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## The Financial Situation

Both Thomas E. Dewey and Winston Churchill, the one a stalwart and influential member of the Republican Party and the other the forceful head of the British Empire, have within recent days undertaken, do doubt with success, to give impetus to the idea of much closer relations between the United States and the British Commonwealth of Nations after the close of the war now raging throughout the world. It is not altogether clear precisely how far Governor Dewey would go with the notion of a formal alliance between the two countries. He speaks of a "de facto" alliance existing since 1812, pointing out quite accurately that when during that period the British Empire twice was threatened with destruction, or something closely approaching it, we have come to its rescue. He plainly appears to believe that we acted with wisdom on both occasions, and expresses the belief that it would be well for us in the future to formalize the relationship, and perhaps to broaden its base.

### Mr. Churchill's Proposal

Mr. Churchill goes much further. In order that there be no possible misunderstanding or failure to understand precisely what the British Prime Minister does propose, it would, perhaps, be well at this point to quote his exact words. Here in part is what he said in Boston on Monday last:

"At the present time, Mr. President, we have in continual vigorous action the British and United States combined Chiefs of Staff Committee. . . .

"This committee with its elaborate organization of staff officers of every grade disposes of all our resources, and in fact uses British and American troops, ships, aircraft, ammunition, just as if they were the resources of a single state or nation. . . .

"This is a wonderful system. There was nothing like it in the last war. There never has been anything like it between two allies.

"It is reproduced in an even more tightly knit form at General Eisenhower's headquarters in the Mediterranean, where everything is completely intermingled and soldiers are ordered into battle by the supreme commander or his deputy, General Alexander, without the slightest regard as to whether they are British, Americans, or Canadians, but simply in accordance with the fighting needs.

"Now, in my opinion, it would be a most foolish and improvident act on the part of our two Governments, or either of them, to break up this smooth-running and immensely powerful machinery the moment the war is over.

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## Remember Toledo, Peoria And Western

By H. T. NEWCOMB

If justice and decency in America, where they live, is as important to Americans as those conditions are in remote places of the earth, our citizenship should reflect earnestly concerning the continuing plight of the Toledo, Peoria and Western Railroad, its management, owners, and creditors. It will be remembered that, by an Executive Order of March 21, 1942, President Roosevelt expropriated the entire 239 miles of that prop-

erty, with all its rolling stock, appliances, cash on hand and on deposit, in fact all its varied assets. With the alleged justification for this particular assault upon human rights to create and possess property we are not now very much concerned. It is sufficient to recall that some 104 of the railroad's engineers and trainmen were prosecuting a strike, in violation of the non-strike agreement which the President represents as pledging all organized labor and all employers, but their positions had been competently supplied and the railroad was functioning most efficiently

and completely. However, everything was taken over, the owners and the management of their choice were ousted, the Office of Defense Transportation was placed in charge, and a so-called "settlement" of the already obsolescent and rather fictional "labor controversy" was effected according to the usual plan. The simple expedient adopted was to dismiss the men who had bravely operated the trains during the strike emergency, to re-instate all but one or two of those who had broken faith by attempting to prevent operations (in several in-

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## Four Steps In Approaches To Attain Lasting Peace Proposed By Herbert Hoover

Declaring that "surely it is time we have a new approach to peace making," former President Herbert Hoover, on Sept. 3, addressing a joint session of the St. Paul-Minneapolis branches of the Foreign Policy Association and the University of Minnesota at Minneapolis offered a program embodying "approaches to peace," consisting of four steps and 11 reasons. In presenting his program Mr. Hoover stated that "victory is now inevitable," that while "there will be many more hard months," every month brings us nearer to the problems of peace. In his four steps, Mr. Hoover stated that "the first step in our proposal is to reach an agreement before firing ceases, between all the United Nations, that a few leading nations be appointed the joint managers or custodians or trustees of peace and that there will not be the usual armistice or the usual general peace conference." As the second step, he proposed an agreement between all the United Nations before victory over Germany, setting up the terms of a simple provisional peace which the custodians or trustees shall impose upon belligerent Europe the moment firing ceases and later on Asia; in the third step he proposed "a transition period from war to peace of a few years in which the world can cool off and have time for deliberate solution of the long-view problems of lasting peace; in the fourth and last step after the foundations of real peace have been laid, he sug-



Herbert Hoover

gested the creation of "some sort of world institution to replace the managers or trustees to preserve peace."

Mr. Hoover's peace program follows in full:

Victory is now inevitable. There will be many more hard months. But every month brings us nearer to the problems of peace.

The American people are alive to the need and determined that we must have a lasting peace this time. From coast to coast you are thinking and discussing the ways to peace. You want your sons and fathers home. You want to make your lives again free from war hardships.

The method of making peace is being hourly discussed in books, in the press, over the radio. Congressional resolutions and political offensives are in motion all along the front of peace ideas.

We have two schools of discussion. In the first are those people

who are serving to distill from the world's experience something definite and positive. Several notable contributions have been put forward which merit consideration.

In the second school are those who live in the indefinite. Their aims are magnificent; their phrases are sonorous; their slogans are impelling. But when we sift them down, they are mostly nebular words to the effect that we must cooperate or collaborate with the world to preserve peace and restore prosperity. They are a long way from how to do it. Often enough these phrases are doors to political escape. Or alternatively, they are the pavements of good intentions. There is an unreal world of perfect words.

I do not underestimate the usefulness of inspiring words. But most of this is exactly the same verbal road which led to Versailles. When we got there we had high ideals, high aims, and great eloquence. Unless we arrive at the end of this war far more realistically prepared, we will

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## From Washington Ahead Of The News

By CARLISLE BARGERON

To the overwhelming majority of Americans the word "propaganda" was offensive back in the days before World War I. The way we looked at it, propaganda was a dirty device used by foreign governments to keep their people in ignorance of what was going on. We were a clean and youthful nation with an honest face that had never been contaminated by such filth. Your correspondent,

being a military leader at the time, a corporal; in other words a definite part of the military economy with its viewpoint, recalls quite clearly how he watched with detachment the efforts to introduce this foreign practice to our civilian midst.

It required considerable delicacy in handling, pretty much like a proposition to inject disease for the purpose of making us used to it. The argument was that we were now in the big leagues and could stand some sophistication. We were associating with past masters in the art of world intrigue and we had to become adept with their weapons. Furthermore, we were told, we had had a lot of misunderstanding about the term. Used in controlled doses it was positively healthy.

Anyway, we went in for it nationally in a big way, and just like any other dope, we've never been able to get away from it. We've had to go in for steadily increased portions. By the time we got around to this war, no explanations had to be made. We accepted as a fact the intellectuals' assertions that the twisted word was more potent than bombs and that therefore it would be well high subversive to send our commentators and columnists to the firing line.

But it should have long ago been apparent that the poison gas

which we have used to befuddle the enemy has blown back and has now got us so bewildered that we don't know which way to turn, and we are babbling like so many Chinese in an air raid shelter. Take the case of Russia:

When Hitler turned on Russia in 1941 we were in the midst of our so-called isolationist and interventionist struggle. That Hitler had attacked Russia was a potent argument for the isolationists. Ah, ha, it was all bunk about his being on his way over here; on its face pretty convincing. The interventionists were panicky. One of them penned a column that Hitler had just changed routes, that he was headed for us by way of Siberia and the Bering Sea. But by and large they set up the chant that Hitler would defeat Russia in three weeks and having done this, he would again turn westward, vastly reinforced. To this day, our high military authorities are credited with having believed this. I don't know of a single one who did. Most authorities with a realistic knowledge of Russia's vast area and manpower leaned more to the belief that Hitler would over-extend himself just as Napoleon did, though there was some authoritative belief that the Stalin Government might fall under the impact. But that he

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## The Financial Situation

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"For our own safety as well as for the security of the rest of the world we are bound to keep it working and in running order after the war, probably for a good many years, not only till we have set up some world arrangement to keep the peace, but until we know that it is an arrangement which will really give us that protection we must have from danger and aggression—a protection we have already had to seek across two vast world wars."

### Essential Now

Here, obviously, is a proposal which goes far beyond the ordinary military alliance. The procedure he describes as now in effect in the conduct of this war is, of course, essential to victory as complete and as prompt as it is humanly possible to make it. A still more complete unification of all military and allied operations against the Axis to include Russia and China would be even more effective were it possible to achieve in the circumstances. The task of all these countries is now clearly marked out. It is to defeat their enemies already in the field, and already established in wide stretches of territory which must be freed. That task is paramount. No other consideration can be permitted to intervene or to turn them from their single and common objective. There is no question as to whose interests will suffer the more by failure. The time has passed when it is profitable to argue the wisdom of this, or any other country, in permitting itself to be drawn into the existing situation. They are all faced by a condition which all have a vital, imperative, over-riding interest in correcting as quickly and as fully as possible. If success requires that one of the powers give far out of proportion to any relative material interest it has to serve, it is of no great moment in a situation like this.

### But in Peacetime?

But Mr. Churchill is suggesting such an arrangement between the United States and Great Britain for an indefinite, but certainly an extended, peacetime period. This, it seems to us, to be a gray horse of an entirely different color. The Prime Minister bolsters his argument by reference to the common language of the two peoples, forgetting apparently that of the five hundred and odd million people who constitute the British Empire, scarcely a fifth speak the English language, "basic" or otherwise. But a common tongue is a slim basis for such a proposal to rest upon. Such a plan could be warranted, it appears to us, only in the event of a far greater identity of interest between the two countries than actually exists, and moreover upon a much greater identity of conception of those interests than has existed in the past, or is reasonable to expect in the future.

### Extended British Interests

The British Empire extends virtually over the entire globe. Its vital interests are geographically almost as extensive, and in the past it has been warrantably enough, quite vigilant on the whole to safeguard them. Its interests have not for a long period of years collided (in times of peace) with ours in any very important degree, but it has interests in many parts of the world where we have none—except those which are supposed to flow from a vague sense of idealistic responsibility for the welfare of peoples far removed from our spheres of influence or activity, or else based upon an exaggerated notion of the degree in which modern scientific developments, particularly as applied to transportation, have robbed us of the safety of our isolated geographic position. The British authorities in the past have never been overly impressed with our international idealism, and we should do well to study with greater care and realism the effects of the development of air transportation upon our geographic position from a military standpoint. In such circumstances it would appear almost incredible that it is actually suggested not only that we enter a defensive and offensive alliance with the British Empire, but that we pool all our resources of men, materials, energy, and skills in such a way that they, along with those of the British, be employed in the support of joint international policies as though all belonged to one nation.

### Other Considerations

But there are other considerations which must not be overlooked for a moment. What is being proposed is a sort of Pax Britannica-Americana. Such an arrangement, apparently moulded consciously or unconsciously after the Roman model, could hope to be successful over an extended period only upon the show of such overwhelming force that no other power or combination of powers would think it wise, save in the worst extremity, to oppose or defy it—and probably even then upon world policies so selfless and wise as to be almost unimaginable upon this planet. Such prerequisites of success do not appear to us to exist, or to be

likely to exist. Russia, the apparently unconquerable, will not miss the fact that she would be outside of any such alliance as now proposed. Perhaps it was not intended that she miss the fact, but in any event the problem of either arranging later for the inclusion of that country, which in a probability would not be possible, or else of coming to a working agreement about many things with it. There is also China with enormous potentialities, and Germany and Japan, which even if completely defeated and rendered helpless for the time being, will remain peoples with proved recuperative powers. All these countries have interests which have in the past collided with those of the British Empire, and may well do so again. Ample material would exist for an anti-English speaking coalition of powerful proportions. It seems to us that the plan now offered might very well prove through the years to be a most effective stimulation to the development of precisely such opposition—certainly unless conducted with wisdom and a detachment which we are certain Solomon could not have equalled.

With the remarkable utterance of Mr. Churchill on Monday, the time appears to have arrived when the American people must give all these questions far more realistic thought than they have been inclined to give them in the past. The necessity for such study is made even more urgent by what Governor Dewey had to say on the previous day in Michigan, if that statement is to be taken to mean that the New York Governor is now to add his influence to that of Mr. Willkie and some others in persuading the Republican Party to range itself more or less alongside the President and his followers as regards international relations.

## A Fifth and Fundamental Freedom

"This fifth freedom (of individual enterprise) is in reality the cornerstone of the foundation upon which the other four freedoms must rest. It recognizes that the individual human body, the individual human intellect and the individual human soul are fundamental and the moving and guiding forces in any form of true civilization. . . .

"It is to the people of these United States that this modern world may well look for commanding and convincing illustration of this fifth freedom. The Army private of today is the major general of tomorrow. He who begins life as a manual worker or as a clerk may, as we well know, come to wield large influence and authority as an administrator, and organizer of men and industry. This is the secret of true progress. Given the fifth freedom, then the other four freedoms take their place as part of the life of every free man. . . .

"There is an insurmountable barrier between voluntary and compulsory cooperation with one's fellow-men. The latter is inconsistent with the fifth freedom and violates both the principles and the ideals of modern democracy.

"Persuasive and convincing argument is one thing, but compulsion whether by threat or force is a very different thing. The free man will eagerly seek the one and will turn back on the other. To put any individual human being in the chains of an organization of this kind closes to him the door of opportunity."—Nicholas Murray Butler.

We cannot be too often reminded of these simple but basic truths. If only they were better understood in Washington!

## The State Of Trade

Industrial reports continued to reflect a high level of activity generally. The retail trade also continues to send in favorable reports.

After a lapse of one week, production of electricity in the United States in the week ended Aug. 28 continued to move into new all-time high ground, with a total output of 4,322,195,000 kilowatt hours. This total was 18.7% above production in the like week last year, and compares with output of 4,264,824,000 kilowatt hours in the preceding week this year, according to the Edison Electric Institute.

All geographic regions showed gains over a year ago, the largest being 23% in the Southern states. Output in the Mid-Atlantic states was up 19.9% and in New England the rise was 7.1%.

Consolidated Edison Co. of New York reports electric output in the week ended Aug. 29, was 205,200,000 kilowatt hours, an increase of 30% over a year ago. Local distribution was up 40.6%.

Carloadings of revenue freight for the week ended Aug. 28, totaled 904,007 cars, according to the Association of American Railroads. This was an increase of 12,810 cars over the preceding week this year, 4,602 cars more than the corresponding week in 1942 and 8,713 cars below the same period two years ago.

This total was 120.30% of average loadings for the corresponding weeks of the 10 preceding years.

Steel ingot production rose one-half point to a rate of 99.5% this week as production of raw materials and military equipment

is far more efficient than at any time since war began," "Iron Age" states.

Retail sales throughout the country last week were estimated at 8 to 12% over the same week last year, according to Dun & Bradstreet, Inc.

Regional percentage increases as reported by the business research firm were: New England, 6 to 9; East, 4 to 6; Middle West, 6 to 8; Northwest, 10 to 14; South, 12 to 16; Southwest, 18 to 22, and Pacific Coast, 16 to 19.

Department store sales on a country-wide basis were up 1% for the week ended Aug. 28, compared with the like week a year ago, according to the Federal Reserve Board.

Store sales were up 6% for the four-week period ended Aug. 28, compared with last year.

Department store sales in New York City in the week ended Aug. 28, were 8% smaller than in the like 1942 week, and in the four weeks ended Aug. 28, sales in this group of stores declined 2% from the corresponding period last year, according to the New York Federal Reserve Bank. The weekly figure was affected by the fact that one of the stores used in the compilation had one less shopping day this year than last.

