the month of May, 1943, as compared with the same month of 1942, 1941, 1932 and 1929:

May—	1943	1942	1941	1932	1929
Building ($000):					
†Constr. contracts awarded	234,426	673,517	548,700	77,172	587,766
Coal (net tons):					
‡Bituminous	47,855,000	47,860,000	42,892,000	18,384.000	40,706,000
§Pennsylvania anthracite	5,240,000	4,843,000	3,858,000	3,278,000	6,308,000
Freight Traffic:					
¶Carloadings, all (cars)	z4,149,708	z4,170,548	z4,160,060	x2,088,088	x4,130,467
††Livestock receipts:					
Chicago (cars)	6,132	5,387	5,851	11,864	16,935
Kansas City (cars)	3,700	3,639	2,424	4,343	6,908
Omaha (cars)	2,393	1,904	1,728	3,574	6,050
‡‡Western flour and grain receipts:					
Flour (000 barrels)	z1,934	z2,239	z2,086	z1,820	z2,299
Wheat (000 bushels)	z41,673	z19,762	z34,418	z18,113	z20,643
Corn (000 bushels)	z29,121	z28,381	z28,291	z10,831	z13,138
Oats (000 bushels)	z11,266	z6,665	z4,428	z7,468	z11,355
Barley (000 bushels)	z11,886	z7,559	z11,329	z1,919	z3,052
Rye (000 bushels)	z4,454	z1,714	z3,609	z1,401	z1,524
Iron and Steel (net tons):					
§§Steel ingot production	7,545,379	7,382,578	7,044,565	1,277,302	6,008,754
Lumber (000 ft.):					
¶¶Production	*	z1,246,800	z1,282,013	z595,157	z1,851,947
¶¶Shipments	*	z1,444,233	z1,365,622	z665,787	z1,910,977
¶¶Orders received	*	z1,502,827	z1,461,332	z631,820	z1,772,573

Note—Figures in above table issued by:

*Only percentage are available. †F. W. Dodge Corp. (figures for 37 States east of Rocky Mountains). ‡National Bituminous Coal Commission. §United States Bureau of Mines. ¶Association of American Railroads. ††Reported by major stock yard companies in each city. ‡‡New York Produce Exchange. §§American Iron and Steel Institute. ¶¶National Lumber Manufacturers' Association (number of reporting mills varies in different years). x Four weeks. z Five weeks.

A brief perusal of the figures in the above tabulation for May 1943 shows with clarity that the current statistics of the industries covered were on a moderately increased scale as compared with the corresponding month a year ago. Needless to say, activity in the building industry was at low ebb. Construction contracts awarded in the 37 Eastern States during May of the present year involved a money outlay of $234,426,000, which represented a decline of 23% from the preceding month and is just slightly more than one-third of the $673,517,000 recorded in May, 1942, when construction was at a very high level. Due to the recent cessation of work by coal miners, Pennsylvania anthracite recorded only an increase of 397,000 net tons, or 8.20%, while bituminous coal experienced a slight drop of 5,000 net tons, or 0.01%, in comparison with the 1942 monthly total. In the case of steel, the American Iron & Steel Institute calculates the output of steel ingots and castings at 7,545,379 net tons. The May tonnage fell short of the peak of 7,670,187 tons produced in March of this year. It was, however, substantially above production in May, 1942, when 7,382,578 net tons were produced and also exceeded the April 1943 total of 7,374,154 net tons. Livestock receipts reported quite substantial gains over the same month last year. Lumber shipments for the four weeks ended May 29, 1943, were 8.2% less than the average for the same period in the latest three years (1940-1942). Based on reports of identical mills for equivalent working periods, lumber shipments in the month under review were 2% and orders were 4% above production. Carloadings declined 20,840 cars, or 0.50%, due primarily to the partial suspension of coal mining caused by the strike.

Commensurate with the upward trend in the volume of business, the separate roads, in most instances, were able to reflect a gain in gross earnings, although net earnings were diminished by increases in expenses, and, in a few cases, expenses more than offset the gains in gross, causing losses in net earnings. In other words, while the list of roads showing increases in gross earnings is a long one, only 64 roads were able to record increases in earnings of $100,000 or more.

On examination, we find that the Southern Pacific was the leading carrier in both categories surpassing its 1942 earnings by $16,369,326 in gross and $9,977,635 in net. The Union Pacific, third in the net with a $7,918,363 increase, gained second place in the gross listing with an improvement of $14,338,341 over 1942. Second to the Southern Pacific in the net column we notice the Atchison Topeka & Santa Fe reported an increase of $8,913,263. Recording the third largest gross gain, one of $13,966,751, was the Pennsylvania. Other roads showing substantial gains were the New York Central, Chicago Rock Island & Pacific, Chicago Burlington & Quincy and Southern Ry. All of these roads were able to convert a very high percentage of their gross earnings in the net column. In reference to decreases, only four roads showed declines in the gross, but in the net 15 roads showed downward trends.

Both increases and decreases of $100,000 or more in gross and net earnings of the individual roads and systems are compiled in our customary form in the subjoined tabulation.

PRINCIPAL CHANGES IN GROSS EARNINGS FOR THE MONTH OF MAY

	Increase
Southern Pacific (2 roads)	$16,369,326
Union Pacific	14,338,341
Pennsylvania	13,966,751
Atchison, Topeka & Santa Fe	12,328,934
New York Central	*12,150,911
Chicago Rock Island & Pacific	5,030,572
Chicago Burlington & Quincy	4,548,580
Baltimore & Ohio	4,527,968
Southern	4,420,233
Missouri Pacific	4,340,188
Atlantic Coast Line	4,120,051
Chicago, Milwaukee, St Paul & Pacific	3,733,497
Louisville & Nashville	3,619,585
Great Northern	3,356,208
Seaboard Air Line	2,890,521
Northern Pacific	2,602,183
Illinois Central	2,551,913
New York, New Haven & Hartford	2,529,613
Chicago & Northwestern	2,266,388
Texas & Pacific	2,148,800
Denver & Rio Grande Western	2,108,972
Erie	2,085,007
Florida East Coast	1,806,904
Wabash	1,625,993
Yazoo & Mississippi Valley	1,567,952
St. Louis-San Francisco (2 roads)	1,492,119
Lehigh Valley	1,443,873
Reading	1,251,349
Western Pacific	1,202,047
St. Louis Southwestern	1,180,681
Nashville, Chattanooga & St. Louis	1,143,990
Pere Marquette	1,050,739
Chicago & East Illinois	987,805
Richmond, Fredericksburg & Potomac	955,282
Central of Georgia	952,174
New Orleans, Texas & Mexico (3 roads)	945,885
Delaware, Lackawanna & Western	932,601
Colorado & Southern (2 roads)	847,124
New York, Chicago & St. Louis	781,734
Alton	777,758
International, Great Northern	702,071
Long Island	700,095
Boston & Maine	661,376
Missouri-Kansas-Texas	634,699

	Increase
Chesapeake & Ohio	$603,625
Cincinnati, New Orleans & Texas Pacific	600,585
Spokane, Portland & Seattle	594,265
Central of New Jersey	588,031
Grand Trunk Western	586,000
Chicago, Great Western	561,370
Louisiana & Arkansas	492,199
Norfolk & Western	470,967
Alabama, Great Southern	377,715
Wheeling & Lake Erie	340,061
Chicago, St. Paul, Minneapolis & Omaha	310,082
Minneapolis, St. Paul & S. S. M.	308,977
Georgia, Southern & Florida	275,109
Western Maryland	249,455
Georgia	240,330
Pennsylvania-Reading Seashore Lines	216,835
Northwestern Pacific	210,707
Gulf, Mobile & Ohio	206,615
Pittsburgh & West Virginia	198,431
Canadian Pacific Lines in Maine	197,407
Toledo, Peoria & Western	192,181
New Orleans & Northeastern	181,256
Burlington-Rock Island	177,527
Atlanta, Birmingham & Coast	173,489
Bangor & Aroostook	172,311
New York, Susquehanna & Western	166,299
Minneapolis & St. Louis	158,470
Central Vermont	149,552
Detroit, Toledo & Ironton	132,651
Pittsburgh & Lake Erie	127,377
Chicago, Indianapolis & Louisville	125,966
Akron, Canton & Youngstown	118,529
Atlanta & West Point	109,117
Delaware & Hudson	108,331
Charleston & West Carolina	106,717
Ann Arbor	105,998
Total (85 roads)	$159,613,330
	Decrease
Duluth, Missabe & Iron Range	$421,270
Bessemer & Lake Erie	377,381
Lake Superior & Ishpeming	187,689
Elgin, Joliet & Eastern	159,184
Total (4 roads)	$1,145,524

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $12,278,288.

PRINCIPAL CHANGES IN NET EARNINGS FOR THE MONTH OF MAY

	Increase
Southern Pacific (2 roads)	$9,977,635
Atchison, Topeka & Santa Fe	8,913,263
Union Pacific	7,918,363
New York Central	*7,782,423
Pennsylvania	5,197,915
Chicago, Rock Island & Pacific	3,249,899
Southern	2,992,698
Chicago, Burlington & Quincy	2,896,114
Chicago, Milwaukee, St. Paul & Pacific	2,561,301
Missouri Pacific	1,974,094
Northern Pacific	1,784,323
Louisville & Nashville	1,776,065
Atlantic Coast Line	1,625,009
Baltimore & Ohio	1,567,420
Seaboard Air Line	1,551,708
Erie	1,511,689
Denver & Rio Grande Western	1,448,106
Chicago & Northwestern	1,379,347
Great Northern	1,324,836
Florida East Coast	1,251,041
New York, New Haven & Hartford	1,147,414
Yazoo & Mississippi Valley	1,064,803
Wabash	944,639
Western Pacific	831,832
St. Louis Southwestern	820,899
Texas & Pacific	797,939
New Orleans, Texas & Mexico (3 roads)	665,258
Richmond, Fredericksburg & Potomac	629,697
Chicago & East Illinois	594,212
Pere Marquette	554,112
Colorado & Southern (2 roads)	541,627
Nashville, Chattanooga & St. Louis	519,798
Delaware, Lackawanna & Western	489,727
Alton	479,260
Central of Georgia	437,738
Long Island	411,008
Cincinnati, New Orleans & Texas Pacific	384,743
Chicago, Great Western	368,706
Grand Trunk Western	351,376

	Increase
Spokane, Portland & Seattle	$335,815
Lehigh Valley	307,536
International Great Northern	282,027
Wheeling & Lake Erie	239,763
Minneapolis, St. Paul & S. S. M.	238,744
Chicago, St. Paul, Minneapolis & Omaha	238,509
Reading	236,667
Louisiana & Arkansas	210,486
New York, Chicago & St. Louis	196,397
Georgia, Southern & Florida	166,478
Pittsburgh & West Virginia	153,322
Minneapolis & St. Louis	139,196
Toledo, Peoria & Western	130,620
Northwestern Pacific	129,077
Canadian Pacific Lines in Maine	128,402
Alabama, Great Southern	121,005
Burlington-Rock Island	119,390
New York, Susquehanna & Western	118,416
Pennsylvania-Reading Seashore Lines	101,844
Atlanta, Birmingham & Coast	100,323
Georgia	100,019
Total (64 roads)	$84,532,073
	Decrease
Missouri-Kansas-Texas	$991,733
Bessemer & Lake Erie	671,281
Chesapeake & Ohio	617,899
Duluth, Missabe & Iron Range	604,894
Illinois Central	481,425
Elgin, Joliet & Eastern	448,990
Kansas City Southern	311,434
Norfolk & Western	219,271
Gulf, Mobile & Ohio	179,477
Bangor & Aroostook	175,285
Lake Superior & Ishpeming	159,914
Virginian	150,211
Kansas, Oklahoma & Gulf	111,696
Delaware & Hudson	104,844
Boston & Maine	100,662
Total (15 roads)	$5,329,016

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $7,711,189.

In order to indicate which sections of the country have been most active, we now turn to our break-down of the nation as a whole. Arranging the roads in groups of geographical divisions, according to their location, the generally favorable results recorded during the month under review are very clearly manifested. It is of interest to note that all the great districts—the Eastern, the Southern and the Western—as well as the various regions comprising these districts, with the exception of the Pocahontas which suffered a contraction in net revenues, reveal gains in both gross and net earnings alike.

Upon review of the various districts, we take notice that the Western District was foremost in both gross and net earnings with percentage gains of 37.02 and 58.28, respectively. In regard to the small subdivisions, the Central Western region headed the gross and net columns with increases of 48.43% and 88.04%, respectively. Percentage gains of other roads in gross and net ranged from 34.62 to 5.81.