Americans received \$56,761,000,000 in wages and salaries during the first seven months of this year, Jesse Jones, Secretary of Commerce, reported. This is 31% higher than the amount earned in the like period last year and 87% above earnings in the corresponding period of 1929.

In July alone wages and salaries aggregated \$8,413,000,000, an increase of \$3,000,000 over the preceding month and \$1,720,000,000 above July last year.

Total income payments to individuals in July amounted to \$11,795,000,000, Mr. Jones said, adding that a 3% decline from June was due to seasonal factors, principally the usual June-July drop in dividend and interest disbursements. The monthly total was 22% higher than a year ago and on a seasonally adjusted index basis advanced 2.5 points over June to a new high of 213.8. The index is based on 1935-39 average payments as 100.

For the seven month 1943 period total income payments to individuals were put at \$78,913,000,000, a 27% increase over the corresponding period a year ago and 65% above the \$47,819,000,000 figures in 1929.

## Morgenthau Certain Of War Loan Success

Secretary of the Treasury Morgenthau said on Aug. 26 that he has no doubt as to the success of the \$15,000,000,000 Third War Loan drive, which begins Sept. 9.

The Secretary told his press conference that, despite the high goal, the elimination of banks as subscribers and the fact that September is a tax payment month, he has every confidence the American people will make the drive a success because it is tied up so closely with winning the war. Mr. Morgenthau also said he hopes the loan will take care of the Treasury's major financing for the rest of the calendar year, and in this way make a Fourth War Loan drive unnecessary this year.

Ted R. Gamble, National Director of the War Finance Division of the Treasury, was present at the conference to outline the arrangements that have been made for the largest financing operation ever undertaken by the Government. Mr. Gamble said the Treasury program will be handled through 51 field offices throughout the country with 3,000,000 volunteer workers. He also disclosed that the greatest program of newspaper, radio and motion picture advertising has been planned.

## Churchill Urges Post-War Alliance Between U. S. And Britain For World Peace

Prime Minister Churchill of Great Britain appealed on Sept. 6 for post-war collaboration between the United States and Britain, declaring that without the united effort of the British and American people a world organization to preserve peace could not endure.

Speaking in Harvard University's Memorial Hall at Cambridge, Mass., where he received the honorary degree of Doctor of Laws, Mr. Churchill also pointed to the possibility of the common language between the British and American peoples becoming the foundation of a common citizenship.

Mr. Churchill asserted that the United States, "in many ways the leading community in the civilized world," cannot hope to escape the responsibility which goes with its power in time of either war or peace.

The following account of the Prime Minister's talk is from the United Press:

At present, Mr. Churchill said, the United States and Britain are fighting as one nation with the British and American Combined Chiefs of Staff Committee under the leadership of himself and President Roosevelt and with General Dwight D. Eisenhower directing Allied operations in the Mediterranean.

"Now in my opinion," Mr. Churchill said, "it would be a most foolish and improvident act on the part of our governments, or either of them, to break up this smooth-running and immensely powerful machinery the moment the war is over.

"For our own safety as well as for the security of the rest of the world, we are bound to keep it working and in running order after the war, probably for a good many years, not only until we have set up some world arrangement to keep the peace but until we know that it is an arrangement which will really give us that protection we must have—a protection we have already had to seek across two vast world wars."

Mr. Churchill said he was "not qualified, of course, to judge" whether cooperation would become a party issue in the United States and he "would not presume to discuss that point."

"I am sure, however," he commented, "that it will not be a party question in Great Britain."

He expressed hope that some day the United States and Britain, united by their "priceless inheritance" of the "gift of a common tongue," which has "enabled us to wage war together with an intimacy and harmony never before achieved among allies," might find that "it may well become the foundation of a common citizenship."

Of the present situation, he commented that "there was no use saying, 'We don't want it, we won't have it. Our forebears left Europe to avoid these quarrels. We've founded a new world which has no contact with the old,'" and pointed out that the "long arm of destiny" has twice reached out to involve America.

"The people of the United States cannot escape world responsibility," he said. . . . "To the youth of America, as to the youth of all Britain, I say, you cannot stop; there is no halting place at this point. . . . We must go on; it must be world anarchy or world order."

Mr. Churchill did not go into the details of a possible world organization to prevent aggression, although he said many plans were being studied among the Allied nations, and remarked that:

"It is said that the League of Nations failed. If so, that is largely because it was abandoned or betrayed. . . . Because the United States, the originating impulse, fell out of the line; because, while France had been bled white and England was supine and bewildered, a monstrous growth of aggression sprang up in Germany, Italy and Japan. We have learned from hard experience that

stronger, more efficient, more rigorous world institutions must be created to preserve peace, and to forestall the causes of future wars."

He emphasized that: "I am here to tell you that whatever form your system of world security may take, however the nations are grouped and ranged, whatever derogations are made from national sovereignty for the sake of the larger synthesis, nothing will work soundly or for long without the united effort of the British and American people."

Mr. Churchill spoke at length of British and American work on a system of basic English, a simple, practical selection of basic words which might be learned by people throughout the world, as of great importance in spreading Anglo-American influence peacefully.

Pointing to a common language as one of the ties which served as unifying factors between America and Britain, Mr. Churchill recalled that: "The great Bismarck—for there were once great men in Germany—is said to have observed toward the close of his life that the most potent factor in human society at the end of the Nineteenth Century was the fact that the British and American people spoke the same language."

Then reverting again to the possibility of a world organization and the necessity of Anglo-American cooperation, Mr. Churchill said:

"I, therefore, preach continually the doctrine of the fraternal association of our two peoples, not for any purpose of gaining invidious material advantages for either of them, not for territorial aggrandizement or the vain pomp of earthly domination, but for the sake of service to mankind and for the honor that comes to those who faithfully serve great causes."

And he said: "If we are together nothing is impossible. If we are divided, all will fall."

## Morgenthau, Vinson Differ On Tax Plan

Secretary of Treasury Henry Morgenthau, Jr., and Stabilization Director Fred M. Vinson have disagreed over means of raising \$12,000,000,000 in new tax revenue and will submit their divergent views to President Roosevelt in formal reports next week, reliable sources said on Sept. 4, according to United Press Washington advices. Mr. Morgenthau, it is reported, is ready to recommend, as he has done publicly several times, that the entire amount be raised by taxes and that compulsory savings be left out of the picture.

The United Press dispatch further said:

"It is reported he will propose revival of the Treasury's 1942 plan for a so-called spendings tax, which has been generally expected. He also will recommend imposition of a penalizing levy on all war salaries above \$25,000 annually. The President's original \$25,000 salary limit was repealed by Congress.

"No information was available on Mr. Vinson's probable specific suggestions, but it is understood he will dissent strongly from the Treasury plans.

"If the differences on the tax front are to be patched up in time to assure passage of a new tax bill this year, the burden apparently rests upon the President and War Mobilization Director James F. Byrnes.

## Consumer Credit Rule Amended By Fed. Res.

An amendment by the Board of Governors of the Federal Reserve System to Regulation W, which controls consumer credit, was announced Aug. 30 by Matthew J. Fleming, President of the Federal Reserve Bank of Cleveland. Changes made by the amendment, which became effective Sept. 1, are administrative only, and are designed to help merchants meet manpower problems in extending charge account credit, says the advices from the Reserve Bank, which state:

"The first change raises from \$5.00 to \$10.00 the value of a listed article that may be delivered by a merchant to a charge account customer without first checking the customer's account to determine whether it is in default.

"The merchant continues to be subject to the rule that if he discovers later that the account is in default he must request the customer to return his purchase or else pay for it immediately.

"The second change provides that a merchant who desires to adopt "cycle billing" in order to effectuate operating economies may, by applying to the Federal Reserve Bank of his district, receive permission to use as the "default date," for each of his groups of accounts, the 40th day following the end of the applicable billing period instead of the 10th day of the second calendar month following the calendar month in which the purchases were made."

## Renews Pledge To Poles

President Roosevelt, on the occasion of the fourth anniversary of the German attack on Poland, gave renewed assurances on Aug. 31 of "justice and liberation" to Europe's subjugated millions. The President exchanged messages with Wladyslaw Raczkiewicz, President of the Polish Government-in-exile in London.

The following in the matter was reported in Associated Press Washington advices:

"Poland's 'gallant and defiant stand' against the Nazi attack and her people's 'continued resistance to their cruel oppressors are an inspiration to us all," the President said, and will help to 'assure victory."

"The Polish President reaffirmed his country's 'solidarity with the great American democracy in defense of our common Christian heritage.' He expressed 'unshakable faith that the noble principles of the Atlantic Charter . . . will be fully realized after victory is achieved and will become the cornerstone of the coming world of peace, justice and human happiness."

## Currie Named To OEW

Lauchlin Currie, Administrative Assistant to President Roosevelt, has been named executive officer of the Office of Economic Warfare, it was announced on Aug. 31 by Leo T. Crowley, OEW Director.

Mr. Crowley also appointed Hugh B. Cox, Assistant Attorney General, as General Counsel of the OEW and named Sidney H. Scheuer as Deputy Director in charge of imports. Mr. Cox succeeds Monroe Oppenheimer who, Mr. Crowley said, resigned in order to return to private law practice, while Mr. Scheuer replaces Morris Rosenthal who resigned.

"There are some reports that Mr. Byrnes may attempt to bypass the various disputes by quietly undertaking direct dealings with Congressional tax experts. This strategy could be resorted to if it becomes clear the Treasury cannot shape a positive program reasonably sure of serious consideration by Congress."

## Foreign Policy Declaration Of Republican Post-War Advisory Council

### Proposal of Dewey for U. S. and British Alliance

The report on Foreign Policy, adopted by the Republican Post-War Advisory Council at Mackinac Island, Mich., on Sept. 7, in asserting that "when the war is ended we must participate in the making of the peace," declared that:

"This puts upon the nation a triple responsibility.

"(a) We must preserve and protect all our own national interests.

"(b) We must aid in restoring order and decent living in a distressed world.

"(c) We must do our full share in a program for permanent peace among nations."

Among other things, the report, which we hope to give in full another week, registers the approval of the Republican Party for the "prosecution of the war by a united nation to conclusive victory over all our enemies" and further declares its approval of:

"Responsible participation by the United States in post-war co-operative organization among sovereign nations to prevent military aggression and to attain permanent peace with organized justice in a free world."

As to domestic problems, it is set out that "we must eliminate all unnecessary regulation of the individual and of business, restore and protect small business, which has been so recklessly destroyed, and assure incentive and equal opportunity for the youth of America."

With respect to the report on foreign policy, advices to the New York "Times" from Turner Catledge at Mackinac Island, said:

"The Foreign Policy declaration must yet run the gauntlet of Wendell L. Willkie and other forces and personalities in the party who were not invited to take part in this conference. It operated for the moment, however, to subordinate the proposal of Gov. Thomas E. Dewey of New York for an open, frank stand for a continuing military alliance between the United States and Great Britain after the war.

"Mr. Dewey was a delegate to the conference but did not press for adoption of his suggestion once he had made it at a press conference Sunday. He was not even a member of the six-person subcommittee which framed the stand on foreign affairs, but was appointed to the body which framed the statement on domestic policy.

## President Calls For Intensified Effort To Prevent Fire Destruct'n

President Roosevelt, in a proclamation designating Oct. 3 to 9 as Fire Prevention Week, appealed on Aug. 30 to the people of the country to take unusually acute measures "to conserve our human and material resources from destruction by fire."

Declaring that the nation's war program is menaced by an alarming increase in preventable fire losses, the President called upon State and local governments, the Chamber of Commerce of the United States, the National Fire Waste Council, all business and labor organizations, the pulpit, educators, civic groups, press, radio and motion picture industry to initiate programs that will vividly bring home to all our people the dangers of fires and the methods of controlling them. He also directed that the Office of Civilian Defense, Department of Agriculture, War Production Board, protective services of the War and Navy Departments and other appropriate federal agencies lend their active support and assistance to obtaining the objectives of his Proclamation.

Actively supporting the President's proclamation, the U. S. Chamber of Commerce has appealed to its members for greater efforts than ever before to elim-

inate fire hazards and arrest the upward trend of fire losses evident thus far this year. For more than 20 years, the National Chamber, with its thousands of member chambers of commerce, trade associations and industries, along with the National Board of Fire Underwriters, National Fire Protection Association and other members of the National Fire Waste Council, has sponsored Fire Prevention Week as a significant occasion for reducing the nation's enormous annual fire waste. The Chamber declares that gradually rising fire losses make necessary the most intensive and thorough campaign to eliminate fire hazards since President Woodrow Wilson issued the first Fire Prevention Week proclamation in 1920. In its advices the Chamber also says:

"In 1942, the national fire loss amounted to \$315,000,000 but in 1943, fire losses, particularly in manufacturing plants and in the food processing and storage industry, have increased to an alarming extent. Fire losses for the first seven months of 1943 are estimated at \$215,530,000, an increase of over \$24,000,000 over the comparable period of 1942. With the approach of fall and winter, the seasons of heaviest fires, fire losses this year threaten to reach \$400,000,000. So far in 1943 the toll of lives has not lessened from its annual toll of 10,000 killed throughout the country and a very much larger number of people injured. Since 1900, fire has killed over 425,000 people, a larger number than America has lost in all of her wars."

The Chamber also states: "In critical 1943, when the offensive might of our armed forces is only just beginning to be felt decisively by our enemies, when it is vitally important that ever larger schedules of war production be met and maintained, when the vastly increasing war needs of material and manpower will require increasingly greater effort and sacrifice by all of our people, it is unthinkable that any patriotic citizen can fail to do his full part in eliminating fire hazards and the menace of fire to our war economy."

## Urges More Workers In Newsprint Industry

The special House sub-committee investigating the newsprint shortage ended its tour of Canadian and United States paper pulp mills in Portland, Ore., on Aug. 31.

Members of the committee warned that newspapers will be on a starvation basis by next May unless workers are found to increase production.

The shortage can be ended and maximum production obtained with 40,000 more workers for the pulp industry in this country and Canada, said Representative Boren (Dem., Okla.) head of the group.

Associated Press accounts from Portland, Ore., reported that the committee will recommend to Congress that pulp and wood cutting be classified as essential, Mr. Boren said. The committee includes Representatives Wolverton (Rep., N. J.) and Beckworth (Dem., Tex.)

A previous item regarding the group's tour appeared in our issue of Sept. 2, page 930.

# Four Steps In Approaches To Peace Proposed By Hoover

(Continued from first page)

have little chance of lasting peace. We must have something far more specific and definite than high aims, high ideals, sixty-four dollar words, good intentions, political avoidance or recriminations. Worse than this, we may out of such material have done no more than lay the kindling for World War III.

On this whole problem, I am daily more and more impressed with the fact that nations have often enough been successful in making war. But nations have never yet been successful in making lasting peace. More and more over the centuries the world has developed the art and method of making war. But the world has never developed an art and method of making peace. More and more the methods of peace have resulted in widespread catastrophe.

Surely it is time we have a new approach to peace-making. And that path must leave the century-old bright lights of eloquence and nebular words and explore the hard road of experience.

Hugh Gibson and I, from considerable participation in these problems over the last 25 years, have suggested for public consideration some ideas of a new approach. Several of the ideas which we originally put forward have now been adopted by powerful voices.

I propose to explore these ideas further with you. This program is at least realistic and positive. And it suggests common ground over which those of even divergent views on particular questions can travel with unity toward our common purpose of a lasting peace.

I had a teacher once who said, in effect, that wisdom does not consist so much of sixty-four dollar words about the ultimates as in knowing what to do next. And the next thing after that.

Therefore, I am going to examine with you what to do next. I may state the program first and the reasons afterwards. The program consists of four steps and there are 11 reasons.

Before we start on this exploration I may assure you that it does not embrace the usual democratic process of name calling. That is not a unifying or peaceful approach. From the Sermon on the Mount we learn that the peace-makers "shall be called the Children of God."

It would appear that unifying name only applies to the actual peace delegates and not to those who engage in advance discussion of what the delegates should do. In any event I will not take your time discussing "isolationists," "nationalists," "internationalists," or "Fascists." Our job is to find common ground, not to widen differences.

## First Step

The first step in our proposal is to reach an agreement, before firing ceases, between all the United Nations that a few leading nations be appointed the joint Managers or Custodians or Trustees of Peace, and that there will not be the usual armistice or the usual general peace conference.

## Second Step

The second step is an agreement between all the United Nations before victory over Germany, setting up the terms of a simple Provisional Peace which the Custodians or Trustees shall impose upon belligerent Europe the moment firing ceases, and later on Asia.

## Third Step

The third step is a Transition Period from war to peace of a

few years, in which the world can cool off and have time for deliberate solution of the long view problems of lasting peace.

## Fourth Step

The fourth and last step, after the foundations of real peace have been laid, is then to create some sort of world institution to replace the Managers or Trustees and preserve peace.

## The Trusteeship

Some immediate questions will arise in your minds as to the Trusteeship. A few great victorious nations are going to dominate the world anyway for a while after this war. They must do it of necessity to themselves. They always have done so after every great war. They did it after the world wars of the Napoleonic period and after the last World War. It would be a great and new step to peace if they did it out in the open, by a definite authority with positive responsibilities and limitations.

I am not proposing a military alliance of a few victorious powers, arrogating to themselves domination over other nations such as has in reality followed those other world wars. Such alliances at once raise the antagonism and suspicion of the balance of the world. A military alliance would undermine the moral influence of the Custodians or Trustees and would add nothing to their strength.

## The Provisional Peace

Questions will also arise in your minds as to the terms of the Provisional Peace.

These terms are certain and comparatively simple. They are the urgent measures necessary to get the world going again.

The first need of the world, more urgent even than bread, will be order. And the second need will be food. Hungry people abandon all restraint and defy all order. The next imperative need will be to restore economic production, for the starving cannot long be supported on charity. These questions admit no delay. Without them Europe and Asia will dissolve in chaos.

There are other urgent matters. There must be total disarmament of the enemy. Their leaders must be punished for crimes against mankind. They must return their loot, prisoners and displaced peoples.

There must be the restoration of sovereignty to those nations deprived of it. The Trustees would need at once to determine temporary boundaries for everybody.

The defeated nations should be required to hold free elections of representative bodies to initiate government and national life.

There should be provisional restoration of the former treaties about posts, telegraphs, ships and planes which are necessary to the reopening of economic life for the whole world.

And the Trustees should at once set up regional councils for Europe, Asia and the Western Hemisphere and such other committees of the United Nations as are needed to work out each of the host of long-view problems without the solution of which there can be no lasting peace.

## The Transition Period

It is in a Transition Period that the gigantic problems which con-

front the world must and can be solved.

In the meantime the Trustee nations would need to guide these committees and police the world against any aggressors.

I may enumerate only a few of these problems to indicate their complexity and that time is needed for their solution. The future of the three great enemy countries and a lot of little ones must be settled. There are great territories to be justly disposed of. Militarism must be abolished. The face of these nations must be turned toward peace. Gangsterism cannot be abolished overnight. There is demobilization of the world to be brought about. There are many boundaries to be settled. There are peoples to be freed. There are peoples to be placed under guardianship. The Jewish refugee and the problem of Palestine must be settled. There are gigantic debts and reparations to be considered. There are a thousand problems of trade, of currency, of credit to be solved.

And all of these problems must be solved in such a fashion and with such justice as to allay or still the dynamic forces which have hitherto always bred war anew. These forces must not be stimulated as they were at Versailles, where they were made stronger for evil and more explosive.

And now I come to the 11 reasons for this program and the dangers we must avoid.

## First Reason

### Promoting Allied Unity

The first reason is one that has been made more impressive by the events of the last month. A suggestion to Russia and China from Britain and ourselves to participate in such a trusteeship of peace should carry conviction to them of our desire to march with them in peace making to the end.

And a statement to the enemy people that there will be a Provisional Peace based upon renewed self-government and revived economic life should convey to them our desire to restore them to the family of nations. Such an assurance to them might bring the war to a quicker end and save much human life.

## The Second Reason

### Gaining Preparedness for Peace Making

The second reason for this program is that we must resolve a double difficulty. That is how to keep unity during the war and achieve at the same time preparedness for peace in advance of victory. There is a well founded and instinctive fear that negotiation by our officials of the gigantic long-view questions during the war would disrupt the unity of the United Nations. Hence the escapist policy of every modern world war, "Victory first, discuss peace afterwards."

In consequence, aside from a few very general aims and platitudes, victorious nations have usually come to the peace table wholly without any real preparedness for the immense problems they must meet. I agree that we cannot negotiate these long-view questions without dangers. But we could negotiate the urgent matters which lay the foundation of provisional peace. There is no ground for disunity in them. Their settlement beforehand would promote unity. And incorporated in them is the machinery for amiable solution of the long-view questions after victory.

## Third Reason

### An Armistice Is Destructive

The third reason is that no lasting peace can be made as was attempted at Versailles in the middle of a military armistice. An armistice simply suspends the whole world between war and

peace. The machinery and routines of both war and peace are out of action. It is thus a period of economic and political degeneration with an agonized world crying out for haste. The end is hasty compromise of principle and justice, not solution.

## Fourth Reason

### To Cool Off Hate and Greed

The fourth reason for this proposal is that the world must have time to cool off and recover a balance of judgment if a lasting peace is to be made.

When firing ceases the world will be filled with violent emotions. There will be white-hot hate and indignation at the enemy for having brought the world to this state. The air will be filled with fear and vengeance. This is no atmosphere for long-view statesmanship, which must distinguish between guilty leadership and misled peoples.

There will be another emotion present. That is greed or, more politely, self-interest. Each of the victorious nations will face a grim vista of impoverishment. The peoples of each nation will demand those things they believe will restore prosperity and security to them.

And these are not alone the emotions of statesmen. They are the emotions of the people at home. Statesmen are not their own masters. If they ever expect to be re-elected or have monuments to their memory, or get their agreements ratified they are forced to respond to the emotions of their people.

If there be a general peace conference in the midst of all these emotions, as has been the practice hitherto, then 40 nations will send 2,000 diplomats to orate, to conspire, quarrel, and grab. The world would be crying aloud for haste, that it be allowed to get back to living again. To keep passion, greed, expediency and compromise of principle out of the settlements under these pressures calls for more than human powers. Certainly if we are to have lasting peace, it must be based on more solid foundations than the emotions of war.

Does not all this suggest the necessity of a cooling-off period which we call the Transitional Period?

## The Fifth Reason

### To Get by the Period of Reaction

The fifth reason for this suggested approach to peace is that soon after firing ceases an inevitable reaction sets in. Our boys want to come home—and at once. They want to start life again. Their wives, mothers and fathers want them home. They are bound to bring home all their frictions, dislikes and opinions of the strange peoples with whom they have been operating. At home the people will be war-weary. All the suppressed frictions between Allies will come to the surface. The people just don't want anything more to do with "foreigners." A period of reaction toward isolationism is inevitable. And it would be further fanned by the headlines from a general peace conference, such as Versailles, daily arousing a thousand suspicions or misgivings and confirming their suspicions.

In this period of reaction nationalism will rise to such heights as to endanger all constructive plans. It will be a time of demagoguery and prejudice. The world needs time to let this pass.

## The Sixth Reason

### The Unknown Shape of Things to Come

The sixth reason for the program I suggest is that while nations are actually at war, or in the months after firing ceases, we cannot see the shape of things to come. These shapes are made by forces set in motion by the war and even long before the war. No one can for years predict their

ultimate effect. The only thing man can be sure of is that after the war there will be profound change. If it were a question only of putting the world back to where it had been it would be hard enough to do. But the pre-war world will never be like that again.

A peace-making that does not take account of these pressure of change will be certain to burst asunder. Surely we need a transition period in which to measure and accommodate these forces.

## The Seventh Reason

### Real Foundations Under A World Institution

There are those who believe we have only to quickly set up some League, or some Council or some World Institution or some Union or World Parliament and then unload all of our problems upon it. It is not that easy.

When issues are vast and intricate it is easy to dodge them that way and then announce that the world will go to the dogs if evil men fail to agree.

Neither anything like the League of Nations nor any kind of world institution to keep the peace could succeed amid the passions, the political and economic chaos that press on the heels of war.

There are a hundred gigantic problems that must be settled between nations before such an agency would have a chance. To force its adoption prematurely is to condemn it to inevitable failure.

The purpose of any world institution must be to preserve peace, not to make it.

They are two entirely different jobs. They must not be confused. Having lived through Versailles, and having had to deal with its consequences, I can give you an idea of what I mean. The Treaty of Versailles consisted of 613 paragraphs, of which only 26 dealt with the League Covenant. It was the 587 outside the League that did most to kill the League, and certainly it was the sins of omission and commission in these 587 paragraphs which laid some of the kindling for this war.

To solve these problems, to allay the forces of destruction and to build a new spirit in the world requires time. And a decisive hand which no world wide institution can exert.

The Temple of Peace cannot be erected until its foundations are well laid. If we make a good peace, it will largely preserve itself. If we make a bad one like Versailles, we shall simply be laying the kindling for World War III. And no machinery for preserving peace will stop it taking fire.

## Eighth Reason

### Preserving American Unity!

The next reason I will give you for this program bears upon our American national unity.

The formulation of some sort of World Institution to preserve peace is essential. Yet discussion of its details leads quickly to the most emotional and the most dangerous question that can be raised among us. That is how much we surrender of national independence and sovereignty.

I would like to suggest that if we adopt the Transition Period, we can develop the practice of cooperation in stopping aggression during that time and we will learn much as to method. Of equal importance, our people will have opportunity to consider and debate this whole question away from the emotions of war and the reaction toward isolationism which will inevitably follow. It is my belief that with a growth of experience and understanding the whole sovereignty question will become academic. But it takes time. Decision of this matter at the present time is about as important as the ancient worry over

how many angels could stand on the point of a needle.

I have no doubt that with time and deliberation our people will no more consent to liquidate the independence of the United States than Mr. Churchill will consent to liquidate the British Empire or Mr. Stalin to liquidate the Soviet Republic. And none of that is necessary to preserve peace. And I may add that the primary safety of America will always rest in our strong right arm.

**The Ninth Reason Documents Are Not Peace**

The ninth reason for this program is that out of five thousand years of war, an illusion has been built up in the human mind that war can be ended and peace made by signing a piece of paper. Especially if it is signed with pomp and circumstance. The world has deluded itself before now that such a signed paper is the dawn of a new day. Hasty documents written at the end of wars have an infernal way of becoming the prospectus of renewed war.

We must learn that it is the conduct of nations over years which counts, not the papers they sign. A little good will goes further than documents.

**Tenth Reason**

**There Must Be Ratification**

If we are to have peace, any agreement or any treaty in democracies must be ratified by the people at home. The people must have time to debate, understand and decide.

And we should be careful that our words do not carry more to other nations than we will perform and confirm. Neither by executive action nor Congressional resolution nor public assurance should we give the impression that the United States can be committed to anything without full free action by the Senate of the United States.

Is it not, therefore, better to go one step at a time and deal with different problems separately?

**Eleventh Reason**

**The Sum of Experience**

And I might add an overall reason which comes from the stern Voice of Experience. Do not the great peace settlements which followed the two other world wars of the last 150 years—those at Vienna in 1814 and at Versailles in 1919—confirm every one of these reasons for this program? Does anyone believe that either of these treaties would have been signed five years afterwards? That no abiding successful peace can be written in a few weeks or a few months under these pressures has been proven by the greatest tragedy of modern history—Versailles.

**Conclusion**

Is not the answer to these problems of peace-making that we must first concentrate our immediate thought on a definite program? And second, does not any program require defined and responsible leadership? And third, must we not have quick and strong action to restore order and the productivity of mankind? And fourth, must we not have time to settle our gigantic long-view questions? Time for emotions to cool off. Time to pass over the reaction which inevitably sets in from war. Time to assess the forces and change set in motion by war. Time to ally the dynamic forces which cause war. Time to deliberate. Time to deal openly with all proposals. Time for the peoples of the world to understand the solutions proposed. Time to rebuild justice, tolerance and good will. Time to build a real World Institution to preserve peace.

It was six years from the victory of Yorktown to the Constitution of the United States—and

**Remember Toledo, Peoria And Western**

(Continued from first page)

stances by armed violence and disorder), and promptly to accord to the late strikers substantially everything they had ever demanded. There had been no controversy over wages, but George P. McNear, Jr., the railroad's president, had tried to promote efficiency and economy by instituting sensible practices in substitution for the notorious "featherbed" rules by which both are defeated, men are compensated for idleness, and wastage of man-power is rewarded by premiums paid in cash. But whatever the merits or demerits of the "labor controversy" alleged to excuse confiscation, it was long ago "settled" and in the ordinary course the railroad should have been returned to its owners, and its highly efficient management restored although burdened with the excess costs of the arrangement for which it had refused to accept responsibility. No doubt that is what the great majority of the public suppose to have happened and most of them, in the intensity of their absorption in the war and related problems, have about ceased to think of Toledo, Peoria and Western and the gallant effort of its chief executive in support of conservation of manpower needed in the war effort and of sane and sound Americanism. But that is not at all what has occurred. Contrary to precedent, the railroad has not been restored to its owners, the old management has not resumed its functions, the Office of Defense Transportation continues to hold and operate the railroad, not as much as one cent of compensation for the confiscation has passed from the United States, or for the National account, to the expropriated owners. There is a reason. And thereby hangs a tale which must in fairness be told.

The President will not permit return of this little railroad to its owners because they have declined, and continue to decline, to pledge themselves to the perpetuation, that is to the "freezing" for all time, of the costly and wasteful methods imposed under the "featherbed" rules that private management had abolished but Government management reinstated in all their enormity and no advances will be allowed on account of the Constitutional "just compensation" except upon conditions seeming to commit the owners to complicity in all the wastefulness of official control. "Nor shall private property be taken for public use without just compensation" is the unqualified and final prohibition of the Fifth Amendment to the Constitution of the United States, but what is the Constitution when the Commander-in-Chief speaks and labor organizations of large membership claim vested rights in such unholy privileges as compelling three full days' pay for one day's work, one whole train-crew being paid for complete idleness while another crew receives double pay for obviating the delay in train movement which would result if the yard-crew were required actually to function. Yet this is precisely what happened repeatedly in connection with movements of livestock trains through Peoria, and this is but one of many examples. Joseph B. Eastman, Chief of the Office of Defense Transportation, is, for a bureaucrat, an exceptionally clear-sighted individual and he is actuated by a strong

it was time well spent.