Without further comment, we now make reference to our summary grouping which follows and which coincides with the classification prescribed by the Interstate Commerce Commission. The territories covered by the various divisions, districts and regions are explained in the footnote which is subjoined to the following table:

SUMMARY BY GROUPS—MONTH OF MAY

District and Region	Gross Earnings 1943 $	1942 $	Inc. (+) or Dec. (—) $	%
Eastern District—				
New England region (10 roads)	26,626,278	23,284,128	+ 3,342,150	+14.35
Great Lakes region (23 roads)	124,189,503	102,849,685	+ 21,339,818	+20.75
Central Eastern region (18 roads)	151,464,599	128,760,652	+ 22,703,947	+17.63
Total (51 roads)	302,280,380	254,894,465	+ 47,385,915	+18.59
Southern District—				
Southern region (26 roads)	112,964,617	87,440,012	+ 25,524,605	+29.19
Pocahontas region (4 roads)	35,367,318	33,423,734	+ 1,943,584	+ 5.81
Total (30 roads)	148,331,935	120,863,746	+ 27,468,189	+22.73
Western District—				
Northwestern region (15 roads)	76,876,765	63,438,806	+ 13,437,959	+21.18
Central Western region (16 roads)	167,590,919	112,909,034	+ 54,681,885	+48.43
Southwestern region (20 roads)	64,250,031	48,957,733	+ 15,292,298	+31.24
Total (51 roads)	308,717,715	225,305,573	+ 83,412,142	+37.02
Total all districts (132 roads)	759,330,030	601,063,784	+158,266,246	+26.33

District and Region	Mileage 1943	1942	Net Earnings 1943 $	1942 $	Incr. (+) or Dec. (—) $	%
Eastern District—						
New England region	6,599	6,649	9,860,013	8,868,673	+ 991,340	+ 11.18
Great Lakes region	25,817	26,023	47,429,823	35,233,227	+ 12,196,596	+ 34.62
Central East. region	24,027	24,219	53,013,338	45,536,355	+ 7,476,983	+ 16.42
Total	56,443	56,891	110,303,174	89,638,255	+ 20,664,919	+ 23.05
Southern District—						
Southern region	37,412	37,761	48,624,444	37,202,416	+ 11,422,028	+ 30.70
Pocahontas region	6,019	6,059	16,592,790	16,950,174	— 357,684	— 2.11
Total	43,431	43,820	65,217,234	54,152,890	+ 11,064,344	+ 20.43
Western District—						
Northwestern region	45,403	45,609	30,874,558	23,174,988	+ 7,699,570	+ 33.22
Central West. region	55,307	56,055	73,204,255	38,930,673	+ 34,273,582	+ 88.04
Southwestern region	28,773	28,993	25,369,477	19,681,018	+ 5,688,459	+ 28.90
Total	129,483	130,657	129,448,290	81,786,679	+ 47,661,611	+ 58.28
Total all districts	229,357	231,368	304,968,698	225,577,824	+ 79,390,874	+ 35.19

Note—Our grouping of the roads conforms to the classification of the Interstate Commerce Commission, and the following indicates the confines of the different groups and regions:

EASTERN DISTRICT

New England Region—Comprises the New England States.

Great Lakes Region—Comprises the section on the Canadian boundary between New England and the westerly shore of Lake Michigan to Chicago, and north of a line from Chicago via Pittsburgh to New York.

Central Eastern Region—Comprises the section south of the Great Lakes Region east of a line from Chicago through Peoria to St. Louis and the Mississippi River to the mouth of the Ohio River, and north of the Ohio River to Parkersburg, W. Va., and a line thence to the southwestern corner of Maryland and by the Potomac River to its mouth.

SOUTHERN DISTRICT

Southern Region—Comprises the section east of the Mississippi River and south of the Ohio River to a point near Kenova, W. Va., and a line thence following the eastern boundary of Kentucky and the southern boundary of Virginia to the Atlantic.

Pocahontas Region—Comprises the section north of the southern boundary of Virginia, east of Kentucky and the Ohio River north to Parkersburg, W. Va., and south of a line from Parkersburg to the southwestern corner of Maryland and thence by the Potomac River to its mouth.

WESTERN DISTRICT

Northwestern Region—Comprises the section adjoining Canada lying west of the Great Lakes Region, north of a line from Chicago to Omaha and thence to Portland, and by the Columbia River to the Pacific.

Central Western Region—Comprises the section south of the Northwestern Region west of a line from Chicago to Peoria and thence to St. Louis, and north of a line from St. Louis to Kansas City and thence to El Paso and by the Mexican boundary to the Pacific.

Southwestern Region—Comprises the section lying between the Mississippi River south of St. Louis and a line from St. Louis to Kansas City and thence to El Paso, and by the Rio Grande to the Gulf of Mexico.

The May current-year grain movement at the Western terminals was substantially larger than last year and contributed to the heavier traffic. With respect to the individual grains, wheat receipts more than doubled last year's figure by aggregating 41,673,000 bushels. Arrivals of oats and rye increased 69.03% and 159.86%, respectively, over 1942. Corn and barley has a combined increase total of 5,067,000. Flour receipts showed a contraction of 305,000 barrels, or 13.62% below the May 1942 total.

In our usual form, we now present a detailed statement of the grain traffic over the Western roads for the four weeks ended May 29, 1943, as compared with the corresponding period ended May 30, 1942:

WESTERN FLOUR AND GRAIN RECEIPTS
5 Weeks Ended May 29

(000 Omitted)	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1943	1,138	1,991	9,101	3,673	1,953	1,704
	1942	1,000	905	8,890	2,145	416	1,472
Minneapolis	1943	----	13,779	1,644	3,655	1,431	3,383
	1942	----	7,833	2,514	1,674	841	2,363
Duluth	1943	----	5,671	912	125	286	1,715
	1942	----	4,010	2,792	2	35	146
Milwaukee	1943	56	114	835	20	106	3,959
	1942	85	34	1,146	105	51	2,699
Toledo	1943	----	636	801	491	334	205
	1942	283	391	402	277	165	38
Indianapolis &	1943	----	2,885	4,417	1,174	88	2
Omaha	1942	----	811	3,545	1,130	23	2
St. Louis	1943	474	6,559	3,875	888	91	293
	1942	577	633	1,941	272	77	283
Peoria	1943	183	968	3,138	172	26	368
	1942	201	356	4,273	192	72	393
Kansas City	1943	83	7,111	3,490	614	----	----
	1942	93	3,298	2,259	530	----	----
St. Joseph	1943	----	335	426	257	----	----
	1942	----	182	320	287	----	----
Wichita	1943	----	1,092	----	----	----	----
	1942	----	807	19	2	----	----
Sioux City	1943	----	532	482	197	139	257
	1942	----	502	280	49	19	163
Detroit	1943	----	----	----	----	----	----
	1942	----	----	----	----	15	----
Total all	1943	1,934	41,673	29,121	11,266	4,454	11,886
	1942	2,239	19,762	28,381	6,665	1,714	7,559

WESTERN FLOUR AND GRAIN RECEIPTS
5 Months Ended May 29

(000 Omitted)	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1943	5,263	11,725	49,212	7,474	2,203	7,412
	1942	4,761	3,369	42,018	7,779	1,460	6,100
Minneapolis	1943	51	65,080	7,973	14,876	5,514	19,905
	1942	----	36,112	10,348	11,116	4,530	14,603
Duluth	1943	----	22,599	2,887	691	1,002	2,519
	1942	----	13,514	5,518	71	779	1,301
Milwaukee	1943	423	395	5,133	46	151	12,622
	1942	337	167	4,706	327	415	10,657
Toledo	1943	----	3,813	3,737	2,390	479	1,011
	1942	283	2,795	3,698	1,376	438	101
Indianapolis &	1943	----	12,945	27,912	5,563	93	63
Omaha	1942	----	4,743	23,424	4,985	171	34
St. Louis	1943	2,877	22,361	14,728	3,983	195	1,511
	1942	2,900	4,000	10,793	1,464	643	1,091
Peoria	1943	906	3,894	17,290	922	144	1,832
	1942	836	1,006	19,920	726	416	1,598
Kansas City	1943	420	37,878	16,672	2,722	----	----
	1942	343	16,283	15,500	1,530	----	----
St. Joseph	1943	----	2,442	3,329	1,224	----	----
	1942	----	1,136	2,364	1,388	----	----
Wichita	1943	----	6,361	38	----	----	----
	1942	----	4,565	19	2	----	----
Sioux City	1943	----	2,153	4,542	1,201	523	1,572
	1942	----	859	1,935	329	72	679
Detroit	1943	----	----	----	----	----	----
	1942	----	----	----	----	15	----
Total all	1943	9,940	191,646	153,453	41,092	10,304	48,447
	1942	9,460	88,549	140,243	31,093	8,939	36,164

As is our practice in these monthly reviews, we furnish a summary of the May comparisons of the gross and net earnings of the railroads of the country from the current year back to and including 1909:

Month of May	Gross Earnings Year Given	Year Preceding	Inc. (+) or Dec. (—)	%	Mileage Year Given	Year Preced'g
1909	$196,826,686	$170,600,041	+$26,226,645	+15.37	220,314	217,933
1910	230,033,384	198,049,990	+ 31,983,394	+16.15	229,345	225,274
1911	226,442,818	231,066,896	— 4,624,078	— 2.00	236,230	232,503
1912	232,229,364	226,184,666	+ 6,044,698	+ 2.67	235,410	231,597
1913	263,496,033	232,879,970	+ 30,616,063	+13.15	239,445	236,619
1914	239,427,102	265,435,022	— 26,007,920	— 9.80	246,060	243,954
1915	244,692,738	243,367,953	+ 1,324,785	+ 0.54	247,747	245,207
1916	308,029,096	244,580,685	+ 63,448,411	+25.94	248,206	247,189
1917	353,825,032	308,132,969	+ 45,692,063	+14.83	248,312	247,842
1918	374,237,097	342,463,442	+ 31,773,655	+ 9.28	230,355	228,892
1919	413,190,468	378,058,163	+ 35,132,305	+ 9.29	233,931	234,339
1920	387,330,487	348,701,414	+ 38,629,073	+11.08	213,206	211,040
1921	444,028,885	457,243,216	— 13,214,331	— 2.89	235,333	234,916
1922	447,299,150	443,229,399	+ 4,069,751	+ 0.92	234,931	234,051
1923	545,503,898	447,993,844	+ 97,510,054	+21.77	235,186	235,472
1924	476,458,749	546,934,883	— 70,476,133	—12.89	235,894	234,452
1925	487,664,385	476,549,801	+ 11,114,584	+ 2.33	236,663	236,098
1926	516,467,480	487,952,182	+ 28,515,298	+ 5.84	236,833	236,858
1927	517,543,015	516,454,998	+ 1,088,017	+ 0.21	238,025	237,275
1928	509,746,395	518,569,718	— 8,823,323	— 1.70	240,120	239,079
1929	536,723,030	510,543,213	+ 26,179,817	+ 5.13	241,280	240,798
1930	462,444,002	537,575,914	— 75,131,912	—13.97	242,156	241,758
1931	368,485,871	462,577,503	— 94,091,632	—20.34	242,716	242,542
1932	254,382,711	368,417,190	—114,034,479	—30.95	241,995	242,163
1933	257,963,036	254,378,672	+ 3,584,364	+ 1.41	241,484	242,143
1934	281,627,332	254,857,827	+ 26,769,505	+10.50	238,983	240,900
1935	279,153,707	281,642,980	— 2,489,273	— 0.88	237,951	238,980
1936	320,487,420	279,133,293	+ 41,354,127	+14.82	237,012	238,159
1937	352,044,249	320,414,211	+ 31,630,038	+ 9.87	235,873	236,357
1938	272,073,108	351,973,150	— 79,900,042	—22.70	234,759	235,547
1939	301,992,820	272,017,483	+ 29,975,337	+11.02	233,545	234,694
1940	342,532,854	301,993,228	+ 40,539,626	+13.42	232,819	233,530
1941	441,529,184	342,665,256	+ 98,863,928	+28.85	232,242	232,863
1942	601,064,733	441,529,183	+159,535,550	+36.31	230,768	232,297
1943	759,330,030	601,063,784	+158,266,246	+26.33	229,357	231,368