We have again taken up the sword to win lasting peace. For over one hundred and seventy years Americans have fought on a thousand battlefields and always that men might be more free and have peace. Their million graves demand of us that we do not fail them in the halls of peace-making.

desire to demonstrate that Government operation can be made tolerably efficient. Quite probably, as one suspects, his confidence in that consummation has waned considerably with the years, especially under the New Deal. Although he began his administration of Toledo, Peoria and Western by reinstatement of the vicious "featherbed" rules which private management had eliminated, he somewhat quaintly apologized for his action by explaining that he felt constrained to follow a course "in consonance with the generally prevailing standards of railroad pay and employment" and should not make "of that little railroad . . . a guinea pig and . . . undertake to set the pace by an innovation . . ." And so, as though all reforms should begin by general agreement or consensus and proceed in wholesale dimensions, the hardly achieved gains of the wise McNear policies were inconspicuously cast aside. But not forgotten. The record seems to show that as soon as they were nominally discarded, the Federal management quietly, almost clandestinely, proceeded by slow and cautious steps to attempt to regain what it had but lately given away. Undoubtedly, a measurable portion of what had been gained before the expropriation has now been regained, but by no means the whole. The effort to encroach upon the vicious network of absurd litigations and requirements arbitrarily insisted upon by the former strikers was surrounded by the utmost secrecy but there were leaks, the old management learned of some of its reforms that had been reinstated, it made inquiry as to others, but only to receive this curt official response: "As these are matters that are entirely the responsibility of the Federal management . . . no reply to your questions is deemed necessary." Quite, it will be observed the normal reply of an autocrat to an impertinent interrogatory from a mere subject, scarcely acceptable in a democracy from a public servant to an inquiring citizen. More of the truth was revealed when Mr. Eastman appeared before the Military Affairs Committee of the House of Representatives and felt impelled to boast a little of his achievements in the management of this confiscated property and of the millions of dollars that the Government has taken out of its so-called "earnings," the alleged "net" results being enhanced by immunity from the sales taxes of Illinois and because nothing whatever has been paid on account of interest due to bondholders nor for income taxes to the United States. Yet, ignoring such charges, the Government has actually realized, temporarily perhaps, over \$3,000,000 from this exploit in expropriation of the property of its citizens. Comparing four months, July to October, inclusive, under private management in 1941 with the same months in 1942 under Government management, the results show an increase of 35.3% in compensation paid to employees as compared with an increase of 3.3% in work accomplished, measured in train-miles. Worse still, 30.4% more men were employed to work, altogether, 19.4% more hours, in performing that very little additional public service.

The labor conditions, now timidly being rectified in small part but in the direction of the solid achievements of the former private management, constitute but one phase of a situation that has many and amazing facets. Not all of these can presently be discussed. But the Constitutional rights of creditors and owners cannot be omitted from any fair summary. So far they have been totally ignored or denied anything in the nature of honorable and honest recognition. Innocent

third parties have been injuriously and cruelly affected, as recklessly and inexcusably as though they were Hebrews living in Berlin. The Government took possession of every dollar and asset that the railroad could control, but it has declined to settle with many of its creditors. Hospitals and physicians who rendered aid urgently needed to employees wounded in the violent disturbances by which the strikers sought to enforce their demands have waited a year and a half for their compensation, and they still wait. The widow of a section-man who was killed while riding a pilot motor-car, to protect a train movement against depredations and violence dangerous to war materials in transit during the strike, has not been allowed the sad solace of the compensation agreed to by his employer. Last, of course, in New Deal reckoning, must come the claims of those relying upon the accumulations of their frugalities for all or part of their subsistence. The small bond issue of Toledo, Peoria and Western is distributed among some two hundred holders. The interest due to them is now more than a year in default and the Trustee under the First Mortgage by which payment is secured has commenced proceedings for a receivership of this actually and abundantly solvent railroad. Yet the interest has been fully and many times earned, it has been collected and is held by agents of the Government acting under direct orders from the President—the interest and every other just claim could immediately be paid whenever the ugly attitude of the authorities gave way to a spirit of fair play and the least minimum of decency.

Analysis ought not to stop at this point. These things have not happened without rhyme or reason, as might be suspected by the uninitiated. Walter Lippmann once said something about purposes which are not clear and methods that are not direct. Here the revealed purpose may not be clear, the methods disclosed may not be direct, but the end officially planned can scarcely be misunderstood. It must be the wearing down of the resistance of the owners of this minor railroad until they see no recourse save to surrender their Constitutional right to receive just compensation and accept in substitution whatever may happen to be left to them out of the results of Government operation, taking back their capital, the expropriated railroad estate in its entirety in whatever condition it may be found whenever the authorities are pleased to permit the confiscation to end. Democracy, upon a large and continental scale, can operate only through men chosen under the democratic process. It is at its worst, it is no longer genuine democracy, when the men so chosen find means to ignore the solemn ordinances of a written and meticulously formulated Constitution and allow themselves and their actions to be dominated by petty considerations of personal prejudice, prestige, or pride; of personal suspicion, antipathy, or animosity; of personal cupidity, churlishness, or chagrin. Those who would have justice and decency prevail in America, who would condemn personal government vitiated by such base attributes of personality, should remember Toledo, Peoria and Western.

**Harris Leaves OPA**

The Office of Price Administration announced on Sept. 2 the resignation of Dr. Seymour E. Harris as Director of its Office of Export-Import Price Control. Dr. Harris has left the OPA to resume his former position as Associate Professor of Economics at Harvard University, but will continue to serve OPA as a consultant.

William F. Dunkman, heretofore Associate Director of the Office of

**From Washington**

(Continued from first page)

would conquer and subdue this tremendous reservoir of brawn and space was nonsense.

Now, Hitler not having done what the interventionist propagandists insisted he would do, it follows in their minds that Stalin accomplished a miracle. Having accomplished this miracle, the democratic world owes him a debt of gratitude; they must take him into their councils; they must have a peace understanding with him right now; he must be right in on the dismemberment of Germany; we must have this understanding with him, bring him into close association with us, otherwise he will dominate Continental Europe all by himself. It is this clamor, it is this agitation that has Messrs. Roosevelt, Churchill and Cordell Hull in a stew. It has the whole country in a rather dangerous stew. We've heard a lot from pretty much these same propagandists that we've got to beware of winning the war and losing the peace. This is exactly the way they are headed, but what burns our leaders up is that the agitators are not dealing with facts. They are becoming victims of their own propaganda.

Nothing would suit Churchill or Roosevelt better than to meet with Stalin but not on the grounds insisted by their tormentors. What is it these people would have Churchill and Roosevelt do? Get together with Stalin and agree to let him have Poland or part of it; let him have Finland, the Baltic States which he has taken? Is this the sort of post-war agreement which the agitators want discussed now? A post-war agreement would have to do with something like this.

But fortunately or unfortunately as the case may be, this is not the situation as concerns Russia at all. Instead of it being a case of what we will give Russia after the war and when we make the agreement, or of Russia overrunning Continental Europe, the real question now is how long Russia can physically stay in the war. She has been bled white; untold millions of her people have been killed or starved, or lost from other causes. She is existing on an almost starvation diet. Stalin's admittedly great accomplishment has been to keep his people fighting but he is nervous about the permanence of his Government. No despot has ever applied more iron-clad measures to keep things together. Stalin doesn't want any post-war understandings. He wants the war ended and quickly. That's the nerve racking problem with which Messrs. Roosevelt and Churchill are trying to deal. The agitation isn't helping them.

Among those conversant with these facts, one hears frequent concern that Stalin, to hold onto his government, may accede to Hitler's wiles for a separate peace. They put it this way, not that Stalin is seeking one. But frankly there is no real evidence that Hitler wants a separate peace with Stalin. He still has most of Russia's great wheatland and this is important to him. Indeed, the most recent authoritative information is that the people under his domain who are "cooperating" eat fairly well. Presumably he would lose this granary under a separate peace.

A separate peace does not seem to be our leaders' concern. What would more likely come would be a breaking up inside Russia, or rather this is more of a possible eventuality than a separate peace.

Export-Import Price Control, has been named Acting Director in Dr. Harris' place. Mr. Dunkman is on leave of absence from the University of Rochester, where he is Associate Professor of Economics.

## Pope Appeals For Just Peace To End War In Its Fifth Year

Pope Pius XII called upon the leaders of the world on Sept. 1 to "give all nations a justified hope of worthy peace which does not clash with their right to live and their sense of honor."

The Pope, declaring his views in a world broadcast over the Vatican radio, expressed hope and faith that the fifth year of war, which began Sept. 1, would see the end of the conflict. He called for "generosity" toward those nations "less favored than others by the trend of war at any given time" and admonished against actions which failed to encourage confidence, but, instead, renewed hatreds and strengthened determination to keep on fighting.

The following account of the Pope's message, as translated in London from the Italian by the British Ministry of Information, was reported by the Associated Press:

The Pontiff, referring to "the powerful and the leaders of peoples," continued: "May their wisdom, their moderation, their strength of mind and their deep sense of humanity throw a ray of comfort upon the tear-and-blood-drenched threshold of the fifth year of the war and give the survivors of the immense conflict, bent under a load of sorrow, the joyful hope that the year may not end under the sign and in the shadow of slaughter and destruction, but may be the beginning and the dawn of a new life, brotherly reconciliation and a thorough and concordant reconstruction."

It was with this hope, he said, that he bestowed the Papal blessing not only on all Catholics but also on "those who feel united to us in love and in the work for peace."

While he did not mention the "unconditional surrender" ultimatum under which the Allies are waging war, the Pope again and again urged a spirit of compromise. He did not identify specifically those nations whose present martial prospects are poor, nor did he mention Italy, the belligerent to which his phrase would apply most forcefully.

The Pope, in his message, stressed his view that a spirit of tolerance toward any nation actually defeated, or in prospect of being defeated, would not endanger the victors. "Real strength," he said, "need have no fear of generosity."

The Pontiff began by recalling that a few days before the war started he appealed for peace. Then, he said, his words did not enlighten the minds or enter into the hearts of the world leaders.

With the war entering the fifth year, he continued, those leaders who had reckoned on a speedy victory now see about them "nothing but grief and contemplate nothing but ruins."

The war is approaching a climax, the Pope said, and its gigantic struggles are arousing in all nations an aversion against the brutality of total war, which exceeds all honest limits and all rules of divine and human right.

The minds and hearts of the people, he said, are torn by doubt whether the continuation of the war can be in accordance with national interest and can be justified in the Christian and human conscience.

He said that he prayed that those whose task it is to achieve a peace would give to all nations "the justified hope of a worthy peace which does not clash with their right to live and their sense of honor."

### To Pay On San Paulo 7s

J. Henry Schroder Banking Corp., as special agent, is notifying holders of State of San Paulo (United States of Brazil) 7% secured sinking fund gold bonds external water works loan of 1926, that it had received funds to pay on or after Sept. 1, 1943, 17.50% of the face amount of the coupons due March 1, 1941 appertaining

to these bonds. The payment will amount to \$6.125 for each \$35 coupon and \$3.0625 for each \$17.50 coupon. The announcement also states:

"The acceptance of this payment is optional with the holders, but pursuant to the terms of presidential decree No. 23829 of Feb. 5, 1934, as modified by decree-law No. 2085 of March 8, 1940, payment if accepted must be for full payment of the coupons and of claims for interest represented thereby.

"Holders of March 1, 1941, coupons may obtain payment of the amounts prescribed upon presentation and surrender of the coupons at the office of the special agent, 48 Wall Street, New York.

"No provision has been made for unpaid coupons which matured prior to April 1, 1934, but they should be retained for future adjustment.

## Broaden V-Loan Rules To Aid War Financing

Government guaranteed V loans will be made available to war contractors and subcontractors on a much broader basis than heretofore, effective immediately, under a plan jointly announced on Sept. 1 by the War and Navy Department, the U. S. Maritime Commission and the Federal Reserve Board.

The plan, it is pointed out in the announcement, is designed to assure contractors that their working capital invested in war production will not be frozen in the event of contract terminations. Interest on loans guaranteed under the new program will be assumed by the Government upon termination of contracts as under present Regulation V guarantees.

"This decision to broaden industrial credit facilities was reached with a view to preventing any lag in war production which might be caused by fear on the part of contractors that their capital would be tied up as contracts are cancelled in response to swiftly changing war requirements. This broadened V loan will go far toward allaying such fears.

The joint announcement further said:

"In the past, advances under V loans have been restricted, in general, to working capital needs for war production. The broadening of the plan will enable contractors to obtain the use of most of their own working capital immediately upon termination of their contracts. Banks will be enabled to make such advances at once, and with a minimum of complications. The establishment of such credit arrangements will greatly minimize the problem of termination of war contracts.

"The Services stress the fact that cancellation of contracts must not be construed as marking the beginning of a general curtailment of war production. On the contrary, with the war rapidly becoming one of movement, with great allied offensives in progress and in prospect, materiel requirements are subject to sudden and unavoidable changes, and it is essential to remove all possible causes of delays in war production.

"Details of the procedure for obtaining the liberalized V loans have gone forward to all Federal Reserve Banks from Washington.

"The contractor or subcontractor will obtain a V loan exactly as at present except that, if the loan is intended to free his

own working capital upon termination of contracts as well as to provide him with working capital needed to finance them, then there are to be two changes in the present guarantee agreement, viz:

"(1) The bank will be required at all times to have a participation in the loan and, accordingly, the original percentage of guarantee specified in the guarantee agreement will not be increased by reason of contract cancellations, and

"(2) The bank must share with the Government any commitment fee which may not exceed 1/2 of 1% per annum on the undisbursed portion of the credit, in the same proportion that the guarantee fee now bears to the interest payable on V loans, viz: if the percentage of guarantee is

60%, the Gov't's share is 10% of the commitment fee.	
65%-----	12 1/2 %
70%-----	15 %
75%-----	17 1/2 %
80%-----	20 %
85%-----	22 1/2 %
90%-----	25 %

"The amount of loans which a contractor will be entitled to obtain in the event of cancellations of his contracts will be stated in the loan agreement as a percentage of inventories, work in process, accounts receivable, and (without duplication) amounts paid or concurrently to be paid by him to subcontractors or suppliers by reason of contract cancellations. Subcontractors and suppliers will receive protection under this program, because a borrower will be required to pay them whatever he owes them in connection with the items used as a basis for the borrowing.

"Loan agreements under the new program will include provision for such amounts of working capital to carry out war production contracts, as may be needed by the contractor in the particular case. In general, where the amount of credit needed to carry out the war production contracts is small in proportion to the amounts needed to free his own working capital upon contract terminations, the maturity of the credits under the new program may be longer and a minimum of restrictions will be placed upon the borrower by the guaranteeing agencies.

"When cancellations of the borrower's contracts occur, the maturity of that part of the loan proportionate to the amount of the contracts cancelled will be suspended and interest waived thereon, as is now provided under V guarantees. This suspension of maturity and waiver of interest will apply whether the funds have been advanced to the borrower before or after the cancellations have occurred."