Month of May	Net Earnings Year Given	Year Preceding	Increase (+) or Decrease (—)	%
1909	$64,690,920	$49,789,800	+$14,901,120	+29.93
1910	70,084,170	64,857,343	+ 5,226,827	+ 8.06
1911	69,173,574	70,868,645	— 1,695,071	— 2.39
1912	66,035,597	68,488,263	— 2,452,666	— 3.58
1913	73,672,313	66,499,916	+ 7,172,397	+10.79
1914	57,628,765	73,385,635	— 15,756,870	—21.47
1915	71,958,563	57,339,166	+ 14,619,397	+25.50
1916	105,598,255	71,791,320	+ 33,806,935	+47.09
1917	109,307,435	105,782,717	+ 3,524,718	+ 3.33
1918	91,995,194	106,454,218	— 14,459,024	—13.58
1919	58,293,249	92,252,037	— 33,958,788	—36.81
1920	28,684,058	51,056,449	— 22,372,391	—43.82
1921	64,882,813	20,043,003	+ 44,839,810	+223.72
1922	92,931,565	64,866,637	+ 28,064,928	+43.27
1923	126,173,540	93,599,825	+ 32,573,715	+34.80
1924	96,048,087	126,496,150	— 30,448,063	—24.07
1925	112,859,524	96,054,494	+ 16,805,030	+17.50
1926	128,581,566	112,904,074	+ 15,677,492	+13.89
1927	126,757,878	127,821,385	— 1,063,507	— 0.83
1928	128,780,393	127,940,076	+ 840,317	+ 0.66
1929	146,798,792	129,044,791	+ 17,754,001	+13.76
1930	111,387,758	147,099,034	— 35,711,276	—24.28
1931	81,038,584	111,359,322	— 30,320,738	—27.23
1932	47,429,240	81,052,518	— 33,623,278	—41.48
1933	74,844,410	47,416,270	+ 27,428,140	+57.85
1934	72,084,732	73,703,351	— 1,618,619	— 2.20
1935	70,416,370	72,083,220	— 1,666,850	— 2.31
1936	80,729,491	70,331,577	+ 10,397,914	+14.78
1937	85,335,430	80,737,173	+ 4,598,257	+ 5.70
1938	55,483,001	85,335,563	— 29,852,562	—34.98
1939	65,168,331	55,486,333	+ 9,681,998	+17.45
1940	90,494,636	65,198,328	+ 25,296,308	+38.80
1941	145,348,136	90,573,937	+ 54,774,199	+60.48
1942	225,576,889	145,481,304	+ 80,095,585	+55.06
1943	304,968,698	225,577,824	+ 79,390,874	+35.19

Emery Says Bonus Should Help Service Men, Not Politicians

"No one political office holder, or no one political party group, should attempt to take credit for proposing and promoting a post-war soldiers' bonus," said DeWitt Emery, President of the National Small Business Men's Association, in a statement issued Aug. 11.

Mr. Emery was the author of a provocative article, "Let's Plan Now For the Bonus," published as long ago as April, 1942, in the "Rotarian," national magazine of Rotary International. In his current statement, he said: "The money cost of providing for our service men and women while they are being returned and readjusted to civilian life—whether the plan calls for an outright cash payment or unemployment insurance, or both—will be charged to all the tax payers. The best minds in the country, regardless of political affiliation, should co-operate in determining the proper way to handle this important matter."

Mr. Emery recalled that the bonus for soldiers of the last war was paid belatedly and only after strong protest and denial by some who now widely publicize their proposals to help the men and women returning from the present war. Continuing, Mr. Emery stated: "Objections to the previous soldiers' bonus were made at a time when the Federal debt was billions less than it is now, or is likely to be for many years after the present conflict ends. And the debt to our returned heroes was finally paid only after thousands of them, and their families, had been reduced to degraded circumstances. Let's not permit our patriotic service men and women to be let down so cruelly after the present war. A soldiers' bonus is a matter of concern to the entire country, and its planning should be entirely disassociated from politics."

Mr. Emery long has advocated the setting aside, by business, of cash reserves so that when the war is ended reconversion of industry may be speeded up and jobs more quickly provided for those returning from service and also for the millions of workers whose employment in war production fields will have been terminated. Mr. Emery and other representatives of the National Small Business Men's Association have made definite recommendations along these lines when appearing before Congressional committees studying the effects of renegotiation of war contracts and other matters.

As a further step toward promptly providing real help for our returning service men and women and others when the war ends, Mr. Emery urges that business firms, wherever practicable, make an immediate study of their post-war production and servicing problems, and place orders at once with their supply houses for whatever equipment and materials they will need to get into peace-time production. Such advance planning will be beneficial all along the line, and will do much to prevent a prolonged economic slump before full reconversion is accomplished, he said.

Rayon Deliveries Higher

Shipments of rayon filament yarn to domestic consumers continued at a high pace during July aggregating 39,700,000 pounds, according to figures compiled by the "Rayon Organon," published by the Textile Economics Bureau, Inc., New York. The July total compared with 39,600,000 pounds shipped during June and with 39,900,000 pounds shipped during July 1942. For the seven months to July 31, 1943, shipments aggregated 282,200,000 pounds as compared with 271,300,000 pounds in the corresponding period last year, an increase of 4%.

The Bureau's announcement added:

"Rayon staple fiber deliveries to domestic consumers aggregated 12,500,000 pounds during July 1943, as against 13,300,000 pounds shipped in June and 12,600,000 pounds shipped in July 1942. Staple fiber deliveries for the seven months to July 31, 1943, aggregated 91,200,000 pounds as compared with 88,400,000 pounds shipped in the corresponding period last year, an increase of 3%.

"Stocks of rayon filament yarn in the hands of producers totaled 6,100,000 pounds on July 31, 1943, as compared with 6,500,000 pounds held on June 30, and with 6,500,000 pounds held on July 31, 1942.

"Staple fiber stocks held on July 31, totaled 3,200,000 pounds compared with 2,900,000 pounds held on June 30, and 3,100,000 pounds a year ago."

Ecuador Bans Exch. Quota

Quarterly exchange quotas for importers in Ecuador have been abolished and established merchants may now obtain unlimited exchange for importation of merchandise, according to the Department of Commerce.

The provision requiring that a certain percentage of foreign exchange be allocated for various requirements of the Republic has been cancelled.

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES†
(Based on Average Yields)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corpo-rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus
Aug 24	120.28	111.07	119.00	116.61	111.44	98.88	102.96	113.89	117.20
23	120.22	111.07	119.20	116.61	111.44	98.88	103.13	113.89	117.00
21	120.20	111.25	119.20	116.80	111.62	99.04	103.30	114.08	117.00
20	120.20	111.25	119.20	116.80	111.44	99.04	103.30	113.89	117.00
19	120.20	111.25	119.20	116.80	111.44	99.04	103.47	113.89	117.00
18	120.24	111.25	119.20	116.80	111.62	99.04	103.30	113.89	117.20
17	120.24	111.25	119.20	117.00	111.62	99.04	103.30	113.89	117.20
16	120.29	111.25	119.20	117.00	111.62	99.04	103.30	113.83	117.20
14	120.29	111.25	119.20	117.00	111.62	99.04	103.30	113.89	117.20
13	120.29	111.25	119.20	116.80	111.62	99.04	103.30	113.89	117.20
12	120.32	111.25	119.20	116.80	111.62	99.04	103.30	114.08	117.00
11	120.40	111.25	119.20	116.80	111.81	99.04	103.30	114.08	117.20
10	120.38	111.44	119.20	117.00	111.81	99.04	103.30	114.08	117.20
9	120.27	111.25	119.20	116.80	111.62	99.04	103.30	114.08	117.20
7	120.19	111.25	119.20	117.00	111.62	99.04	103.13	114.08	117.40
6	120.19	111.25	119.20	117.00	111.62	99.04	103.13	114.08	117.20
5	120.19	111.25	119.41	117.00	111.44	99.04	103.30	114.08	117.20
4	120.19	111.44	119.41	117.00	111.44	99.20	103.30	114.08	117.40
3	120.19	111.25	119.20	117.00	111.44	99.04	103.13	114.08	117.20
2	120.19	111.25	119.20	117.00	111.44	99.04	103.13	114.08	117.20
July 30	120.18	111.44	119.41	117.00	111.62	99.04	103.30	114.08	117.20
23	120.51	111.25	119.20	116.80	111.44	99.20	103.30	114.08	117.00
16	120.46	111.25	119.20	116.80	111.44	99.20	103.13	114.08	117.20
9	120.73	111.07	119.20	116.61	111.25	98.88	102.80	114.08	117.00
2	120.75	110.70	118.80	116.22	111.25	98.25	102.46	113.70	116.61
Jun 25	120.41	110.70	118.80	116.22	111.07	98.09	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	131.31	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
Mar. 26	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
Feb 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
Jan. 29	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	111.81	99.36	103.47	114.27	117.40
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 Aug. 24, 1942	117.93	107.09	117.00	113.31	108.16	92.06	96.54	111.62	114.08
2 Years ago Aug. 23, 1941	118.78	107.62	118.00	114.66	108.70	91.77	97.16	112.00	115.04

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

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corpo-rate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus
Aug 24	1.83	3.11	2.70	2.82	3.09	3.82	3.57	2.96	2.79
23	1.84	3.11	2.69	2.82	3.09	3.82	3.56	2.96	2.80
21	1.84	3.10	2.69	2.81	3.08	3.81	3.55	2.95	2.80
20	1.84	3.10	2.69	2.81	3.09	3.81	3.55	2.96	2.80
19	1.84	3.10	2.69	2.81	3.09	3.81	3.54	2.96	2.80
18	1.83	3.10	2.69	2.81	3.08	3.81	3.55	2.96	2.79
17	1.83	3.10	2.69	2.80	3.08	3.81	3.55	2.96	2.79
16	1.83	3.10	2.69	2.80	3.08	3.81	3.55	2.96	2.79
14	1.83	3.10	2.69	2.80	3.08	3.81	3.55	2.96	2.79
13	1.83	3.10	2.69	2.81	3.08	3.81	3.55	2.96	2.79
12	1.83	3.10	2.69	2.81	3.08	3.81	3.55	2.95	2.80
11	1.83	3.10	2.69	2.81	3.07	3.81	3.55	2.95	2.79
10	1.83	3.09	2.69	2.80	3.07	3.81	3.55	2.95	2.79
9	1.83	3.10	2.69	2.81	3.08	3.81	3.55	2.95	2.79
7	1.84	3.10	2.69	2.80	3.08	3.81	3.56	2.95	2.78
6	1.84	3.10	2.69	2.80	3.08	3.81	3.56	2.95	2.79
5	1.84	3.10	2.68	2.80	3.09	3.81	3.55	2.95	2.79
4	1.84	3.09	2.68	2.80	3.09	3.80	3.55	2.95	2.78
3	1.84	3.10	2.69	2.80	3.09	3.81	3.56	2.95	2.79
2	1.84	3.10	2.69	2.80	3.09	3.81	3.56	2.95	2.79
July 30	1.84	3.09	2.68	2.80	3.08	3.81	3.55	2.95	2.79
23	1.81	3.10	2.69	2.81	3.09	3.80	3.55	2.95	2.80
16	1.82	3.10	2.69	2.81	3.09	3.80	3.56	2.95	2.79
9	1.80	3.11	2.69	2.82	3.10	3.82	3.58	2.95	2.80
2	1.80	3.13	2.71	2.84	3.10	3.86	3.60	2.97	2.82
Jun 25	1.82	3.13	2.71	2.84	3.11	3.87	3.60	2.97	2.82
18	1.84	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
11	1.87	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
4	1.87	3.15	2.73	2.86	3.11	3.89	3.61	2.98	2.85
May 28	1.88	3.15	2.74	2.86	3.12	3.89	3.61	2.99	2.86
21	1.90	3.16	2.74	2.86	3.13	3.91	3.63	3.00	2.86
14	1.92	3.17	2.75	2.87	3.13	3.91	3.64	3.00	2.86
7	1.93	3.18	2.75	2.88	3.14	3.93	3.66	3.01	2.86
Apr. 30	1.98	3.18	2.75	2.88	3.15	3.94	3.67	3.00	2.87
Mar. 26	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
Feb 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.79	3.09	2.68	2.80	3.07	3.79	3.54	2.94	2.78
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago Aug. 24, 1942	2.02	3.33	280	2.99	3.27	4.27	3.97	3.08	2.95
2 Years ago Aug. 23, 1941	1.96	3.30	2.75	2.92	3.24	4.29	3.93	3.06	2.90

*These prices are computed from average yields on the basis of one "typical" bond (3¾% 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.

July Life Insurance Sales Advance

The sale of ordinary life insurance in the United States in July amounted to $632,881,000, an increase of 31% over the amount sold in the same month of 1942, according to the monthly survey issued by the Life Insurance Sales Research Bureau, Hartford, Conn. The total sales volume for the first seven months of 1943, aggregating $4,131,526,000, however, is 1% below the amount sold in the same period of 1942.