### Special Army P. O. Postmark and Cachet

Postmaster Albert Goldman of New York announced on Sept. 2 that the War Department has arranged to operate an Army post office field unit at the "Back the Attack" exhibition to be held in Washington, D. C., from Sept. 8 to 26, 1943, inclusive, with provision for the postmarking of philatelic covers, on which an appropriately designed cachet will also be applied if sufficient space is allowed on the envelope. Collectors desiring covers dispatched through the Army post office may send self-addressed and stamped envelopes to the following address: "Postal Officer in Charge, Army Post Office, c/o Back the Attack, Washington 25 D. C." Covers will not be accepted unless postage at the first-class rate is affixed, and not more than 10 covers will be accepted from each collector. The special postmark will include within the circle the wording: "Army Postal Service, Washington, D. C." and date, and in the bars will appear "Back the Attack, Sept. 8-26, 1943."

## Rent Control Law Ruled Invalid By Georgia Federal Judge; OPA To Appeal

The rent control section of the Emergency Price Control Act of 1942 was declared "invalid and unconstitutional" on Aug. 30 in a ruling by Federal District Judge Bascom S. Deaver in the Middle Georgia District Court, Macon.

Judge Deaver handed down the decision in the case of John W. Payne vs. J. H. Griffin, both of Thomasville, Ga., in which Mr. Payne had sued Mr. Griffin for damages on ground that Mr. Griffin had charged an above-ceiling rent.

The Office of Price Administration plans to appeal the decision, officials said in Washington on Aug. 30.

Regarding the case, an Associated Press Macon dispatch said: "The jurist held that Congress had delegated too much power to the Rent Control Agency for setting prices. This resulted in rule by regulation of a Government agency instead of by law, making the rent control section unconstitutional, Judge Deaver held.

"Under the Rent Control Act, a tenant may sue for damages if a landlord violates the rent ceiling."

With respect to Judge Deaver's decision, Associated Press advices from Macon stated:

"Administrative agencies have become so numerous and government by regulations so extensive that courts, it is to be feared, may gradually yield to their unceasing insistence and permit the rights of the people to be destroyed and subject them to control by regulation, which result was never intended by the Constitution," Judge Deaver's opinion declared, adding: "Conditions created by the war do not enlarge constitutional power. Congress must establish the standards of the legal obligations.

"It is easy for Government agencies, some of which apparently are opposed to any limitation of their power and are impatient of all constitutional restrictions, to admit the limitations stated in the Constitution and then to ridicule the idea that their powers are affected by them.

"The act of the (price) administrator in designating the entire United States as defense-rental areas affords an illustration of the dangerous tendency to assume and exercise powers never intended by Congress to be granted or by the Constitution to be exercised."

He asserted it "cannot be reasonably doubted" that rents should be controlled during the war but contended "fixing fair and equitable prices is a legislative function."

A previous Federal District Court ruling in Indiana, questioning the constitutionality of Federal rent controls, was set aside by the U. S. Supreme Court on technical grounds; it was referred to in these columns of June 3, page 2071.

## Swedish Regulations On Foreign Exchange

In its series of publications on foreign exchange regulations, the Bank for International Settlements, Basle, Switzerland, has published a new pamphlet containing (in a German translation) all the "Regulations Regarding Foreign Exchange in Sweden." The advices from the Bank state that "this pamphlet includes the Decree of Feb. 25, 1940, regarding purchase and sale of foreign exchange, exportation and importation of means of payment and transferable securities, obligation to surrender foreign exchange, etc., together with communications from the Sveriges Riksbank regarding purchase and sale, importation and exportation of foreign exchange, accounts in free and blocked currencies, etc., and also the list of authorized banks."

This compilation (of 16 pages) can be obtained from the Monetary and Economic Department of the Bank for International Set-

tlements in Basle at a price of 1.20 Swiss francs.

In our Sept. 2 issue reference was made on page 927 to the publication by the World Bank of a compilation of "Foreign Exchange Regulations in the Various Countries."

## Robert Morris Associates Elect

At the annual meeting of the Robert Morris Associates, held in the central office in Philadelphia on Sept. 1, the following were elected officers and directors for 1943-44:

President—Arnulf Ueland, Midland National Bank & Trust Co., Minneapolis.

First Vice-President—Carlisle R. Davis, State Planters Bank & Trust Co., Richmond.

Second Vice-President—Kenneth K. DuVall, City National Bank & Trust Co., Chicago.

Directors for two years: David V. Austin, Manufacturers Trust Co., New York City.

Stanley W. Black, Jr., American Trust Co., Charlotte, N. C.

Robert H. Bolton, Rapides Bank & Trust Co., Alexandria, La.

Charles B. Petersen, Northern Trust Co., Chicago.

John H. Stephan, First National Bank, Madison, Wisc.

Warren B. Unbehend, Lincoln National Bank & Trust Co., Syracuse, N. Y.

Continuing directors whose terms expire in 1944 are: W. Earle Blakeley, National Bank of Detroit.

Carlton J. Daiss, Wells Fargo Bank & Union Trust Co., San Francisco.

Arthur L. Moler, Fifth Third Union Trust Co., Cincinnati.

Earl K. Mueiler, Central-Penn National Bank, Philadelphia.

Ernest E. Nelson, Brown Brothers Harriman & Co., Boston.

D. C. W. Ward, Jr., Union Trust Co. of Maryland, Baltimore.

The meeting was presided over by J. Wilson Steinmetz, retiring President of the organization, Vice-President of the Ninth Bank & Trust Co., Philadelphia.

The annual conference of the Associates is to be held at the Hotel Statler in Buffalo on Oct. 20-21, at which time the newly elected men will take office.

## U. S., Iceland Pact

The State Department at Washington announced on Aug. 27 that a reciprocal trade agreement between the United States and Iceland has been signed.

The agreement, according to the Associated Press, is designed to facilitate trade during the present emergency and to provide a basis for expanded post-war trade. The treaty is effective within 60 days, after necessary formalities, and is due to run for three years.

The Associated Press further reported:

"Although Iceland has only 122,000 people, its trade with America in relation to its population is comparatively large. Iceland bought \$442,000 worth of American goods in 1939—the last year for which figures are published—and sold the United States \$1,375,000 worth of products.

"The pact gives the United States tariff concession in fruits, cereals, vegetable oils, agricultural and business machinery, lubricating oils and rubber boots.

"Reciprocally, the United States grants concessions on fish and other products."

## Result Of Treasury Bill Offerings

Secretary of the Treasury Morgenthau announced on Sept. 3 that the tenders for \$1,000,000,000, or thereabouts, of 91-day Treasury bills to be dated Sept. 9 and to mature Dec. 9, 1943, which were offered on Sept. 1, were opened at the Federal Reserve Banks on Sept. 3.

The details of this issue are as follows:

Total applied for, \$1,281,212,000.  
Total accepted, \$1,004,913,000 (includes \$54,471,000 entered on a fixed-price basis at 99.905 and accepted in full).

Range of accepted bids:  
High—99.909 equivalent rate of discount approximately 0.360% per annum.

Low—99.905 equivalent rate of discount approximately 0.376% per annum.

Average price—99.905 plus, equivalent rate of discount approximately 0.375% per annum.

(85% of the amount bid for at the low price was accepted.)

There was a maturity of \$908,689,000 of bills on Sept. 9.

As to the Aug. 27th offering of \$1,000,000,000 of 91-day bills, dated Sept. 2 and maturing Dec. 2, the Treasury revealed the following results:

Total applied for—\$1,177,631,000.

Total accepted—\$1,001,879,000 (includes \$59,548,000 entered on a fixed-price basis at 99.905 and accepted in full).

Range of accepted bids:  
High—99.925 equivalent rate of discount approximately 0.297% per annum.

Low—99.905 equivalent rate of discount approximately 0.376% per annum.

Average price—99.905 equivalent rate of discount approximately 0.375% per annum.

(96% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Sept. 2 in amount of \$904,992,000.

Regarding the Aug. 20 offering of bills, dated Aug. 26 and maturing Nov. 26, the Treasury gave the following details:

Total applied for—\$1,277,910,000.

Total accepted, \$1,002,333,000 (including \$68,329,000 entered on a fixed price basis at 99.905 and accepted in full).

Range of accepted bids:  
High, 99.911; equivalent rate of discount approximately 0.348% per annum.

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

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

(90% of the amount bid for at low price was accepted.)

There was a maturity of a similar issue of bills on Aug. 26 in amount of \$905,310,000.

With respect to the previous week's offering of \$1,000,000,000 of 91-day bills, dated Aug. 19 and to mature on Nov. 18, the Treasury reported the following results:

Total applied for—\$1,420,407,000.

Total accepted—\$1,005,236,000 (includes \$75,820,000 entered on a fixed-price basis at 99.905 and accepted in full).

Range of accepted bids:  
High—99.909 equivalent rate of discount approximately 0.360% per annum.

Low—99.905 equivalent rate of discount approximately 0.376% per annum.

Average price—99.905 equivalent rate of discount approximately 0.375% per annum.

(97% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Aug. 19 of \$906,813,000.

As to the offering on Aug. 6 of \$1,000,000,000 or thereabouts, of

92-day Treasury bills, dated Aug. 12 and to mature on Nov. 12, 1943, details of the result of that issue were as follows:

Total applied for—\$1,431,223,000.

Total accepted—\$1,006,839,000 (including \$74,646,000 entered on a fixed-priced basis at 99.905 and accepted in full).

Range for accepted bids:  
High—99.912 equivalent rate of discount approximately 0.344% per annum.

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

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

(71% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Aug. 12 in amount of \$906,987,000.

## Treasury Simplifies Tax Estimate Form

Some 15,000,000 taxpayers who must file a "declaration of estimated income and Victory tax" on Sept. 15 may do so on a short, simplified form, if they choose, the Treasury Department announced on Aug. 5.

Covering estimated income, after personal exemptions and credit for dependents, up to \$10,000, it makes an average allowance for earned income credit and other deductions such as interest, taxes and contributions. It is similar in principle to the short form income tax return, introduced two years ago as a simplification procedure. That form, however, covered gross income only to \$3,000.

Generally, the new declaration must be filed by single persons earning more than \$2,700, married persons earning more than \$3,500, and all persons, regardless of marital status, who filed a return for 1942 and whose 1943 income is expected to be less than that of 1942. Certain other taxpayers also must file.

In Associated Press Washington advices, the following was reported:

It must be accompanied by at least one-half the amount of tax still due above that deducted under the 20% withholding levy. The second half must be paid by Dec. 15, and a final return for 1943, together with a declaration of estimated income tax for 1944, must be filed by next March 15. At that time, too, taxpayers must pay one-half the unabated portion of their 1942 (or 1943, if it is lower) tax liability. The final payment on unabated taxes is due March 15, 1945, after which collections will be on a truly pay-as-you-go basis.

The actual declaration, which is being mailed between Aug. 15 and 20 to all income tax payers whether or not they are required to file it, measures only 4 by 8 inches. It is accompanied, however, by a larger instruction sheet, on which detailed instructions are provided, together with a form for computing the taxable income and a table for estimating the amount of tax liability.

A still larger "taxpayer's work sheet" also will be available at internal revenue collectors' offices for persons who wish to compute their liability more precisely.

The declaration has only these six lines for figures:

1. Estimated income and Victory tax for 1943.
2. Estimated income and Victory tax withheld during entire year.
3. Estimated tax after deducting estimated tax withheld (item 1 minus item two).
4. Total payments to collector during 1943 for 1942 income tax.
5. Unpaid balance of estimated tax (item 3 minus item 4).
6. Amount paid with this decla-

## Advertising Campaign To Promote War Loan

An advertising campaign to promote the Third War Loan in New York City—believed the largest of its kind in the history of the city—will begin today (Sept. 9) it was announced by Arthur DeBebian, Second Vice-President of the Chase National Bank and General Chairman of the advertising division of the New York War Finance Committee.

"About 200 national and local advertisers have already scheduled space in newspapers of this city," Mr. DeBebian said. "Individual appropriations for this purpose range from \$250 to \$28,000, and call for a total expenditure of 600,000 in newspaper space alone."

The retail establishments of the city, he said, also would use much space, concentrating it on the four Thursdays during the drive.

In addition Mr. DeBebian announced, business firms of New York have contributed 1600 24-sheet billboard posters in the five boroughs at an estimated cost of \$50,000. More than 200 Third War Loan flags which will be flown at convenient locations throughout Manhattan also have been contributed.

## OPA Seeks To Restore Living Costs To September 1942 Levels

The cost of living will be restored to the September, 1942, levels and will be maintained at that level for the duration, it was pledged on Sept. 3 by Chester Bowles, General Manager of the Office of Price Administration.

Mr. Bowles made this promise in replying to a letter from Representative Sabath (Dem., Ill.) Chairman of the House Rules Committee, who had criticized the Administration's policy of acceding to the "unappreciative" farm group's "demand and clamor for more and more benefits."

Regarding Mr. Bowles' letter, United Press Washington advices said:

Mr. Bowles, in his reply, broke the food price problem into two parts, farm prices and distribution margins. With regard to farm prices, Mr. Bowles wrote to Representative Sabath that Congress had imposed certain important restraints on the power of OPA to impose ceilings and that any change in basic policy in this respect must come from Congress. But he was optimistic about the results of the Administration's new price stabilization program and the new food program.

"Altogether," Mr. Bowles wrote, "we expect that measures already in operation will eliminate well over half of the rise in the cost of living which took place between Sept. 15, 1942, the base date for wage and price stabilization named in the stabilization act, and May, 1943."

"The food program, the details of which are now being worked out, will, we believe, complete the job and restore the cost of living to the September, 1942, levels."

"Once that objective has been accomplished, our policy will be to maintain the cost of living at that level for the duration."

ration (not less than one-half of item 5).

Wage and salary earners are allowed a 20% margin of error for estimating their income and may file an amended declaration by Dec. 15. Farmers are allowed a 33 1/3% margin of error. Penalties are provided when the estimate is beyond those permissible margins.

Farmers, too, are not required to file the declaration until Dec. 15, but it must be accompanied at that time by the full amount of the balance due.

## Republican Committees Named At Mackinac

The permanent committees of the Republican Post-War Advisory Council, named to study various phases of domestic and international affairs, were announced on Sept. 6 by Harrison E. Spangler, Chairman of the Republican National Committee, at a meeting of the Council on Mackinac Island, Mich.

The membership of the committees follow:

Foreign Policy and International Relations—Senator Vandenberg of Michigan, Senator Austin of Vermont, Gov. Green of Illinois, Gov. Martin of Pennsylvania, and Representatives Bolton of Ohio, and Eaton of New Jersey.

Post-war Enterprise, Industry and Employment—Gov. Bricker of Ohio, Senator Hawkes of New Jersey, Gov. Kelly of Michigan, Gov. Snell of Oregon, Gov. Baldwin of Connecticut, and Representative Dirksen of Illinois.

Social Welfare and Security—Gov. Warren of California, Senator Hawkes, Gov. Sharpe of South Dakota, Gov. Vivian of Colorado and Mrs. Bertha Baur of Illinois and Mrs. Dudley Hay of Michigan, members of the Republican National Committee.

Financial Taxation and Money—Senator Taft of Ohio, Gov. Saltonstall of Massachusetts, Gov. Griswold of Nebraska, John G. Townsend Jr., of Delaware, Chairman of the Republican National Senatorial Committee; Representative Woodruff of Michigan, Representative Carter of California, and Henry Leonard of Colorado, National Committee member.

Reform of Government Administration—Gov. Dewey of New York, Senator Vandenberg, Gov. Bacon of Delaware, Gov. Wills of Vermont, Representative Ditter of Pennsylvania, Representative Miller of Missouri, Clarence Budington Kelland, National Committeeman from Arizona, and H. Alexander Smith, National Committeeman from New Jersey.

Labor—Representative Halleck of Indiana, Senator Austin, Gov. Martin, Gov. Donnell of Missouri, Gov. Blood of New Hampshire, Gov. Kelly, Gov. Thye of Minnesota, and Dan Whetstone, National Committeeman from Montana.

Agriculture—Senator McNary of Oregon, Gov. Hickenlooper of Iowa, Gov. Sewall of Maine, Gov. Ford of Montana, Gov. Bottolfson of Idaho, Representative Hope of Kansas and Representative Andresen of Minnesota.

International Economic Problems—Representative Reed of New York, Senator Taft, Gov. Schoepfel of Kansas, Gov. Langlie of Washington, Gov. Goodland of Wisconsin, Representative Rogers of Massachusetts and Representative Reece of Tennessee.

## Small War Plants To Get Ship Parts Orders

A definite program of closer cooperation between the U. S. Maritime Commission and the Smaller War Plants Corporation has been developed, it was announced jointly Aug. 26 by Admiral Emory S. Land, Chairman of the Commission, and Robert W. Johnson, Chairman of the Corporation.

The Commission and the Corporation, the statement said, "will use their best efforts, jointly and severally, to cause smaller plants to be utilized in the production of articles, equipment, supplies and material needed in the construction of vessels in the Commission's program to the extent intended by Public Law No. 603 (Seventy-seventh Congress) and consistent with the delivery requirements of the Commission's production schedules."

In advices from its Washington bureau, the New York "Herald Tribune" said:

"As a means of accomplishing this, the Commission has set up a small-business section in each of the four regional maritime construction offices and is using its best efforts to establish a small business section within each of the purchasing offices of private shipyards having contracts with the Commission."

The advices also stated that the Corporation has set up a maritime staff and will also have a maritime supervisor in each of the 14 SWPC regional offices. The advices added:

"In distinguishing between large plants and recommended small war plant applicants who can produce a specified article, the Commission will recognize the fact that the unit cost to a small plant may be greater than the per unit cost to a large plant, and that in order to mobilize the production capacity of all plants, in accordance with the SWPC act, it may be necessary to pay a higher unit price to the small plant."

## Predicts Tax Action To End Pay-Go

A "radical" revision of the Federal tax bill, abolishing pay-as-you-go, was predicted on Sept. 3 by Representative Gearhart (Rep., Calif.), member of the House Ways and Means Committee.

Mr. Gearhart indicated, according to United Press advices from Fresno, Calif., that he would advocate some form of sales tax in place of the current legislation, which he said was a "complicated system of estimates and re-estimates, calculations and recalculations, adjustments and readjustments" with "penalties, penalties and penalties at the end of the trail." He said the present system would have to be abandoned for "established ways of producing Federal income."

"The proponents of the present act, realizing the failure of their program, are calling for 'simplification,' thereby sugarcoating their admission that the whole act is a complete failure," Mr. Gearhart said. "Pay-as-you-go-as-you-know-you-owe must be substituted for pay-as-you-go-before-you-know-what-you-owe."

## Co-Directors Named For Petroleum Corp.

The appointment of Secretary of State Hull, Secretary of War Stimson, Secretary of the Navy Knox and Leo T. Crowley, Director of the Office of Economic Warfare, as co-directors of the new Government-established Petroleum Reserves Corporation was announced on Aug. 30 by Secretary of the Interior Ickes, who is President of the corporation.

The new agency, chartered with \$1,000,000 capital stock and unlimited borrowing powers, is authorized to engage outside this country in acquiring crude oil stocks, storing, processing and distributing them, and operating refineries, pipe lines and other facilities, according to the Associated Press.

In a statement, Mr. Ickes said: "I regret that no information can be made public at this time as to the corporation's work. It is engaged in war activities of a nature requiring secrecy for their success. However, the public will be informed of the scope and nature of its general purposes just as soon as this can be done without imperiling the prosecution of this war in which petroleum plays such a decisive part on all fronts."

## Canadian Blue Print Calls For Post-War World Organization Embracing All Nations

The Canadian Institute on Public Affairs has drafted a blueprint for a post-war world organization embracing all nations, if possible, and committed to maintain peace by military force, if necessary, it was made known on Aug. 29, following a series of round-table conferences held at Lake Couchiching, Ontario.

A draft of conclusions reached at the conferences, according to Canadian Press advices, published in the New York "Times" said that the delegates had agreed that membership in the proposed organization should be universal, but that the United States, the British Commonwealth, Russia and China, as the four great world powers, should have a lead in world affairs by the assurance of council seats. Other seats should be elective, the delegates recommended.

Other recommendations, said the Canadian Press, were:

1. The creation of an international police force empowered to call on member nations for armed help.
2. The recognition of air power as the chief weapon in policing the world.
3. The preparation of a plan, to be implemented on Germany's surrender, to avoid national and international anarchy.
4. The formation of a bureau to correlate information from "observers" posted throughout the world on any movement or threat to world order.
5. The outlawing of any nation withdrawing from the organization.

## Six Months' Earnings OF NYSE Listed Cos. 17.7% Above 1942

The net income of 460 corporations having common stock listed on the New York Stock Exchange for the first half of 1943 is estimated to have increased 17.7% over the corresponding 1942 period, according to a tabulation contained in the August issue of "The Exchange," monthly publication of the Stock Exchange. However, the publication points out that this "rather surprising increase" in net earnings of 19 groups of corporations must be viewed with some reservation since comparatively few made any reckoning of the effects of war contract renegotiations, the setting up of reserves to cover contingencies, adjustments of taxes, etc.

The Exchange's magazine further comments:

"Nevertheless, stockholders will be impressed by the progress made by several categories over the corresponding 1942 period. The automotive division, for example, reversed strongly the tendency of profits in the first six months of last year: in 1942 the group reported a decline of no less than 51.3% from the showing of 1941, against an increase of 29.2% this year.

"The amusement group, bolstered by moving picture companies, came through with a gain of 49.3% this year against a decline of 9.1% in 1942. And petroleum companies recovered their pre-war stride by estimating a rise of net income amounting to 19.5%, in contrast with a decline of 3.9% the year before.

"All except one of the 19 groups (steel, iron and coke), reported gains, whereas last year all but two revealed declines from the 1941 showing.

"The railroad gain of 41.2% portrayed again the ability of this group to absorb tax burdens and increasing costs when the traffic curve continues to rise. The net income gain of the carriers—41.2%—stood in contrast with a 42.6% upturn in the first half of last year. As railroads are less subject than industrial corporations to revisions of revenue receipts on account of war exigencies, it may be

pre-supposed from the figures that the rail debt retirement will make an impressive display when 1943 results become public.

"The half-year brought a resurgence of estimated electrical equipment company net income, an increase of 11.2% standing in contrast with a recession of 28.6% last year. Viewing the improvement of such divisions as electrical equipment and automotive, it is fair to assume that the first six months of this year saw plant and machine adaptation to war production fully completed, resulting in largely increased production and effective economies.

"This is emphasized by the fact that 303 of the 460 companies covered by the table showed an improvement over the 1942 period; last year only 154 of 450 companies reported net income gains over the first half of 1941."

## Sees Post-War Shifts Of People And Industry

The National Resources Planning Board issued on Aug. 26 a lengthy study, "Industrial Location and National Resources," in which it said that "major adjustments between population and industry will be required after the war if a high degree of employment is to be achieved on a peace-time basis."

The NRPB, which was ordered by Congress to wind up its affairs by Aug. 31, declared in its study: "The task of aiding private industry in providing economic opportunities for men to be demobilized from the armed forces and from munitions industries will demand careful attention both to the conversion of war-production centers to peace-time activities and to the establishment of new industries based on the resources of under-developed sections of the country."

The Board also announced that it would publish later, probably in September, an additional study proposing ways in which some of the post-war industrial readjustments may be achieved.

Regarding the present study, which was submitted to President Roosevelt last February, the Associated Press reported as follows: "Representing the first comprehensive analysis of the subject to be made in this country, these studies are primarily concerned with a review of the various factors which influence plant-location decisions and which therefore are shaping the geographic pattern of American industry.

"The American economy is and always has been an expanding economy, and each decade has brought with it significant changes in the geographic pattern of industry. But never before have these changes been so rapid as since the beginning of the defense period.

"By the end of 1943 the expansion of our manufacturing facilities for war-production purposes will total approximately \$18,000,000,000, more than \$15,000,000,000 of this investment representing Federal funds.

"Through this tremendous investment we have not only vastly increased the nation's manufacturing plant, but we have brought about important changes in the geographical pattern of manufacturing.

"The consequence of these changes will have a permanent influence on the growth and development of the nation. Because of these great changes both private industry and local, state and Fed-

eral agencies of government have become increasingly aware of the necessity of giving careful thought to plant-location decisions. This report has been prepared to meet the growing need for objective analysis of locational problems."

Such detailed analysis was promised in the next study. The present study is intended to provide industrial executives and public officials with a basis for evaluating the locational distribution of industry and for measuring likely changes in this pattern.

During the war, the report said, the location of manufacturing facilities has often been governed by strategic considerations such as speed of output and safety from enemy attack. Many plants have thus been located in areas which manufacturers would not normally have chosen for their operation.

"Consequently," the report added, "major readjustments between population and industry will be required after the war if a high degree of employment is to be achieved on a peace-time basis."

## Canada Takes Over Peace River Bridge

The American-financed bridge on the Alaska Highway over the Peace River was presented to Canada on Aug. 30 in a ceremony held at Fort St. John, British Columbia, formally opening the structure. The bridge was hailed as a new link in the friendship of Canada and the United States.

Representatives of the British Columbia and American Governments and Canadian and American Army officials witnessed the ceremony. Regarding the exercises, Associated Press accounts from Fort St. John said:

"Herbert Anscomb, Minister of Public Works for British Columbia, represented Premier John Hart in receiving the bridge.

"I accept this bridge," he said, "in the name of the Dominion and provincial governments. It will be a binding link between the two great nations in the North American Continent."

"Mr. Anscomb and Senator Scrugham, head of a six-man Senate subcommittee making an inspection tour of the Alaska highway area, combined to manipulate the scissors cutting the red, white and blue ribbon stretching across the southern entrance to the bridge.

"Ceremonies were opened by Brigadier General James O'Connor, commanding officer United States Northwest Service Command, who termed the opening 'an historic threshold in the development of our continent.'

## Justice Department Shifts Divisions To Aid War

Reassigning the functions and personnel of the Criminal and War Divisions of the Department of Justice were announced on Aug. 28 by Attorney General Francis Biddle.

Tom C. Clark, Assistant Attorney General, who has headed the Anti-Trust Division, becomes the head of the Criminal Division, while Wendell Berge, Assistant Attorney General, who has been in charge of the Criminal Division, takes over the Anti-Trust Division.

The War Frauds Unit of the War Division is transferred to the Criminal Division.

Mr. Biddle said the work of the War-Frauds Unit had expanded to such a degree that it was advisable to shift the unit into the Criminal Division. The change centers all criminal prosecution, except tax and anti-trust cases, in this Division.

In shifting Mr. Berge to the Anti-Trust Division, Mr. Biddle recalled that he had served there before and was "specially qualified to direct vigorous war-time prosecution of the anti-trust law."

## Treas. Rules Amended On Money Orders For Forces Abroad

The Foreign Funds Control Division of the Treasury Department on Aug. 25 amended its regulation relating to the sending of postal money orders to or from members of the United States armed forces.

The ruling follows:

### FOREIGN FUNDS CONTROL

(1) Certain transactions authorized notwithstanding General Ruling No. 5A. A general license is hereby granted, notwithstanding General Ruling No. 5A, authorizing the following transactions:

(a) The exportation of any United States postal money order drawn in favor of a member of the armed forces of the United States or other authorized person and sent through the Army Post Office or other official channels of the United States armed services or carried by a member of the armed forces of the United States or other authorized person departing from the United States;

(b) The importation of any United States postal money order sent by a member of the armed forces of the United States or other authorized person to the United States through the Army Post Office or other official channels of the United States armed services or carried into the United States by a member of the armed forces of the United States or other authorized person;

(c) The importation of any personal check drawn by a member of the armed forces of the United States or other authorized person against an account within the United States in favor of a payee within the United States and sent to the United States through the Army Post Office or other official channels of the United States armed services;

(d) The negotiation, collection or payment of, or any other dealings in or with respect to, any item authorized to be imported by paragraph 1(b) and 1(c) above.

(2) Transactions not authorized. This general license shall not be deemed to authorize any transaction (i) by, or on behalf of, or pursuant to the direction of, a national of a blocked country (other than an authorized person), or (ii) involving property in which a national of a blocked country (other than an authorized person) has, at any time on or since the effective date of the Order, had any interest.

(3) Definitions. As used in this general license, the term "authorized person" shall mean any individual who is with the armed forces of the United States in the course of his service with such forces or who is accompanying such armed forces in the course of his employment by the Government of the United States or any organization acting on its behalf.

## Work Week Extended To 48 Hours In N. J.

The War Manpower Commission's order calling for a 48-hour work week in the Newark (N. J.) industrial area went into effect on Aug. 23.

In Newark advices, Aug. 23, to the New York "Herald Tribune," the following was reported:

"Officially, less than half the employees in the Newark critical labor-shortage area were put on the new schedule today. Major Howard J. Lepper, Acting Director of the WMC for the area, said that 243,609, or 43% of the area's 730,000 workers, began the longer work week and that there still is considerable paper work to be done before all workers are under

the mandatory 48-hour-week regulation of the WMC.

"Department stores are still to be processed," he said, and one of the problems in the reorganization of work schedules for store employees is to avoid their use of public transportation facilities during rush periods, in accordance with the staggered working hours which have been in effect in New Jersey for nearly a year.

"Despite some relief in the labor situation as a result of the extended work week, the Newark area still is sorely pressed for additional workers, Major Lepper said. He reported that an extensive campaign to recruit 40,000 women workers in the area by Jan. 1 has started. The jobs are set aside specifically for women workers, he said, and must be filled.

"The Newark area is the first section of the metropolitan district to come under the mandatory 48-hour week regulation of the WMC. Forty other areas, including Somerville, N. J., also have extended the work week."

## July Truck Freight Volume 9.3% Over 1942

The volume of freight transported by motor carriers in July showed a decrease of 1.3% under June, but held 9.3% over July, 1942, according to reports compiled and released on Aug. 30 by the American Trucking Associations, Inc.

Comparable reports were received by ATA from 229 motor carriers in 40 States. The reporting carriers transported an aggregate of 1,806,499 tons in July, as against 1,829,594 tons in June, and 1,652,188 tons in July, 1942.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 192.67. The June index was 194.60.

Approximately 88% of all tonnage transported in the month was transported by carriers of general freight. The volume in this category showed a decline of 2.7% under June, but held 9.4% over July of last year.

Transporters of petroleum products, accounting for a little more than 6% of the total tonnage reported, increased 4.4% over June, and 13.5% over July, 1942.