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

	JULY, 1943 Sales Volume in $1,000	Ratios '43-'42 All Cos.	YEAR TO DATE Sales Volume in $1,000	Ratios '43-'42 All Cos.
U. S. Total	$632,881	131%	$4,131,526	99%
New England	49,505	127	318,685	96
Middle Atlantic	162,769	132	1,092,536	96
E. N. Central	136,557	123	921,058	97
W. N. Central	65,077	133	411,259	102
S. Atlantic	67,621	143	414,440	104
E. S. Central	25,077	129	165,460	98
W. S. Central	45,377	141	292,269	101
Mountain	17,808	132	117,343	113
Pacific	63,090	136	398,376	104

Electric Output For Week Ended Aug. 21, 1943, Shows 16.1% 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 Aug. 21, 1943, was approximately 4,264,825,000 kwh., compared with 3,673,717,000 kwh. in the corresponding week last year, an increase of 16.1%. The output for the week ended Aug. 14, 1943, was 17.3% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— Aug. 21	Aug. 14	Aug. 7	July 31
New England	5.1	5.8	8.7	6.70
Middle Atlantic	15.9	18.3	19.6	17.6
Central Industrial	14.0	16.3	15.8	14.1
West Central	14.5	17.1	14.3	14.2
Southern States	20.5	19.1	16.6	16.0
Rocky Mountain	17.7	20.5	15.4	16.5
Pacific Coast	18.5	19.1	18.6	21.1
Total United States	16.1	17.3	16.6	15.8

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
May 1	3,866,721	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	3,356,921	+18.2	3,011,345	1,435,731	1,704,426
May 22	3,992,250	3,379,985	+18.1	3,040,029	1,425,151	1,705,460
May 29	3,990,040	3,322,651	+20.1	2,954,647	1,381,452	1,615,085
Jun 5	3,925,893	3,372,374	+16.4	3,076,323	1,435,471	1,689,925
Jun 12	4,040,376	3,463,528	+16.7	3,101,291	1,441,532	1,699,227
Jun 19	4,098,401	3,433,711	+19.4	3,091,672	1,440,541	1,702,501
Jun 26	4,120,038	3,457,024	+19.2	3,156,825	1,456,961	1,723,428
July 3	4,110,793	3,424,188	+20.1	2,903,727	1,341,730	1,592,075
July 10	3,919,398	3,428,916	+14.3	3,178.054	1,415,704	1,711.625
July 17	4,184,143	3,565,367	+17.4	3,199,105	1,433,993	1,727,225
July 24	4,196,357	3,625,645	+15.7	3,220,526	1,440,386	1,732,031
July 31	4,226,705	3,649,146	+15.8	3,263,082	1,426,986	1,724,728
Aug 7	4,240,638	3,637,070	+16.6	3,233,242	1,415,122	1,729,667
Aug 14	4,287,827	3,654,795	+17.3	3,238,160	1,431,910	1,733,110
Aug 21	4,264,825	3,673,717	+16.1	3,230,750	1,436,440	1,750,056

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

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

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report	
Allegheny Ludlum Steel Corp., common	1,171	1,171	(1)
Allied Kid Co., common	40,699	40,451	(2)
American Hide and Leather Co., 6% conv. preferred	-----	200	
Armour and Co. of Delaware, 7% preferred	5,518	5,509	
Associates Investment Co., common	35,724	37,181	
5% preferred	612	648	
Atlantic Gulf and West Indies S. S. Lines 5% pfd.	1,000	1,200	
Atlas Corp., common	87	96	
Borden Co. (The), capital	67,804	66,900	(3)
Bucyrus-Erie Co., 7% preferred	12,826	12,835	
Case (J. I.) Co., common	1,228	1,218	
Consolidated Laundries Corp., common	40,000	52,300	
Copperweld Steel Co., 5% conv. preferred	7,419	7,629	
Crucible Steel Co. of America, 5% conv. preferred	1,100	2,000	
Cuban-American Sugar Co. (The), 5½% conv. preferred	35,820	36,020	
Detroit Edison Co. (The), common	868	838	
Firestone Tire & Rubber Co. (The), common	318,204	304,104	
General Motors Corp., common	163,971	10,441	(4)
Goodyear Tire & Rubber Co. (The), $5 conv. pfd.	13,012	14,412	
Holly Sugar Corp., 7% preferred	1,974	2,790	
Interstate Department Stores, Inc., common	7,100	-----	
Jewel Tea Co., Inc., common	2,589	2,584	
Madison Square Garden Corp., capital	25,600	26,200	
Mead Corp. (The), $5.50 pfd. "B"	2,327	2,577	
Nash-Kelvinator Corp., capital	84,405	84,410	
National Cylinder Gas Co., common	5,311	6,311	
National Department Stores Corp., 6% preferred	2,931	3,530	
Norfolk and Western Railway Co., adjustment 4% pfd.	6,182	6,232	
Plymouth Oil Co., common	5,084	5,884	
Purity Bakeries Corp., common	32,989	32,569	
Real Sil kHosiery Mills, Inc., 7% preferred	6,156	6,395	
Reliable Stores Corp., common	51,993	52,005	
Sinclair Oil Corp., common	330,901	330,906	
Swift & Co., capital	77,747	77,804	
Transamerica Corp., capital	1,127,000	1,190,930	
Twentieth Century-Fox Film Corp., $1.50 pfd.	44,463	45,363	
United States Leather Co. (The), prior preference	6,792	6,862	
Virginia Iron, Coal and Coke Co., 5% preferred	3,042	3,422	

NOTES

(1) Acquired 177 shares during June, 1943, and exchanged 177 shares for stock of a subsidiary in July, 1943.

(2) Acquired 102 shares during June and July, 1943, and sold 350 shares to employees.

(3) Acquired 14,600 shares and disposed of 15,504 shares for purchase of a company.

(4) Acquired 7,200 shares and disposed of 160,730 shares through employees bonus plan during June, 1943.

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

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
American General Corp., common	358,835	358,940
Cooper-Bessemer Corp., $3 prior preference	915	1,045
Crown Central Petroleum Corp., common	587	588
Dejay Stores, Inc., common	17,956	18,506
Dennison Manufacturing Co., "A" common	8,180	8,680
Detroit Gasket & Mfg. Co., 6% preferred	10,866	10,966
Esquire, Inc., capital	9,300	11,900
Horn (A. C.) Co., common	11,129	11,015
Interstate Hosiery Mills, Inc., capital	45,604	45,714
Klein (D. Emil) Co., Inc., common	17,369	17,769
Knott Corp., common	9,394	9,401
Mangel Stores Corp., common	495	595
$5 convertible preferred	3,268	3,788
Midland Oil Corp., $2 conv. preference	9,515	9,915
Mock, Judson, Voehringer Co., Inc., common	15,467	15,967
New Process Co., common	292	282
Starrett Corp., v. t. c., common	25	26
Sterchi Bros. Stores, Inc., 6% 1st pfd.	580	680
5% 2nd preferred	610	660
Sunray Oil Corp., 5½% conv. preferred	-----	718
Trunz, Inc., common	17,259	17,559
United Cigar-Whelan Stores Corp., common	12,173	12,188
Utility Equities Corp., $5.50 div. pr. stock	9,900	10,100

MBA Concerned With Rise In Farm Real Estate Prices

While declaring that there can no longer be any question that farm land prices in many parts of the country have risen to such an extent that there is "serious reason for concern," the farm loan committee of the Mortgage Bankers Association of America said on Aug. 15 that certain proposed anti-inflation remedies, such as taxing 90% of the profit of a sale made two years after the previous sale, are extremely dangerous and might likely do more harm than good.

The committee said that "members of the Mortgage Bankers Association are watching with increasing concern the accumulating evidence of an impending farm land price inflation." Some advisory action is expected in September when the committee will meet in Chicago at the Association's 30th annual meeting and Conference on Post-war Planning.

The committee, headed by S. M. Waters of Minneapolis, declared that one by one the deterring factors which it had previously believed would hold down an inflationary rise in farm land prices are disappearing. It observed that:

"The overall prices of farm products have steadily risen to a new high and show every indication of going higher. The net return to farmers has increased to a point even beyond the figures preceding the late boom in the last war. We have thought that during this period certain deterrent factors would furnish all the necessary controls over inflation of farm land prices. Among them are shortage of labor, scarcity of farm machinery, congested transportation facilities, the overhang of institutionally-owned farm lands and the memory of disaster brought by the previous land boom.

"One by one, these deterring factors seem to have been eliminated or more than offset by increased farm commodity prices. The purchase of government securities for war purposes has taken a part of the increased income as has the rapid reduction of first farm mortgage indebtedness, but the farmers' demand deposits in country banks continues to accumulate to astonishingly large figures. There is reported throughout the whole country an increased turn-over of farm lands at increasing prices and the additional element of a considerable volume of purchasing by city people for investment or as a hedge against inflation."

Dividend Withholding Tax Established In Sweden

A withholding tax has been established in Sweden on dividends paid by corporations to stockholders not domiciled in the country or not having permanent residence there, according to the Department of Commerce.

The general tax rate is 20% of the dividend payment. Only 10% of the dividend paid residents of the United States is to be withheld in keeping with terms of a Convention between the United States and Sweden for avoiding double taxation signed in March, 1939.

Moody's Daily Commodity Index

Tuesday, Aug. 17	244.6
Wednesday, Aug. 18	244.8
Thursday, Aug. 19	245.2
Friday, Aug. 20	245.2
Saturday, Aug. 21	245.0
Monday, Aug. 23	245.7
Tuesday, Aug. 24	245.4
Two weeks ago, Aug. 10	245.1
Month ago, July 24	244.0
Year ago, Aug. 24	230.5
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, April 1	249.8
Low, Jan. 2	240.2

Daily Average Crude Oil Production For Week Ended Aug. 14, 1943 Increased 36,800 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Aug. 14, 1943, was 4,239,400 barrels, an increase of 36,800 barrels over the preceding week and 345,950 barrels per day in excess of that produced in the week ended Aug. 15, 1942. The current figure, however, is 185,200 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of August, 1943. Daily output for the four weeks ended Aug. 14, 1943 averaged 4,173,450 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 4,004,000 barrels of crude oil daily and produced 11,672,000 barrels of gasoline; 1,282,000 barrels of kerosine; 4,147,000 barrels of distillate fuel oil, and 8,158,000 barrels of residual fuel oil during the week ended Aug. 14, 1943; and had in storage at the end of that week 72,505,000 barrels of gasoline; 9,798,000 barrels of kerosine; 36,574,000 barrels of distillate fuel, and 66,448,000 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 August	*State Allowables Begin. Aug. 1	Actual Production Week Ended Aug. 14, 1943	Actual Production Change from Previous Week	4 Weeks Ended Aug. 14, 1943	Week Ended Aug. 15, 1942
Oklahoma	347,000	358,000	†331,450	+ 1,550	331,200	376,750
Kansas	300,000	290,000	†306,200	+28,500	299,050	290,750
Nebraska	2,100	------	†1,950	— 50	2,100	3,400
Panhandle Texas			98,000	+ 7,700	92,250	94,750
North Texas			140,400	----	139,050	138,850
West Texas			258,400	----	252,000	221,650
East Central Texas			129,950	+ 150	128,950	94,900
East Texas			371,000	----	371,000	360,300
Southwest Texas			238,600	----	234,300	182,000
Coastal Texas			474,250	----	443,600	291,300
Total Texas	1,817,000	‡1,817,937	1,710,600	+ 7,850	1,661,150	1,383,750
North Louisiana			83,800	+ 200	84,250	96,850
Coastal Louisiana			268,500	----	266,250	235,750
Total Louisiana	356,300	380,300	352,300	+ 200	350,500	332,600
Arkansas	75,500	80,052	76,250	— 600	76,950	72,550
Mississippi	50,000		54,400	+ 6,000	52,550	77,700
Illinois	222,800		211,200	—15,800	218,100	255,000
Indiana	14,000		12,850	— 1,850	13,850	16,950
Eastern— (Not incl. Ill., Ind. Ky.)	86,500		76,500	+ 2,300	77,050	86,350
Kentucky	25,000		23,000	— 700	23,700	10,900
Michigan	60,100		61,200	+ 5,800	57,550	63,100
Wyoming	98,000		101,000	— 350	99,700	87,700
Montana	23,300		21,400	— 50	21,300	23,200
Colorado	7,000		7,400	+ 500	7,200	6,700
New Mexico	110,000	110,000	104,000	----	104,000	73,450
Total East of Calif.	3,594,600		3,451,700	+33,300	3,395,950	3,160,850
California	830,000	§830,000	787,700	+ 3,500	777,500	732,600
Total United States	4,424,600		4,239,400	+36,800	4,173,450	3,893,450

*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 proration. 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 May, 1943, as follows: Oklahoma, 26,600; Kansas, 5,100; Texas, 107,400; Louisiana, 18,400; Arkansas, 3,800; Illinois, 11,100; Eastern (not including Illinois, Indiana or Kentucky), 7,300; Kentucky, 2,600; Michigan, 100; Wyoming, 2,100; Montana, 300; New Mexico, 5,100; California, 45,300.