Haulers of iron and steel products reported 2% of the total tonnage. The volume of these commodities showed an increase of 7.4% over June, and an increase of 15% over July of last year.

Almost 3 1/2% of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, coke, bricks, building materials, cement and household goods. Tonnage in this class showed an increase of 6.1% over June, but decreased 3.6% under July, 1942.

## J. J. O'Donohoe Dies

James J. O'Donohoe, former President of the New York Produce Exchange, died on Aug. 25 in the Staten Island Hospital, New York. Mr. O'Donohoe, who was 51 years old, was a partner of the firm of O'Donohoe, Quain & Co., grain brokers. A native of Canada, Mr. O'Donohoe began his career with the Grain Growers Export Co., Ltd., Winnipeg, Canada, and later became managing director of the Grain Growers Export Co. of New York. He joined the New York Produce Exchange in March, 1915. He became a member of the Grain Committee of the Exchange in June, 1925, and assumed chairmanship of this committee in July, 1930, serving in that capacity until June, 1932. He served on the Board of Managers from 1927 to 1931 and was elected President of the Produce Exchange in 1939. Mr. O'Donohoe served as President for two one-year terms—until June, 1941.

## 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 Sept. 6, continued a fractional advance for the fifth consecutive week. In the week ended Sept. 4 this index advanced to 135.5 from 135.3 in the preceding week. It was 134.8 a month ago and 129.0 a year ago. The Association's report added:

The farm products group continued to advance with increasing prices of cotton, grains, eggs, hogs and lambs. The foods group continued its upward trend as further advances in eggs and cottonseed oil quotations more than offset the decline in potatoes. The increase in cotton was sufficient to effect a fractional advance in the textiles group. After remaining at the same level for 23 consecutive weeks, the chemicals and drugs group has moved into higher ground due to an advance in the ceiling price level for alumina sulphate. During the week none of the group averages in the composite index declined.

During the week 10 price series advanced and only 4 declined; in the preceding week there were 12 advances and 3 declines; and in the second preceding week there 11 advances and 4 declines.

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

Each Group Bears to the Total Index	Group	Latest Preceding		Month Ago	Year Ago
		Week	Week		
		Sep. 4, 1943	Aug. 28, 1943	Aug. 7, 1943	Sep. 5, 1942
25.3	Foods	138.8	138.6	138.0	130.7
	Fats and Oils	146.0	145.7	145.6	141.0
	Cottonseed Oil	162.4	161.3	160.7	156.1
23.0	Farm Products	156.4	155.6	154.0	139.4
	Cotton	195.0	194.0	195.5	176.8
	Grains	148.3	147.9	146.5	114.9
	Livestock	152.6	151.6	149.0	139.0
17.3	Fuels	122.8	122.8	122.8	118.8
10.8	Miscellaneous commodities	131.0	131.0	130.1	126.9
8.2	Textiles	150.5	150.3	150.6	147.3
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.5	152.5	152.5	151.4
1.3	Chemicals and drugs	127.7	126.6	126.6	120.7
.3	Fertilizer materials	117.7	117.7	117.7	117.9
.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	135.5	135.3	134.8	129.0

\*Indexes on 1926-1928 base were Sept. 4, 1943, 105.6; Aug. 28, 105.4, and Sept. 5, 1942 100.5.

## Munitions Production Up 3% In July, Nelson Announces In Monthly Report

Munitions output increased 3% in July, moving away from the level of April, May and June, it was announced on Aug. 31 by Donald M. Nelson, Chairman of the War Production Board.

In the thirteenth of a series of monthly reports, Mr. Nelson said that the munitions production index, which covers ships, planes, tanks, ordnance, quartermaster and miscellaneous items, stands at 593 for July, as compared with 573 for June. A 17% increase in the field of signal equipment was one of the most noteworthy achievements of the month, Mr. Nelson reported, adding that ground ordnance not only increased 6% over June but came out even with the schedule and reached a new high. He further stated that aircraft and related munitions also helped to dominate the month's production showing, moving 5% ahead of the preceding month. Chairman Nelson's report also stated:

"If our production goals are to be achieved, production step-ups must continue during the next six months the good record of production increases of the past year and a half. Until recently munitions production in terms of points in the index was increasing on the average by more than 25 points each month. The July increase was 20 points. The average increase for May and June was only 5 points.

"The progress of munitions production during the month was as follows:

**Expanding Programs**  
"In many programs production problems have been largely licked and peak production rates have been achieved or are not far off. The most difficult production problems that remain are concentrated in three major programs where important further increases are required: airplanes, signal equipment and army ammunition. In these areas the July record was as follows:

	Increase from June	Inc. from July 1942
Airplanes	4%	143%
Army ammunition	0%	45%
Signal equipment	17%	145%

"Monthly aircraft production measured in pounds, more than doubled since July, 1942, and is scheduled to double again before the end of 1944. During the

month 7,373 planes were produced. The 4% increase in July over the June level included a 19% increase for fighters and an 8% increase for transports. Heavy bombers showed a gain of 13%. The failure of aircraft production to increase more sharply was due to a variety of factors including design changes and labor shortages. Aircraft ordnance increased slightly more than aircraft production during July.

"Tactical gliders have been produced in large volume in recent months, and represent a significant addition to the airplane output of the aircraft industry. These are not included in the aircraft production figures given above.

"Army ammunition which had increased sharply in May and June showed no change from the June level during July. Ground and aircraft signal equipment made an excellent record in July, an increase of 17% above the May and June level.

### Ship Construction

"Ship construction calls for sharp step-ups in the immediate future, but peak rates are not far off. The record of work done on these programs is:

	Increase from June	Inc. from July 1942
Naval vessels	7%	85%
Merchant ships	4%	81%

"These figures on ship construction take account of work done on ships not yet completed as well as of deliveries of completed ships. Deliveries of naval vessels in July, on a tonnage basis, were substantially lower than deliveries for June. Deliveries of destroyers and destroyer escorts were up 25% from June; submarines continued to be turned out at the June rate while deliveries of patrol craft increased only slightly.

"Deliveries of completed merchant vessels were at the June

rate. By the end of July, 10,000,000 tons of the 19 scheduled for the year had been completed.

### Stable and Declining Programs

"The remaining programs, although presenting a number of problem areas for groups and individual items, either call for increases to levels in 1944 which offer no problems of the magnitude of the groups above, or else have already passed their peaks: artillery, anti-aircraft guns, small arms, combat and motor vehicles, and miscellaneous and quartermaster items." The July record for selected areas was as follows:

	Increase from June	Inc. from July 1942
Artillery, AA guns & small arms	5%	95%
Combat vehicles	9%	55%
Quartermaster and misc. supplies	4%	16%
Motor vehicles	6%	22%

## Randolph Paul Urges Simplifying Tax Laws

Randolph E. Paul, General Counsel, the Treasury Department, asserted on Aug. 24 that there was an "immediate need" for simplification of the tax laws. In an address before the American Bar Association Tax Section in Chicago, Mr. Paul called upon members of the Association to cooperate with Government representatives in a joint endeavor to find the tax solution.

Regarding his remarks an Associated Press account reported:

"Complete simplification (of the tax laws) is, of course an impossible goal," Mr. Paul declared. "Much possible simplification," he added, "is a long-term task. There is, however, an immediate need for simplification where the mass coverage of the income tax accentuates the hardship imposed by unnecessary complexities in the application of the law.

"As an example," Mr. Paul said, "I suggest the complications which the Victory tax, with its different exemptions and deductions, presents in our regular income tax structure. Integration of that tax with our established income tax is seriously to be considered.

"Again, the elimination of the now relatively insignificant and falsely named earned income credit would go far to simplify our tax computations," the Treasury counsel opined, adding:

"These computations are also made unnecessarily complex by the retention of a normal tax and a surtax on the same dollars of income. Integration of rates into a simple schedule can be accomplished without depriving partially tax exempt securities of their present exemption."

Elimination of the capital stock tax, Mr. Paul asserted, "would vastly relieve the burden of tax counsel and the overworked executives of your corporate clients." On the Government side, he said, such an elimination would free administrative personnel to work on more significant revenue-producing taxes and relief provisions.

## Resigns From OWI

Nicholas Roosevelt, Deputy Director of the Office of War Information, has submitted his resignation effective Sept. 2, but Director Elmer Davis said he had not accepted it and hoped to persuade Mr. Roosevelt to change his mind. Mr. Roosevelt, liaison officer between the OWI and the armed services, told Mr. Davis in his letter of resignation that he felt he had accomplished all he could on the liaison job. He had been on the editorial staff of the New York "Herald Tribune" prior to his appointment to the OWI last November.

## Roosevelt & Churchill Conclude War Talks: Promise Sea, Land & Air Action On All Fronts

President Roosevelt and Prime Minister Winston Churchill of Great Britain concluded on Aug. 24 their Anglo-American war conference in Quebec, declaring that "the necessary decisions have been taken to provide for the forward action of the fleets, armies and air forces of the two nations."

In a joint statement, the President and Prime Minister stated that the "whole field of world operations has been surveyed" with the military discussions "turned very largely upon the war against Japan and the bringing of effective aid to China."

As to the European field, Mr. Roosevelt and Mr. Churchill declared that "full reports of the decisions so far as they affect the war against Germany and Italy will be furnished to the Soviet Government." It was also pointed out that "another Anglo-American conference will be held before the end of the year," in addition to any tripartite meeting which it may be possible to arrange with Soviet Russia.

Agreement, the joint statement added "was also reached upon the political issues underlying or arising out of the military operations."

The text of the joint statement made Aug. 24 by President Roosevelt and Prime Minister Churchill follows:

"The Anglo-American war conference which opened at Quebec on Aug. 11 under the hospitable auspices of the Canadian government has now concluded its work.

"The whole field of world operations has been surveyed in the light of the many gratifying events which have taken place since the meeting of the President and the Prime Minister in Washington at the end of May, and the necessary decisions have been taken to provide for the forward action of the fleets, armies and air forces of the two nations. Considering that these forces are intermingled in continuous action against the enemy in several quarters of the globe, it is indispensable that entire unity of aim and method should be maintained at the summit of the war direction.

"Further conferences will be needed, probably at shorter intervals than before, as the war effort of the United States and British Commonwealth and Empire against the enemy spreads and deepens.

"It would not be helpful to the fighting troops to make any announcement of the decisions which have been reached. These can only emerge in action.

"It may, however, be stated that the military discussion of the Chiefs of Staff turned very largely upon the war against Japan and the bringing of effective aid to China. Mr. T. V. Soong, representing the Generalissimo Chiang Kai-shek, was a party to the discussions.

"In this field, as in the European, the President and the Prime Minister were able to receive and approve the unanimous recommendations of the Combined Chiefs of Staff. Agreement was also reached upon the political issues underlying or arising out of the military operations.

"It was resolved to hold another conference before the end of the year between British and American authorities, in addition to any tripartite meeting which it may be possible to arrange with Soviet Russia.

"Full reports of the decisions so far as they affect the war against Germany and Italy will be furnished to the Soviet government.

"Consideration has been given during the conference to the question of relations with the French Committee of Liberation, and it is understood that an announcement by a number of governments will be made in the latter part of the week."

President Roosevelt on Aug. 17

joined Prime Minister Churchill at Quebec for their conference on the war—this having been the sixth such meeting between the President and Mr. Churchill since Aug. 1941. The Prime Minister arrived in Canada on Aug. 10, when he entered into discussions with Prime Minister W. L. Mackenzie King of Canada. President Roosevelt told his press conference in Washington on Aug. 10 that his talks with Mr. Churchill would be strictly Anglo-American. On Aug. 20 Cordell Hull, U. S. Secretary of State, (who arrived in Quebec that day), and Foreign Secretary Anthony Eden of Great Britain, dined and conferred with the President and Mr. Churchill.

The President and the Prime Minister brought their meeting to an end at a press conference on Aug. 24 on the terrace of the Citadel, where they have been deliberating for eight days. Said the Associated Press:

"Nothing of the strategy directives that have been sent to military commanders in the field was disclosed. But the two leaders spoke with utter confidence of the future."

Associated Press accounts from Quebec Aug. 24 also stated that Mr. Churchill made it clear that the war against Japan had held an important place on the conference agenda. Russia is not fighting Japan, and the Prime Minister left the definite impression that she had not been invited to send representation here for that reason.

It was disclosed at Washington on Aug. 15 that the President and Mr. Churchill conferred for three days at the President's Hyde Park (N. Y.) home; the Prime Minister, who had previously (Aug. 12) viewed Niagara Falls from the Canadian side, crossed to the American side during his sight-seeing trip. After his Hyde Park talks with the President, he returned on Aug. 15 to Quebec, while the President went back to Washington.

## Dr. White Confers With N. Y. Reserve On Currency Stabilization

Dr. Harry D. White, Director of Monetary Research of the Treasury Department, met with the directors and officers of the Federal Reserve Bank of New York on Sept. 2 to discuss the problem of international currency stabilization. It was said that various aspects of the problem were considered, including the question of whether an international stabilization fund is desirable at this time. The specific proposals contained in the latest version of the so-called White plan, and possible alternatives to an international stabilization fund or clearing union were also discussed.

It is understood that no conclusions were reached. It is indicated that the Foreign Relations Committee of the Board of Directors of the Bank, which has been studying the problem for some time, was asked to consider it further and, with the officers of the bank, to make a report and recommendations to the Board. A similar conference, although on a much larger scale was held at the Chicago Federal Reserve Bank on Aug. 26, sponsored by five Mid-West Reserve Banks. Reference to that meeting appeared in our Sept. 2 issue, page 928.

Harvesting General For Canadian Crops

Harvesting is now general in Manitoba, Saskatchewan and Southern Alberta, the Bank of Montreal says in its Aug. 26 crop report.

The bank's report also says: "In Ontario, fairly good progress has been made with the harvesting of spring grains and threshing of fall wheat is general."

"In the Province of Quebec, due to excessive rain, harvesting of a heavy hay crop has not yet been completed. Cutting of an average crop of grain is progressing slowly."

In the Maritime Provinces, heavy rains have further retarded operations and delayed growth, and warm, dry weather is urgently needed.

U. S., Canadian and British Group To Report On Pulp

Establishment of a joint United States-Canada-United Kingdom committee to report on the requirements and supplies, uses, production and distribution of the pulp and paper industries in the three countries, was announced on Aug. 23 by Donald M. Nelson, Chairman of the War Production Board.

The committee is jointly sponsored by the Combined Production and Resources Board and the Combined Raw Materials Board.

Canada is represented by Morris W. Wilson, President of the Royal Bank of Canada and director of a number of Canadian companies.

Pernambuco Interest

Holders of State of Pernambuco (United States of Brazil) 7% external sinking fund loan due March 1, 1947 are being notified that interest due March 1, 1941 will be paid beginning Sept. 1 at the rate of \$5.6875 per \$35 coupon.

Give Dinner For Cohoe Chemical Society Head

Wallace P. Cohoe, newly-elected President of the Society of Chemical Industry, will be honored at a dinner given at the Waldorf-Astoria Hotel in New York on Oct. 22.

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

The earnings of the railroads of the United States for the month of June did not reach the previous high peaks, but nevertheless, continue at very high levels. Gross earnings of these roads were \$747,372,904 against \$623,695,612 in June, 1942, a gain of \$123,677,292, or 19.83%.