†Oklahoma, Kansas, Nebraska figures are for week ended 7 a.m. Aug. 12, 1943.

‡This is the net basic allowable as of Aug. 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 STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED AUG. 14, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,963	80.3	5,399	29,678	15,153	14,740
Appalachian— District No. 1	130	83.9	94	72,3	266	1,157	811	388
District No. 2	47	87.2	46	97.9	142	836	183	124
Ind., Ill., Ky.	824	85.2	723	87.7	2,628	14,445	5,871	3,267
Okla., Kans., Mo.	416	80.1	335	80.5	1,194	5,995	2,053	1,688
Rocky Mountain— District No. 3	8	26.9	8	100.0	24	44	5	30
District No. 4	139	57.7	90	64.7	293	1,416	364	653
California	817	89.9	745	91.2	1,726	18,934	12,134	45,558
Tot. U. S. B. of M. basis Aug. 14, 1943	4,825	86.4	4,004	83.0	11,672	†72,505	36,574	66,448
Tot. U. S. B. of M. basis Aug. 7, 1943	4,825	86.4	3,776	78.3	10,791	73,368	36,344	66,714
U. S. Bur. of Mines basis Aug. 15, 1942			3,724		11,039	79,190	40,499	77,368

*At the request of the Petroleum Administration for War. †Finished, 62,335,000 barrels; unfinished, 10,170,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,282,000 barrels of kerosine, 4,147,000 barrels of gas oil and distillate fuel oil and 8,158,000 barrels of residual fuel oil produced during the week ended Aug. 14, 1943, which compares with 1,021,000 barrels, 3,677,000 barrels and 7,850,000 barrels, respectively, in the preceding week and 1,206,000 barrels, 3,850,000 barrels and 6,875,000 barrels, respectively, in the week ended Aug. 15, 1942.

Note—Stocks of kerosine amounted to 9,798,000 barrels at Aug. 14, 1943, against 9,485,000 barrels a week earlier and 11,494,000 barrels a year before.

Wholesale Prices Declined 0.3% During Week Ended Aug. 14 Labor Dept. Finds

It was made known by the U. S. Department of Labor on Aug. 18 that during the week ended Aug. 14 sharp declines in prices for farm products and foods brought the general level of prices in primary markets down 0.3% to the lowest point reached in nearly six months. It is indicated that continued seasonal weakness in market prices for fruits and vegetables largely accounted for the decrease. The Bureau of Labor Statistics all-commodity index is now at 102.7% of the 1926 average, says the Labor Department's announcement, from which we also quote.

"Farm products and foods. Average prices for farm products declined 1.7% during the week with substantially lower quotations for cows and sheep and seasonally reduced prices for apples and potatoes in most markets except New York. Smaller price decreases were reported for the grains—corn, oats, wheat, and for wool. Prices continued to rise seasonally for eggs, as well as for hogs, cotton, lemons, and onions.

"Foods declined 1.4% as a result of the decrease in prices for fresh fruits and vegetables and a small drop in prices for wheat flour. Rye flour and dried peaches, on the other hand, advanced.

"Cattle feed prices were up 3.5% because of higher quotations for cottonseed meal.

"Industrial commodities. There were few changes in industrial commodity markets during the week. Prices for birch, maple, and hemlock lumber advanced about 10% as a result of Office of Price Administration action, and rosin rose 2.8%."

The Board's announcement contains the following notation:

Note: During the period of rapid changes caused by price control, 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 tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for July 17, 1943 and August 15, 1942, and the percentage changes from a week ago, a month ago, and a year ago.

(1926=100)

Commodity groups—	8-14 1943	8-7 1943	7-31 1943	7-17 1943	8-15 1942	Percentage changes to Aug. 14, 1943 from— 8-7 1943	7-17 1943	8-15 1942
All commodities	*102.7	*103.0	*102.8	*102.9	98.9	—0.3	—0.2	+ 3.8
Farm products	*122.9	*125.0	*124.3	*125.0	106.0	—1.7	—1.7	+15.9
Foods	105.1	106.6	106.4	106.5	100.5	—1.4	—1.3	+ 4.6
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	96.5	0	0	+ 0.4
Fuel and lighting materials	81.7	81.6	81.6	81.6	79.7	+0.1	+0.1	+ 2.5
Metals and metal products	*103.8	*103.8	*103.8	*103.8	103.9	0	0	— 0.1
Building materials	112.1	111.9	110.8	110.6	110.2	+0.2	+1.4	+ 1.7
Chemicals and allied products	100.2	100.1	100.1	100.1	96.3	+0.1	+0.1	+ 4.0
Housefurnishing goods	104.2	104.2	104.2	104.4	104.1	0	—0.2	+ 0.1
Miscellaneous commodities	92.4	92.2	92.1	91.6	89.0	+0.2	+0.9	+ 3.8
Raw materials	*112.3	*113.5	*113.0	*113.4	100.8	—1.1	—1.0	+11.4
Semimanufactured articles	92.8	92.7	92.7	92.7	92.6	+0.1	+0.1	+ 0.2
Manufactured products	*100.0	*99.9	*99.8	*99.6	99.1	+0.1	+0.4	+ 0.9
All commodities other than farm products	*98.4	*98.3	*98.2	*98.1	97.3	+0.1	+0.3	+ 1.1
All commodities other than farm products and foods	*97.3	*97.2	*97.1	*97.0	95.8	+0.1	+0.3	+ 1.6

*Preliminary.

In our item giving the Department's figures of wholesale prices for the week ending Aug. 7 it was inadvertently stated that that announcement was issued Aug. 19, whereas it was made available Aug. 12.

Civil Engineering Construction 31% Above Last Week

Civil engineering construction volume in continental U. S. totals $41,648,000 for the week. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 31% higher than in the preceding week, but is 82% lower than in the corresponding 1942 week as reported by "Engineering News-Record" on Aug. 19, which added:

Private construction gains 116% over last week, and public work is up 21% due to the 3% gain in state and municipal construction, and the 24% gain in federal work. Comparisons with a year ago reveal private construction 13% higher, and public down 85%.

The current week's volume brings 1943 construction to $2,183,450,000, an average of $66,165,000 for each of the 33 weeks of the period. On the weekly average basis, 1943 construction is 66% lower than the $6,702,099,000 for the 34-week period in 1942. Private construction, $272,217,000, is 35% lower than in 1942, and public work, $1,911,233,000, is down 69% when adjusted for the difference in the numbers of weeks.

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

	Aug. 20, '42	Aug. 12, '43	Aug. 19, '43
Total U. S. Construction	$230,706,000	$31,773,000	$41,648,000
Private Construction	6,482,000	3,379,000	7,320,000
Public Construction	224,224,000	28,394,000	34,328,000
State and Municipal	7,184,000	4,613,000	4,758,000
Federal	217,040,000	23,781,000	29,570,000

In the classified construction groups, all classes of work top their respective totals for a week ago; and bridges and industrial buildings gain over their 1942-week totals. Subtotals for the week in each class of construction are: waterworks, $1,232,000; sewerage, $1,083,000; bridges, $1,083,000; industrial buildings, $2,510,000; commercial building and large-scale private housing, $3,999,000; public buildings, $16,333,000; earthwork and drainage, $1,673,000; street and roads, $5,255,000; and unclassified construction, $8,480,000.

New capital for construction purposes for the week totals $585,000, and is made up of $498,000 in state and municipal bond sales, and $87,00 in corporate security issues.

New construction financing for the 33 weeks of 1943, $2,925,355,000 is down 68% compared with the $9,517,774,000 reported for the 34-week period a year ago.

Earnings, Man Hours, Payrolls At New Peaks In June; Conference Bd.

Earnings, man hours and payrolls rose to new peaks in June, according to the regular monthly survey of 25 manufacturing industries by The National Industrial Conference Board. Employment in these industries in that month, says the Board, was higher than in any previous month except March, 1943. The average work week was longer than any other since April, 1930, with the exception of May, 1943, according to the Board's advices made available Aug. 24, which further stated:

"In the 18 months since this country entered the war both hourly and weekly earnings have risen each month despite the influx of large numbers of lower-paid women workers during the second half of this period. In the first nine months, wage-rate increases and incentive payments contributed substantially to the higher earnings, as did double time for work on Sundays and holidays. During the second half of the period additional working hours with premium rates of pay were largely responsible.

"Since December, 1941, hourly earnings of all workers in the 25 manufacturing industries have advanced 17.1%. Since January, 1941, the base date for the Little Steel formula, the increase has been 33.9%. Weekly earnings have risen 27.8% since December, 1941, and 50.7% since January, 1941. 'Real' weekly earnings, or dollar weekly earnings adjusted for changes in the cost of living, were 14.5% higher in June than in December, 1941, and 24.6% higher than in January, 1941.

"Hourly earnings in June averaged $1.016 at which figure they were 0.7% higher than in May, 10.8% higher than in June, 1942, and 72.2% higher than in 1929. Weekly earnings in June averaged $46.12, or 0.4% higher than in May, 16.7% higher than in June, 1942, and 50.7% higher than in 1929. Hours worked per week, at 45.2, were 0.2% lower than in May, but 5.9% higher than in June, 1942 and only 6.4% lower than in 1929.

"Total man hours worked in June were 0.2 more than in May, and 16.8% more than in June, 1942. Payrolls were 0.8% above May, 28.8% above June, 1942, and 136.8% above 1929.

July Plane Output At New Record But Below Military Schedules

Airplane production for July set a new high record, on the basis of preliminary figures, with a gain of 4% in numbers over June production and 4% in weight, for a total production of 7,373 military airplanes, Donald M. Nelson, Chairman, and Charles F. Wilson, Executive Vice-Chairman, of the War Production Board, announced on Aug. 7.

Production of heavy bombers also set a new high record, with a gain of 13%.

In announcing these figures, the two WPB executives said:

"Airplane production needs to increase still faster and reach still higher totals if the schedules for our armed forces are to be met. Production of all military goods, including airplanes, has now reached a level at which additional gains can be made only by the most determined effort. The July record in aircraft production, while not up to the high schedules set, clearly shows that the trend is definitely upward. Nevertheless, it must be emphasized that a very hard, difficult job is still ahead of us that will call for all the effort we can muster."

Trading On New York Exchanges

The Securities and Exchange Commission made public on Aug. 20 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 Aug. 7, 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 Aug. 7 (in round-lot transactions) totaled 1,643,331 shares, which amount was 16.06% of the total transactions on the Exchange of 5,117,930 shares. This compares with member trading during the week ended July 31 of 3,023,670 shares, or 16.98% of total trading of 8,903,940 shares. On the New York Curb Exchange, member trading during the week ended Aug. 7 amounted to 336,975 shares, or 16.60% of the total volume of that exchange of 1,014,795 shares; during the July 31 week trading for the account of Curb members of 490,885 shares was 16.2% of total trading of 1,515,140.

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

WEEK ENDED AUG. 7, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	140,630	
‡Other sales	4,977,300	
Total sales	5,117,930	
B. Round-Lot Transactions for 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	462,430	
Short sales	62,950	
‡Other sales	414,910	
Total sales	477,860	9.19
2. Other transactions initiated on the floor—		
Total purchases	202,340	
Short sales	23,900	
‡Other sales	206,240	
Total sales	230,140	4.23
3. Other transactions initiated off the floor—		
Total purchases	150,691	
Short sales	9,320	
‡Other sales	110,550	
Total sales	119,870	2.64
4. Total—		
Total purchases	815,461	
Short sales	96,170	
‡Other sales	731,700	
Total sales	827,870	16.06

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

WEEK ENDED AUG. 7, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	6,135	
‡Other sales	1,008,660	
Total sales	1,014,795	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	103,070	
Short sales	4,915	
‡Other sales	98,905	
Total sales	103,820	10.19
2. Other transactions initiated on the floor—		
Total purchases	37,135	
Short sales	200	
‡Other sales	35,670	
Total sales	35,870	3.60
3. Other transactions initiated off the floor—		
Total purchases	33,130	
Short sales	---	
‡Other sales	23,950	
Total sales	23,950	2.81
4. Total—		
Total purchases	173,335	
Short sales	5,115	
‡Other sales	158,525	
Total sales	163,640	16.60
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	27	
§Customers' other sales	39,547	
Total purchases	39,574	
Total sales	34,818	

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

†In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that 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."

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Aug. 14, 1943 is estimated at 12,000,000 net tons, an increase of 200,000 tons, or 1.7%, over the preceding week. Output in the corresponding week of 1942 amounted to 11,374,000 tons. For the present year to Aug. 14, soft coal production was 1.3% in excess of that for the same period in 1942.

The U. S. Bureau of Mines estimated that the total production of Pennsylvania anthracite for the week ended Aug. 14, 1943 was 1,327,000 tons, an increase of 25,000 tons (1.9%) over the preceding week. When compared with the output in the corresponding week of 1942, there was an increase of 58,000 tons, or 4.6%. The calendar year 1943 to date shows a decrease of 0.4% when compared with the corresponding period of 1942.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended Aug. 14, 1943 showed a decrease of 5,600 tons when compared with the output for the week ended Aug. 7, 1943. The quantity of coke from beehive ovens increased 1,100 tons during the same period.

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

(In Net Tons—000 Omitted.)

	Week Ended—			January 1 to Date—		
Bituminous coal and lignite—	Aug. 14, 1943	Aug. 7, 1943	Aug. 15, 1942	†Aug. 14, 1943	Aug. 15, 1942	Aug. 14, 1937
Total, incl. mine fuel	12,000	11,800	11,374	361,408	356,807	271,906
Daily average	2,000	1,967	1,896	1,882	1,873	1,428
*Crude petroleum— Coal equivalent of weekly output	6,791	6,732	6,237	205,024	195,774	177,964

*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.) †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

	Week Ended—			Cal. Year to Date—		
Penn. anthracite—	§Aug. 14, 1943	¶Aug. 7, 1943	Aug. 15, 1942	Aug. 14, 1943	Aug. 15, 1942	Aug. 17, 1929
*Total incl. coll. fuel	1,327,000	1,302,000	1,269,000	37,468,000	37,608,000	42,958,000
†Commercial production	1,274,000	1,250,000	1,218,000	35,969,000	36,104,000	39,865,000
By-product coke— United States total	1,230,200	1,235,800	1,218,800	39,129,900	38,362,100	‡
Beehive coke— United States total	164,900	163,800	142,500	4,817,500	5,131,800	4,344,100

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

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—	Aug. 7, 1943	July 31, 1943	Aug. 8, 1942	Aug. 9, 1941	Aug. 7, 1937	Aug. avge. ¶1923
Alabama	374	390	366	335	253	397
Alaska	5	5	5	5	5	**
Arkansas and Oklahoma	63	88	84	77	59	81
Colorado	141	145	133	111	90	173
Georgia and North Carolina	1	1	1	††	††	**
Illinois	1,431	1,532	1,086	1,057	634	1,363
Indiana	506	527	465	392	235	440
Iowa	39	42	42	38	37	100
Kansas and Missouri	141	160	158	125	92	145
Kentucky—Eastern	919	1,008	933	930	667	765
Kentucky—Western	298	287	219	203	122	217
Maryland	36	34	39	37	27	44
Michigan	3	5	3	††	7	21
Montana (bituminous and lignite)	89	98	76	50	42	50
New Mexico	39	36	33	21	28	49
North and South Dakota (lignite)	32	39	25	21	19	**20
Ohio	659	639	715	630	346	871
Pennsylvania (bituminous)	2,917	2,941	2,817	2,826	2,015	3,734
Tennessee	134	133	136	137	96	118
Texas (bituminous and lignite)	2	3	8	7	19	24
Utah	109	113	118	85	46	83
Virginia	417	411	375	391	272	248
Washington	21	30	35	35	30	47
*West Virginia—Southern	2,239	2,334	2,158	2,302	1,764	1,515
†West Virginia—Northern	1,006	999	911	858	481	875
Wyoming	158	170	143	110	95	154
‡Other Western States	1	††	††	††	††	**4
Total bituminous and lignite	11,800	12,170	11,090	10,783	7,478	11,538
§Pennsylvania anthracite	1,302	1,377	1,227	1,335	511	1,926
Total all coal	13,102	13,547	12,317	12,118	7,989	13,464

*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.

National Fertilizer Association Commodity Price Index Continues To Advance

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Aug. 3 last week continued to advance slightly. Rising for the third consecutive time, this index in the week ended Aug. 21, 1943, stood at 135.1, based on the 1935-1939 average as 100; it was 135.0 in the preceding week, 134.6 a month ago, and 129.0 a year ago. The Association's report added:

Prices of farm products were generally higher during the week with 10 items included in the group advancing and only 2 declining.

Grain and livestock prices moved upward causing the farm products group to advance, while falling quotations for potatoes caused a fractional decline in the foods group. Lower cotton prices were reflected in the decline of the textiles index. All other groups remained unchanged with the exception of the miscellaneous group which rose slightly because of rising prices for cottonseed meal.

During the week 11 price series advanced and 4 declined; in the preceding week it was 6 and 8; and in the second preceding week 11 and 3.

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

% Each Group Bears to the Total Index	Group	Latest Week Aug. 21, 1943	Preceding Week Aug. 14, 1943	Month Ago July 24, 1943	Year Ago Aug. 22, 1942
25.3	Foods	138.5	138.6	137.8	129.7
	Fats and Oils	145.6	145.6	145.1	141.2
	Cottonseed Oil	160.7	160.7	159.0	158.4
23.0	Farm Products	154.9	154.4	152.3	140.0
	Cotton	192.7	195.9	198.1	178.0
	Grains	146.8	145.0	144.5	112.2
	Livestock	151.2	150.3	146.2	140.4
17.3	Fuels	122.8	122.8	122.8	118.8
10.8	Miscellaneous commodities	131.0	130.2	130.1	126.8
8.2	Textiles	150.1	150.6	150.9	147.4
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.5	152.5	152.6	151.5
1.3	Chemicals and drugs	126.6	126.6	126.6	120.7
.3	Fertilizer materials	117.7	117.7	117.7	117.8
.3	Fertilizers	119.8	119.8	119.8	115.3
.3	Farm machinery	104.1	104.1	104.1	104.1
100.0	All groups combined	135.1	135.0	134.6	129.0

*Indexes on 1926-1928 base were Aug. 21, 1943, 105.2; Aug. 14, 105.1; and Aug. 22, 1942, 100.5.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Aug. 20 a summary for the week ended Aug. 14 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handled 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 Aug. 14, 1943

	Total for Week
Odd-Lot Sales by Dealers: (Customers' purchases)	
Number of Orders	13,847
Number of Shares	376,665
Dollar Value	14,196,905
Odd-Lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	144
*Customers' other sales	12,527
Customers' total sales	12,671
Number of Shares:	
Customers' short sales	4,838
*Customers' other sales	317,314
Customers' total sales	322,152
Dollar Value	11,086,231
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	30
†Other sales	70,320
Total sales	70,350
Round-Lot Purchases by Dealers—	
Number of shares	135,140

*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."

July Living Cost Down 1.2%

Living costs of wage earners and lower-salaried clerical workers in the United States in July reversed their trend with a decline of 1.2%, according to the National Industrial Conference Board.

The Board's announcement further said:

"Food prices, which long led the upward movement, declined 2.9% in July. Housing and fuel and light remained unchanged. Clothing rose 0.2% and sundries 0.1%.

"The Board's index of the cost of living (1923=100) stood at 103.1 in July as compared with 104.3 (revised) in June and 97.8 in July, 1942.

"The level of costs was 5.4% higher than that of a year ago. Food showed the greatest advance over July, 1942, with an increase of 12.3%. Other advances during the twelve months were: sundries, 2.4%; fuel and light, 2.2%; and clothing, 0.9%. Housing remained unchanged.

"The purchasing power of the dollar, on the basis of 100 cents to the dollar in 1923, which amounted to 95.9 cents in June, rose to 97.0 cents in July. It stood at 102.2 cents in July, 1942."

Ecuador Considers Reduc'g Exch. Rate To Halt Prices

Efforts by the Government of Ecuador to control prices of foodstuffs and other essential commodities have not been very successful and speculation continued, in the early part of the year, according to the Department of Commerce.

Lowering of the exchange rate from 13.70 sucres to 12 sucres to the dollar is one of the plans being considered to reduce the cost of imported goods.

Such action, it is believed, would enable Ecuador to employ the present abundance of dollar exchange to improve the position of the sucre.

Dollar balances continue to grow as the result of United States loans to and expenditures in Ecuador.

Revenue Freight Car Loadings During Week Ended August 14, 1943 Increased 15,088 Cars

Loading of revenue freight for the week ended Aug. 14, 1943 totaled 887,165 cars, the Association of American Railroads announced on Aug. 19. This was an increase above the corresponding week of 1942 of 18,320 cars, or 2.1%, but a decrease below the same week in 1941, of 3,172 cars or 0.4%.

Loading of revenue freight for the week of Aug. 14, increased 15,088 cars, or 1.7% above the preceding week.

Miscellaneous freight loading totaled 384,987 cars, an increase of 7,042 cars above the preceding week, but a decrease of 11,941 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 100,625 cars, an increase of 1,651 cars above the preceding week, and an increase of 10,630 cars above the corresponding week in 1942.

Coal loading amounted to 177,027 cars, an increase of 3,893 cars above the preceding week, and an increase of 9,982 cars above the corresponding week in 1942.

Grain and grain products loaded totaled 57,398 cars, a decrease of 512 cars below the preceding week, but an increase of 12,714 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of Aug. 14, totaled 41,691 cars, a decrease of 500 cars below the preceding week but an increase of 11,114 cars above the corresponding week in 1942.

Live stock loading amounted to 14,988 cars, an increase of 839 cars above the preceding week, and an increase of 1,509 cars above the corresponding week in 1942. In the Western District alone, loading of live stock for the week of Aug. 14, totaled 10,962 cars, an increase of 821 cars above the preceding week, and an increase of 966 cars above the corresponding week in 1942.

Forest products loading totaled 49,085 cars, an increase of 1,495 cars above the preceding week but a decrease of 5,512 cars below the corresponding week in 1942.

Ore loading amounted to 88,670 cars, an increase of 622 cars above the preceding week and an increase of 246 cars above the corresponding week in 1942.

Coke loading amounted to 14,385 cars, an increase of 58 cars above the preceding week, and an increase of 692 cars above the corresponding week in 1942.

All districts reported increases compared with the corresponding week in 1942, except the Southern and Northwestern but all districts reported decreases compared with 1941 except the Central-western 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	4,149,708	4,170,548	4,160,060
4 weeks of June	3,151,146	3,385,655	3,510,057
5 weeks of July	4,307,406	4,185,135	4,295,457
Week of Aug. 7	872,077	850,221	878,505
Week of Aug. 14	887,165	868,645	890,337
Total	26,163,670	26,967,602	25,915,031

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Aug 14, 1943. During this period 65 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED AUG. 14

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	253	338	582	1,639	1,297
Bangor & Aroostook	776	836	981	255	163
Boston & Maine	6,617	6,052	8,789	15,328	13,811
Chicago, Indianapolis & Louisville	1,382	1,534	1,549	2,163	2,009
Central Indiana	29	26	18	52	69
Central Vermont	1,315	965	1,501	2,659	2,403
Delaware & Hudson	6,674	6,399	7,315	11,457	11,058
Delaware, Lackawanna & Western	7,869	7,540	10,315	11,302	10,453
Detroit & Mackinac	187	329	324	102	130
Detroit, Toledo & Ironton	2,232	1,702	2,147	1,134	1,282
Detroit & Toledo Shore Line	326	319	316	2,493	2,768
Erie	13,622	12,704	16,005	18,305	16,037
Grand Trunk Western	3,706	4,269	4,745	8,273	8,102
Lehigh & Hudson River	184	186	171	2,983	3,268
Lehigh & New England	2,076	2,130	2,410	1,683	2,202
Lehigh Valley	8,777	9,205	9,941	14,822	14,334
Maine Central	2,381	2,264	3,293	2,359	2,281
Monongahela	6,098	6,173	6,435	458	353
Montour	2,369	2,365	2,534	211	40
New York Central Lines	57,206	48,364	51,156	57,463	54,611
N. Y., N. H. & Hartford	9,766	9,600	12,064	18,344	19,773
New York, Ontario & Western	1,235	1,149	1,227	2,311	2,507
New York, Chicago & St. Louis	7,478	8,094	6,863	15,391	15,747
N. Y., Susquehanna & Western	561	188	558	2,269	1,290
Pittsburgh & Lake Erie	7,685	8,280	8,521	8,619	8,730
Pere Marquette	4,908	5,247	5,596	7,905	6,331
Pittsburg & Shawmut	899	774	665	17	12
Pittsburg, Shawmut & North	398	390	479	262	253
Pittsburgh & West Virginia	1,123	1,195	1,192	2,776	3,593
Rutland	326	366	575	1,053	932
Wabash	5,819	6,017	6,372	12,784	12,903
Wheeling & Lake Erie	5,144	6,324	5,503	5,274	5,061
Total	169,521	161,324	180,142	232,146	223,803
Allegheny District—					
Akron, Canton & Youngstown	788	658	827	1,153	1,042
Baltimore & Ohio	43,024	41,777	41,861	30,604	25,845
Bessemer & Lake Erie	6,021	7,014	5,844	1,905	2,858
Buffalo Creek & Gauley	268	271	300	3	3
Cambria & Indiana	1,833	1,978	1,935	12	17
Central R. R. of New Jersey	7,517	7,099	8,038	20,918	20,060
Cornwall	667	612	666	40	40
Cumberland & Pennsylvania	233	266	270	19	15
Ligonier Valley	136	137	138	49	36
Long Island	1,707	855	1,071	3,990	3,109
Penn-Reading Seashore Lines	1,976	1,932	2,036	3,008	2,311
Pennsylvania System	88,471	82,940	90,174	65,545	65,540
Reading Co.	15,733	14,425	17,147	26,388	28,902
Union (Pittsburgh)	21,528	20,795	19,718	7,186	7,847
Western Maryland	4,090	4,200	4,172	11,950	13,628
Total	193,992	184,959	194,197	172,770	171,253
Pocahontas District—					
Chesapeake & Ohio	28,990	28,922	29,970	14,180	12,446
Norfolk & Western	22,836	22,865	25,089	6,939	6,524
Virginian	4,864	4,646	5,084	2,337	2,373
Total	56,690	56,433	60,143	23,456	21,343

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Southern District—					
Alabama, Tennessee & Northern	271	350	421	388	374
Atl. & W. P.—W. R. R. of Ala.	642	667	816	2,667	2,920
Atlanta, Birmingham & Coast	867	921	928	1,189	1,085
Atlantic Coast Line	11,303	11,100	10,941	10,257	9,576
Central of Georgia	3,711	3,738	4,577	4,662	4,158
Charleston & Western Carolina	435	318	455	1,573	1,551
Clinchfield	1,727	1,745	1,871	2,815	2,851
Columbus & Greenville	286	464	271	159	216
Durham & Southern	83	107	170	672	745
Florida East Coast	1,409	905	430	1,512	1,511
Gainesville Midland	45	48	38	76	71
Georgia	1,153	1,337	1,196	3,211	2,599
Georgia & Florida	646	692	715	465	641
Gulf, Mobile & Ohio	3,936	4,415	4,031	4,661	4,879
Illinois Central System	28,573	26,988	25,626	17,483	17,645
Louisville & Nashville	24,774	25,597	26,330	11,823	10,603
Macon, Dublin & Savannah	250	188	215	621	636
Mississippi Central	245	186	175	441	615
Nashville, Chattanooga & St. L.	3,078	3,166	3,542	4,863	4,403
Norfolk Southern	937	957	1,177	1,480	2,077
Piedmont Northern	333	301	495	1,156	1,163
Richmond, Fred. & Potomac	415	434	441	9,546	7,915
Seaboard Air Line	10,000	9,843	10,443	7,937	8,039
Southern System	21,540	23,896	24,733	22,662	22,757
Tennessee Central	534	580	549	805	921
Winston-Salem Southbound	135	104	152	1,133	962
Total	117,328	119,048	120,738	114,257	110,655
Northwestern District—					
Chicago & North Western	21,486	23,151	23,165	14,716	13,545
Chicago Great Western	2,903	2,248	2,882	3,174	3,391
Chicago, Milw., St. P. & Pac.	21,157	20,896	24,127	10,574	10,339
Chicago, St. Paul, Minn. & Omaha	4,792	4,112	4,367	3,948	4,293
Duluth, Missabe & Iron Range	30,582	29,496	36,761	312	313
Duluth, South Shore & Atlantic	992	1,458	1,654	569	825
Elgin, Joliet & Eastern	8,038	10,013	10,517	10,522	10,119
Ft. Dodge, Des Moines & South	455	561	538	116	149
Great Northern	25,514	28,776	27,072	5,659	5,383
Green Bay & Western	389	497	574	1,175	770
Lake Superior & Ishpeming	3,149	1,916	3,229	31	47
Minneapolis & St. Louis	1,981	2,475	2,315	2,191	2,217
Minn., St. Paul & S. S. M.	8,450	7,296	8,047	2,682	3,225
Spokane International	11,957	11,637	11,874	5,299	4,873
Northern Pacific	187	242	274	696	685
Spokane, Portland & Seattle	2,890	2,755	3,087	2,382	2,991
Total	144,922	147,519	150,483	64,046	63,165
Central Western District—					
Atch., Top. & Santa Fe System	21,714	22,407	22,331	11,859	11,643
Alton	3,768	3,640	3,346	4,288	4,657
Bingham & Garfield	493	586	585	77	94
Chicago, Burlington & Quincy	20,860	19,855	18,497	11,640	11,359
Chicago & Illinois Midland	3,190	2,487	2,940	929	942
Chicago, Rock Island & Pacific	12,960	12,417	13,617	12,475	11,299
Chicago & Eastern Illinois	2,630	2,492	2,829	5,847	4,167
Colorado & Southern	953	855	850	2,034	1,822
Denver & Rio Grande Western	4,234	4,072	3,823	6,955	5,771
Denver & Salt Lake	761	666	682	25	35
Fort Worth & Denver City	1,334	1,313	1,136	1,849	1,457
Illinois Terminal	1,903	1,755	2,102	2,249	2,892
Missouri-Illinois	1,195	1,315	1,089*	575	426
Nevada Northern	1,987	2,037	1,923	83	126
North Western Pacific	1,291	1,233	1,355	1,041	684
Peoria & Pekin Union	21	17	24	---	---
Southern Pacific (Pacific)	34,053	31,111	31,148	13,583	10,273
Toledo, Peoria & Western	335	343	333	1,751	1,808
Union Pacific System	15,747	15,985	16,828	17,257	15,030
Utah	610	624	503	2	5
Western Pacific	2,254	2,358	2,073	4,709	4,072
Total	132,293	127,568	128,014	99,228	88,562
Southwestern District—					
Burlington-Rock Island	532	945	176	207	141
Gulf Coast Lines	5,426	4,666	3,133	3,128	2,326
International-Great Northern	2,202	3,029	2,166	3,454	2,721
Kansas, Oklahoma & Gulf	328	345	223	1,128	1,057
Kansas City Southern	5,747	4,826	2,772	2,995	2,938
Louisiana & Arkansas	3,283	4,384	2,501	2,832	2,349
Litchfield & Madison	396	292	326	1,425	1,162
Midland Valley	781	683	844	359	196
Missouri & Arkansas	150	170	172	468	358
Missouri-Kansas-Texas Lines	5,902	5,750	4,592	5,290	4,678
Missouri Pacific	17,265	17,245	16,654	19,575	20,273
Quanah Acme & Pacific	55	86	144	318	184
St. Louis-San Francisco	8,685	9,380	8,567	10,420	7,683
St. Louis Southwestern	2,713	2,789	2,624	7,528	6,271
Texas & New Orleans	13,794	12,500	7,735	5,550	4,885
Texas & Pacific	5,049	4,807	3,824	6,088	7,168
Wichita Falls & Southern	86	121	148	46	35
Weatherford M. W. & N. W.	25	26	19	29	30
Total	72,419	71,994	56,620	70,900	64,462

Note—Previous year's figures revised. *Previous week's figures.

Weekly Statistics Of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1943—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
May 1	147,212	135,924	525,287	89	92
May 8	165,871	153,934	522,336	96	92
May 15	177,968	151,653	561,571	96	93
May 22	142,673	152,960	548,911	96	93
May 29	151,308	150,504	545,673	95	93
Jun. 5	168,051	141,337	565,291	92	93
Jun. 12	172,437	149,675	586,183	97	93
Jun. 19	136,166	142,865	561,945	95	93
Jun. 26	133,808	145,324	547,301	96	93
July 3	179,835	144,232	580,683	92	93
July 10	111,912	100,115	573,342	69	93
July 17	151,993	140,803	587,181	91	93
July 24	136,881	148,852	572,786	97	93
July 31	153,646	150,337	571,705	97	93
Aug. 7	177,541	146,515	600,338	94	93
Aug. 14	143,629	154,747	586,901	98	93

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

Market Transactions In Govts. For July

During the month of July, 1943, market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net sales of $67,757,200, Secretary Morgenthau announced on Aug. 16. This compares with net sales of $145,768,000 in June.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

1941—		
July	No sales or purchases	
August	No sales or purchases	
September	$2,500	sold
October	200,000	sold
November	No sales or purchases	
December	$60,004,000	purchased
1942—		
January	$520,700	sold
February	29,980,000	purchased
March	5,814,450	purchased
April	300,000	purchased
May	16,625	purchased
June	250,000	sold
July	2,295,000	sold
August	8,445,000	sold
September	4,500,000	sold
October	1,000,800	sold
November	No sales or purchases	
December	No sales or purchases	
1943—		
January	$14,500,000	sold
February	90,300,000	sold
March	72,927,750	sold
April	400,000	purchased
May	35,200,000	sold
June	145,768,000	sold
July	67,757,200	sold

Lumber Movement—Week Ended Aug. 14, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 471 mills reporting to the National Lumber Trade Barometer were 2.2% below production for the week ended Aug. 14, 1943. In the same week new orders of these mills were 11.7% less than production. Unfilled order files in the reporting mills amounted to 103% of stocks. For reporting softwood mills, unfilled orders are equivalent to 40 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 9.4%; orders by 11.7%.

Compared to the average corresponding week of 1935-39 production of reporting mills was 23.9% greater; shipments were 30.4% greater, and orders were 16.2% greater.

New Dwelling Units Increased In July

Contracts were let in July for 21,924 new family dwelling units in the 37 eastern states, according to F. W. Dodge Corporation on Aug. 19. This figure compares with 15,750 in the preceding month and 18,420 in July, 1942. Total residential building, including military barracks and accommodations for single men in temporary type dormitories in war production centers, amounted to $71,836,000 in July, $61,508,000 in June and $127,382,000 in July, 1942. The Dodge report also said:

Non-residential building, with a total value of $61,840,000, ran 35% below June and 87% behind July a year ago when manufacturing plant contract-letting was at its height. Of the $489,066,000 recorded in July, 1942, 82% was for manufacturing plants and closely related types of projects.

Heavy engineering work in July, amounting to $49,985,000 also declined from the $73,257,000 registered in the preceding month and from the high figure of $327,-348,000 attained in July last year.

During the first seven months this year, total construction contracts amounted to $2,034,933,000. This is a decline of 56% from the corresponding period of 1942.

Items About Banks, Trust Companies

At the regular meeting of the Board of Directors of The National City Bank of New York on Aug. 24, Leo D. Welch, Supervisor of National City's Argentine branches, was appointed a Vice-President. Mr. Welch was born in Rochester, N. Y., and graduated from the University of Rochester in the Class of 1919. He has been a member of the National City staff for 24 years, having entered the College Training Class in 1916. His original foreign assignment was to the Buenos Aires branch, and was later transferred to Chile where he was successively Manager and Supervisor until 1934. At that time he went back to Buenos Aires as Supervisor of the River Plate branches. Mr. Welch is a former Director of Banco Central de Chile, former Director of Banco Central de la Republica Argentina, and President Corporacion Para la Promocion del Intercambio (Argentine Trade Corporation). During his residence in the Argentine he has become prominently identified with banking and civic affairs.

At the close of business on Aug. 31, the Marine Midland Trust Company of New York will discontinue its Yorkville Office at 207 East 86th Street, New York, and it has made an arrangement with Manufacturers Trust Co. whereby the latter institution will take over the business and transfer it to its Yorkville Office at 1511 Third Avenue, corner of 85th Street. Simultaneously, the Yorkville Branch of Fidelity Safe Deposit Company of New York, safe deposit affiliate of the Marine Midland Trust Co., will also be discontinued, and its business taken over by the Yorkville Office of Manufacturers Safe Deposit Co. The Yorkville Office of Manufacturers Trust Company is one of the oldest banks in Yorkville, having been established in 1892 as the Yorkville Bank. It was merged into and became part of Manufacturers Trust Co. in 1925. Edward J. Korbel, Assistant Vice-President, is in charge.

The most striking feature of the branch bank that Manufacturers Trust Company opened on Aug. 18 in the Brooklyn Navy Yard, is its portability. By means of cranes, the entire structure can be lifted and transported to any part of the Yard in order to accommodate the tens of thousands of Navy Yard employees. Matthew McKenney, Jr., is in charge of the branch. At the present time, it is open every Wednesday, Thursday and Friday, as well as on the 5th and 20th days of the month, from 4 p.m. to 7 p.m. for the cashing of checks for Navy Yard workers and Navy personnel, and for the performance of other limited banking functions. This is the first of several offices which Manufacturers Trust Company will establish in the Brooklyn Navy Yard for the convenience of the vast number of people employed on the premises. Reference to the opening of the company's Navy Yard branch appeared in our Aug. 19 issue, page 724.

James T. Lee, President of Central Savings Bank of New York, announced on Aug. 19 that John O. Dornbusch had been elected to the office of Vice-President. The election took place at the meeting of the Board of Trustees on Aug. 18. Mr. Dornbusch, a native New Yorker, joined the staff of the bank in 1936 as Manager of the Insurance Department, ending a 20-year association with the Mutual Life Insurance Company of New York. In 1938, Mr. Dornbusch, while retaining the position of Manager of the Insurance Department of Central Savings Bank, also became Manager of Advertising and Business Development. In January, 1940, he was appointed Assistant Vice-President.

Frank H. Neher, Vice-President of the Flintkote Co., has been elected a director of the Morris Plan Industrial Bank of New York.

The Dry Dock Savings Institution of New York City has announced the election to its Board of Trustees of Thurman Lee, President of Duff & Conger, Inc., real estate brokers.

The election of Lloyd F. Dempsey as Secretary of the Dollar Savings Bank, Bronx, N. Y., has been announced by the Board of Trustees. Mr. Dempsey succeeds August J. Dippel, who recently retired after 38 years of service with the institution, of which nearly 20 years were spent as Secretary.

George H. Frew, a former branch manager for the Corn Exchange Bank Trust Co., New York City, died on Aug. 15 at his home in Palisade, N. J. He was 85 years old. Mr. Frew was a brother of the late Walter E. Frew, Chairman of the Board of the bank.

William Edwin Dobbin, President of the International Trust Corporation, organized to liquidate the International Trust Co. of New York, died on Aug. 21, according to South Nyack, N. Y., advices to the New York "Herald Tribune," which said he was 68 years old. Mr. Dobbin had been a banker in New York for 40 years. He was a former Vice-President of the Continental Bank and Trust Company of New York and earlier in his career served a number of years with the old Fifth Avenue National Bank. During the setting up of the Federal Housing Commission in the New York area in 1937 he was an assistant to Julian Gerard, director of Region 1.

The Security Trust Co. of Rochester (N. Y.) has received approval from the State Banking Department to increase its capital stock from $600,000, consisting of 6,000 shares of the par value of $100 each, to $1,200,000, consisting of 48,000 shares of the par value of $25 each.

Plans for the increase were noted in these columns June 24, page 2396.

More than 950,000 accounts, representing deposits of more than $756,000,000 in 61 mutual savings banks of Connecticut, are now fully insured under the Savings Banks Deposit Guaranty Fund of Connecticut, a voluntary association incorporated by the last session of the General Assembly.

In reporting this, a Hartford dispatch of Aug. 16 to the New York "Journal of Commerce" said:

Connecticut savings banks own deposit insurance fund is launched with capital of $6,600,000 and will be increased in the next two years by $5,500,000 and thereafter by payment of annual assessments equivalent to one twenty-fifth of 1% on total deposits of member banks. Five more banks are expected to join and only four mutual savings banks of Connecticut will not be affiliated.

Following the monthly meeting of the Board of Directors of Citizens National Trust & Savings Bank of Los Angeles, it was announced on Aug. 17 by President H. D. Ivey that six officers of the bank had been promoted to new posts. Norman E. Mudge was elected to the office of Vice-President and Trust Officer, filling the vacancy left by the recent passing of Carl P. Smith. Mr. Mudge started with the bank as a messenger in 1922; was made Assistant Secretary of the trust department in 1926, and has served as Assistant Trust Officer since 1939.

Frank D. LeBold was elected Vice-President. He joined the Hill Street office of the bank in 1921 as Assistant Cashier and manager of the foreign department, and was made Junior Vice-President in 1929.

F. Miles Flint and Norvald T. Ulvestad, Assistant Secretaries of the trust department, were advanced to Assistant Trust Officers, and will serve in both capacities. Mr. Flint joined the trust department staff in 1932, and was made Assistant Secretary in 1939. Mr. Ulvestad started with the bank's escrow department in 1929, and was made Assistant Secretary in 1940.

Albert H. Jehl, manager of the bank's Central Manufacturing District branch, was elected a Junior Vice-President, and will continue in charge of that office. He started as a messenger in 1917, and has had wide experience throughout the branches.

Charles R. Pearman was advanced from Assistant Manager to Manager of the Central Manufacturing District branch. He has been associated with the bank since 1922, when he joined the staff as bookkeeper.

In reporting changes in State bank membership, the Board of Governors in their announcement for the week ended Aug. 14 stated:

"Nevada Bank of Commerce, Elko, Nev., a State member bank, absorbed Lander County Bank, Austin, Nev., and Battle Mountain State Bank, Battle Mountain, Nev., insured non-member banks. In connection with the absorptions branches were established at Austin and Battle Mountain on July 31 and Aug. 6, respectively."

Insurance Companies To Play Important Part In War Loan Drive

The importance of the role the insurance comnanies will play in the forthcoming Third War Loan drive, due to the special funding arrangement recently announced by Secretary Morgenthau, was further accentuated by the appointment of LeRoy Whitelaw, Assistant Superintendent of the Prudential Life Insurance Company, of Newark, N. J., to an advisory council to assist in the training of a force of 50,000 war bond salesmen to take the field Sept. 9, official opening date of the canvass. The announcement in the matter Aug. 20 from the War Finance Committee for New York State adds:

"The advisory council was formed by the National Society of Sales Training Executives to cooperate with the sales training program of the New York State War Finance Committee. Its roster was announced by Walter A. Johnson, director of the Community Sales Division of the committee, as follows: William Rados, Educational Director, Stagg-Finch Distillers Corp., Chairman; R. C. Cathcart, Educational Director, Texas Company; A. A. Hood, Director of Trade Relations, Johns-Manville Sales Corp.; R. H. Moulton, Personnel Director, General Foods Sales Corp.; Ray Horan, Director of Education, Oil Heat Institute; LeRoy Kurtz, Department of Public Relations, General Motors Export Corp., and Mr. Whitelaw.

"Mr. Morgenthau's concession to the life insurance companies, whereby they may subscribe during the drive to 2½ and 2% bonds in anticipation of funds which will be available to them for investment up to Nov. 1, permitting them to defer payments accordingly, is expected by Treasury authorities to add a considerable windfall to the totals derived."

ABA War Meeting To Hear International Speakers; Program For Sessions Is Announced

The War Service Meeting of the American Bankers' Association which will open in New York City on Sept. 13, and conclude Sept. 15, will have for its triple theme war finance and the domestic economy, inter-American fiscal policy, and international fiscal policy, which has drawn into the program a score of speakers from North America, Central America, and England. Outstanding among the topics to be discussed by speakers of national and international prominence are those which deal with the postwar period and the role that the banks may play in the future.

Throughout the two-and-a-half days during which the meeting will be held, the programs arranged for the general sessions and annual meetings of the Association's divisions will emphasize the economic aspects of the war and the war functions and services of banks.

Annual meetings of the Association's committees and commissions will be held on Sunday, Sept. 12, prior to the opening of the formal sessions. Earlier reference to the meeting appeared in our issue of Aug. 5, page 523, in which we referred to featured sjeakers as then made known. The details of the meeting as contained in the substantially complete program announced by the Association on Aug. 18 follow:

First General Session, Morning, Sept. 14—The Domestic Economy.

Call to Order—President W. L. Hemingway, President, Mercantile-Commerce Bank and Trust Co., St. Louis.

Invocation—The Right Reverend Logan H. Roots, former Bishop of Hankow, China.

Appointment of Resolutions Committee.

Address—"Agricultural Credit," C. W. Bailey, President First National Bank, Clarksville, Tenn.

Address—"A Report and Critique on War Financing," Robert Strickland, President Trust Company of Georgia, Atlanta, Ga.

Communications and Announcements.

Second General Session, Afternoon, Sept. 14—Inter-American Fiscal Policy.

Call to Order—President W. L. Hemingway.

Communications and Announcements.

Address—Luis G. Legorreta, President, Mexican Bankers Association, Gen. Mgr. Banco Nacional de Mexico, S. A., Mexico City, Mexico.

Address—Joseph C. Rovensky, Vice President The Chase National Bank, New York City.

Address—"Canadian Banks in the War," Sydney G. Dobson, Vice President and General Manager of the Royal Bank of Canada.

Unfinished Business, New Business, Report of Nominating Committee.

Third General Session, Morning, Sept. 15—International Fiscal Policy.

Call to Order—President W. L. Hemingway.

Communications and Announcements.

Address—Dr. Henry Merritt Wriston, President Brown University.

Address—"Postwar Financial and Economic Problems," Robert Henry Brand, London, Eng., Managing Director, Lazard Brothers & Co.; Chairman of the Board North British and Mercantile Insurance Co., Ltd.

Report of the Resolutions Committee, Inauguration of Officers, Adjournment.

National Bank Division, Morning Sept. 13—Call to Order—President S. A. Phillips, Vice-President, First National Bank, Louisville, Ky.

Address of the President—Mr. Phillips.

Appointment of Committees.

Address—"Local Employment of Funds," Clyde D. Harris, President, First National Bank, Cape Girardeau, Mo.

Address—"The National Banking System," C. B. Upham, Deputy Comptroller of the Currency, Washington, D. C.

Address—Dr. Marcus Nadler, Assistant Director Institute of International Finance, New York University.

Unfinished Business, New Business; Reports of Committees, Election and Installation of Officers.

Trust Division, Sept. 13.

Call to Order—President Louis S. Headley, Vice-President, First Trust Co. of Saint Paul State Bank, Saint Paul, Minn.

Opening Address—F. W. Doty, President Corporate Fiduciaries Association of New York City; Vice President and Trust Officer, Commercial National Bank & Trust Co., New York City.

Address—"Who Will Be the Trustee?" President Louis S. Headley.

Address—"Trust Investment Policies for the Post-war Period," O. M. W. Sprague, Professor of Banking and Finance, Harvard University.

Unfinished Business, New Business, Election and Installation of Officers.

State Bank Division, Sept. 13.

Call to Order—President Frank P. Powers, President, Kanabec State Bank, Mora, Minn.

Address—"Small Banks After the War," W. W. McEachern, President Union Trust Co., St. Petersburg, Fla.

Address—"Competition of Government Credit Agencies," Claude F. Pack, President Home State Bank, Kansas City, Kan.

Address—"Bank Small Loan Enabling Legislation," Richard W. Trefz, President Beatrice State Bank, Beatrice, Neb.

Unfinished Business, New Business, Election and Installation of Officers.

Savings Division, Sept. 13.

Call to Order—President W. W. Slocum, President The United Savings Bank, Detroit, Mich.

Address—"Savings and Economic Security," Dr. Harold G. Moulton, President The Brookings Institution, Washington, D. C.

Address—"The Wartime Savings Program of a Country Bank," R. N. Downie, President The Fidelity State Bank, Garden City, Kansas.

Address—"Making Savers of Prospective Home Owners," Charles W. Green, President Franklin Square National Bank, Franklin Square, Pa.

Question and Discussion Hour—Led by Levi P. Smith, President Burlington Savings Bank, Burlington, Vt.

Business Session—Report of the President, Election and Installation of Officers.

State Secretaries Section.

Executive Session—Thoughout Monday, Sept. 13.

Wales With Treasury Dept.

The Treasury Department announced on Aug. 19 the appointment of Robert W. Wales as Assistant Tax Legislative Counsel. Since January, 1942, Mr. Wales has been an Assistant General Counsel for the Office of Price Administration. Prior to that time he practiced law in Chicago for more than ten years with the firm of Miller, Gorham, Westcott & Adams, devoting most of his time to tax matters. He also served as law clerk to the late Mr. Justice Holmes.