Table with 5 columns: Month of June, 1943, 1942, 1941, 1932, 1929. Rows include Mileage of 132 roads, Gross earnings, Operating expenses, Ratio of earnings to expenses, and Net earnings.

As is our custom in these monthly reviews, let us regard the trade activity in the various industries which have a direct bearing on the operations of the railroads. In order to show the relation between the general business indices and railroad earnings, we have arranged in the appended tabulation a detailed summary of the figures indicative of the activity in the more essential industries, together with statistics covering grain and livestock receipts and revenue freight carloadings for the month of June of the current year.

Table with 5 columns: June, 1943, 1942, 1941, 1932, 1929. Rows include Building (\$000), Coal (net tons), Freight Traffic (Carloadings, all cars), Livestock receipts (Chicago, Kansas City, Omaha), Western flour and grain receipts (Flour, Wheat, Corn, Oats, Barley, Rye), and Iron and Steel (net tons).

Note—Figures in above table issued by: x Only percentage available. z 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). Four weeks. Five weeks.

On examination of the compilation presented above, we observe that almost half of the items listed showed downward trends in volume of activity. Commencing with construction, we find that total valuation of contracts awarded in the 37 states east of the Rocky Mountains revealed a major decrease of \$960,665,000 below the same month of 1942, but only a minor decline of 2% from the preceding month.

Navy War Bond Sales Over \$245 Million

The Interdepartmental War Savings Bond Committee announced on Aug. 24 that total sales of War Bonds by the Navy Department since inception of the program amounted to \$245,670,532 as of July 31, 1943.

"During the month of July sales amounted to \$27,783,065.25, the largest in any month since the Navy bond program began. This exceeded the previous record in April of \$21,675,572.75 by \$6,107,492.50 and exceeded June sales by \$6,683,619.00.

Table with 3 columns: Type of Sale, July, June, Increase. Rows include Cash, Payroll savings (civilian employees), Military Allotments (Navy, Marine Corps, Coast Guard), and Total.

The Navy's War Bond program is under the direction of Capt. G. A. Eubank, Coordinator for War Bonds.

Ching Resigns WLB Post

Cyrus S. Ching has presented his resignation as an employer member of the National War Labor Board to President Roosevelt, and has returned to his position as director of industrial and public relations of the United States Rubber Co.

Mr. Ching had been in Washington on leave of absence from his company for 2 1/2 years. He was appointed to the National Defense Mediation Board as an employer representative in March, 1941. When this Board was succeeded by the War Labor Board in January, 1942, Mr. Ching was made an associate member. In May, 1942, he was made an alternate employer member of the WLB, serving in this capacity up to the present time.

Table with 3 columns: July, June, Increase. Rows include Cash, Payroll savings (civilian employees), Military Allotments (Navy, Marine Corps, Coast Guard), and Total.

July 3, 1943, were 7.6% 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 were 2% and orders 7% above production.

In all that has been said above we have been dealing with the railroads of the country as a whole. Let us turn from the factors underlying railroad operations, and analyze the individual roads and systems.

Of the 132 carriers reporting to the Interstate Commerce Commission, 74 of them were able to surpass their 1942 gross earnings for the month of June, while 58 roads were able to translate their gross earnings into net earnings of \$100,000 or more.

Heading gross and net listings with gains of \$15,432,952 and \$8,649,868, respectively, was the Southern Pacific. Second in both categories, we find the Union Pacific with improvements of \$12,616,428 in gross and \$6,194,848 in net over 1942.

The subjoined tabulations indicate clearly all major fluctuations in excess of \$100,000, whether they be increases or decreases, in both gross and net earnings for the separate roads and systems:

Table with 3 columns: Increase, Total (74 roads), Decrease. Rows include Southern Pacific (2 roads), Union Pacific, Pennsylvania, New York Central, etc.

\*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, this increase is reduced to \$8,371,128.

Table with 3 columns: Increase, Total (58 roads), Decrease. Rows include Southern Pacific (2 roads), Union Pacific, Tennessee Central, etc.

\*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, this result is reduced to \$3,935,214.

As for the grouping of the railroads into districts and regions, we find that practically all geographical subdivisions contributed to some extent to the 19.83 and 20.47 percentage increases in gross and net, respectively. Considering the showings of the various districts, we perceive that the Western District led both gross and net columns with gains of 32.08% and 42.39%, respectively. Upon analysis of the figures compiled for the small subdivisions, the regions, we note that the Central Western region amassed the greatest gain in both categories, viz: 37.02% in gross and 52.60% in net.

We now refer to our summary tabulation below. Our grouping of the roads conforms with the classification of the Interstate Commerce Commission. The territories covered by the various subdivisions, districts and regions, are explained in the footnote attached to the following table:

SUMMARY OF GROUPS—MONTH OF JUNE				
District and Region	Gross Earnings			
	1943	1942	Incr. (+) or Dec. (-)	%
<b>Eastern District—</b>				
New England region (10 roads)	26,358,732	23,769,667	+ 2,589,065	+ 10.89
Great Lakes region (23 roads)	120,817,345	106,526,990	+ 14,290,355	+ 13.41
Central Eastern region (18 roads)	143,228,447	130,093,293	+ 13,135,154	+ 10.10
<b>Total (51 roads)</b>	<b>290,404,524</b>	<b>260,389,950</b>	<b>+ 30,014,574</b>	<b>+ 11.53</b>
<b>Southern District—</b>				
Southern region (26 roads)	106,169,123	87,452,861	+ 18,716,262	+ 21.40
Peachontas region (4 roads)	29,198,141	32,366,694	- 3,168,553	- 9.79
<b>Total (30 roads)</b>	<b>135,367,264</b>	<b>119,819,555</b>	<b>+ 15,547,709</b>	<b>+ 12.98</b>
<b>Western District—</b>				
Northwestern region (15 roads)	82,227,742	66,557,448	+ 15,670,294	+ 23.54
Central Western region (16 roads)	171,319,241	125,028,183	+ 46,291,058	+ 37.02
Southwestern region (20 roads)	68,054,133	51,900,476	+ 16,153,657	+ 31.12
<b>Total (51 roads)</b>	<b>321,601,116</b>	<b>243,486,107</b>	<b>+ 78,115,009</b>	<b>+ 32.08</b>
<b>Total all districts (132 roads)</b>	<b>747,372,904</b>	<b>623,695,612</b>	<b>+ 123,677,292</b>	<b>+ 19.83</b>

Net Earnings				
District and Region	Net Earnings			
	1943	1942	Incr. (+) or Dec. (-)	%
<b>Eastern District—</b>				
New England region	6,598	6,649	- 51	- 0.77
Great Lakes region	25,817	26,024	- 207	- 0.79
Central East. region	24,012	24,218	- 206	- 0.85
<b>Total</b>	<b>56,427</b>	<b>56,891</b>	<b>- 464</b>	<b>- 0.81</b>
<b>Southern District—</b>				
Southern region	37,411	37,761	- 350	- 0.93
Peachontas region	6,019	6,060	- 41	- 0.68
<b>Total</b>	<b>43,430</b>	<b>43,821</b>	<b>- 391</b>	<b>- 0.90</b>
<b>Western District—</b>				
Northwestern region	45,387	45,610	- 223	- 0.49
Central West. region	55,289	56,055	- 766	- 1.37
Southwestern region	28,769	28,991	- 222	- 0.77
<b>Total</b>	<b>129,445</b>	<b>130,656</b>	<b>- 1,211</b>	<b>- 0.93</b>
<b>Total all districts</b>	<b>229,302</b>	<b>231,368</b>	<b>- 2,066</b>	<b>- 0.89</b>

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.  
**Peachontas 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.

In reference to the Western grain movement for the month of June of the current year, we see that this was on a reduced scale with respect to certain principal grains—flour and corn—but considerably heavier as regards wheat, oats, barley and rye. Reviewing them individually, we note that wheat, amounting to 46,241,000 bushels, more than doubled last year's figure, while barley increased from 6,942,000 bushels to 9,641,000 bushels. Receipts of oats aggregated 8,373,000 bushels compared with 3,466,000 bushels recorded in 1942. Corn arrivals showed a marked decrease, one of 9,475,000 bushels, and flour decreased 166,000 barrels, below their 1942 figures.

In the table which follows we give a detailed statement of the grain arrivals at the Western lake and river ports in our usual form:

WESTERN FLOUR AND GRAIN RECEIPTS							
(000 Omitted)	Year	4 Weeks Ended June 26					
		Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1943	777	1,935	3,327	1,109	766	2,474
	1942	867	483	7,266	872	122	951
Minneapolis	1943	—	18,314	507	4,082	1,867	4,801
	1942	—	7,310	1,293	1,068	450	3,014
Duluth	1943	—	4,764	415	134	309	2,056
	1942	—	2,758	1,642	—	37	100
Milwaukee	1943	49	6	444	2	20	2,609
	1942	54	11	540	49	215	2,183
Toledo	1943	—	224	73	25	7	18
	1942	—	429	167	156	85	7
Indianapolis & Omaha	1943	—	3,010	2,294	1,025	39	18
	1942	—	4,193	2,868	632	36	—
St. Louis	1943	404	4,913	1,578	770	73	375
	1942	463	5,721	1,131	214	48	224
Peoria	1943	149	869	1,168	102	14	381
	1942	151	181	3,048	92	19	296
Kansas City	1943	53	8,742	1,353	718	—	—
	1942	63	3,747	2,283	300	—	—
St. Joseph	1943	—	408	283	198	—	—
	1942	—	348	283	84	—	—
Wichita	1943	—	2,754	—	—	—	—
	1942	—	1,366	—	—	—	—
Sioux City	1943	—	300	138	208	141	399
	1942	—	372	497	9	8	167
Detroit	1943	—	2	—	—	—	—
	1942	—	—	—	—	—	—
<b>Total all</b>	<b>1943</b>	<b>1,432</b>	<b>46,241</b>	<b>11,550</b>	<b>8,373</b>	<b>3,226</b>	<b>13,131</b>
	<b>1942</b>	<b>1,598</b>	<b>18,746</b>	<b>21,025</b>	<b>3,466</b>	<b>1,020</b>	<b>6,942</b>

Finally we present our compilation of the June comparisons of the gross and net earnings of the railroads of the country taken collectively from the current year back to and including 1909:

Month of June	Gross Earnings				Net Earnings			
	Year Given	Year Preceding	Incr. (+) or Dec. (-)	%	Year Given	Year Preceding	Incr. (+) or Dec. (-)	%
1909	\$210,356,964	\$184,047,216	+ \$26,309,748	+ 14.29	\$74,196,190	\$59,838,655	+ \$14,357,535	+ 23.99
1910	237,988,124	210,182,484	+ 27,805,640	+ 13.23	77,173,345	74,043,999	+ 3,129,346	+ 4.23
1911	231,980,259	238,499,885	- 6,519,626	- 2.73	72,794,069	77,237,252	- 4,443,183	- 5.75
1912	243,226,498	228,647,383	+ 14,579,115	+ 6.38	76,223,732	71,689,581	+ 4,534,151	+ 6.32
1913	259,703,984	242,830,546	+ 16,873,438	+ 6.95	76,933,045	76,232,017	+ 701,028	+ 0.92
1914	230,751,850	241,107,727	- 10,355,877	- 4.30	66,202,410	70,880,934	- 4,678,524	- 6.60
1915	248,849,716	247,535,879	+ 1,313,837	+ 0.53	81,649,636	89,481,653	- 7,832,017	- 8.75
1916	285,149,746	237,612,967	+ 47,536,779	+ 20.01	97,636,815	76,693,703	+ 20,943,112	+ 27.31
1917	351,001,045	301,304,803	+ 49,696,242	+ 16.49	113,816,026	103,341,815	+ 10,474,211	+ 10.14
1918	363,165,528	323,183,116	+ 40,002,412	+ 12.38	124,410,927	106,181,619	+ 18,229,308	+ 17.16
1919	424,035,872	420,586,968	+ 3,448,904	+ 0.82	136,156,952	140,136,575	- 3,979,623	- 2.84
1920	486,209,842	494,164,607	- 7,954,765	- 1.61	69,396,741	68,876,652	+ 520,089	+ 0.76
1921	460,582,512	494,164,607	- 33,582,095	- 6.80	80,521,999	151,331,327	- 70,809,328	- 46.79
1922	472,383,903	460,007,081	+ 12,376,822	+ 2.69	109,445,113	80,455,435	+ 28,989,678	+ 36.03
1923	540,054,165	473,150,664	+ 66,903,501	+ 14.14	124,046,578	109,618,682	+ 14,427,896	+ 13.16
1924	464,759,956	540,202,295	- 75,442,339	- 13.97	101,527,990	124,374,592	- 22,846,602	- 18.37
1925	506,002,036	464,724,329	+ 41,277,707	+ 8.87	130,837,324	101,487,318	+ 29,350,006	+ 28.92
1926	538,758,797	506,124,762	+ 32,634,035	+ 6.45	149,492,478	130,920,896	+ 18,571,582	+ 14.16
1927	516,023,039	539,797,813	- 23,774,774	- 4.40	127,749,692	148,646,848	- 20,897,156	- 14.06
1928	501,576,771	516,448,211	- 14,871,440	- 2.88	127,284,267	129,111,754	- 1,827,487	- 1.42
1929	531,033,198	502,455,883	+ 28,577,315	+ 5.69	150,174,332	127,514,775	+ 22,659,557	+ 17.77
1930	444,171,625	531,690,472	- 87,518,847	- 16.46	110,244,607	150,199,509	- 39,954,902	- 26.60
1931	369,212,042	444,274,591	- 75,062,549	- 16.90	89,676,807	110,264,027	- 20,587,220	- 18.67
1932	245,860,615	369,133,884	- 123,273,269	- 33.40	47,008,035	89,688,856	- 42,680,821	- 47.59
1933	281,353,909	245,869,626	+ 35,484,283	+ 14.43	94,448,669	47,018,729	+ 47,429,940	+ 100.87
1934	282,406,507	277,923,922	+ 4,482,585	+ 1.61	74,529,256	92,967,854	- 18,438,598	- 19.83
1935	280,975,503	282,406,506	- 1,431,003	- 0.51	64,920,431	74,529,254	- 9,608,823	- 12.89
1936	330,212,333	280,967,649	+ 49,244,684	+ 17.53	88,872,678	64,826,419	+ 24,046,259	+ 37.00
1937	351,047,025	330,095,850	+ 20,951,175	+ 6.35	86,067,895	88,850,296	- 2,782,401	- 3.13
1938	281,607,108	350,994,558	- 69,387,450	- 19.77	63,936,587	86,072,702	- 22,136,115	- 25.72
1939	320,991,913	281,547,886	+ 39,444,027	+ 14.01	79,770,820	63,937,412	+ 15,833,408	+ 24.76
1940	344,055,653	320,991,928	+ 23,063,725	+ 7.19	92,310,358	79,770,812	+ 12,539,546	+ 15.72
1941	454,532,076	344,195,836	+ 110,336,240	+ 32.06	155,967,655	92,404,546	+ 63,563,109	+ 68.79
1942	623,695,610	454,548,079	+ 169,147,531	+ 37.21	245,225,980	155,957,835	+ 89,268,145	+ 57.24
1943	747,372,904	623,695,612	+ 123,677,292	+ 19.83	295,434,014	245,225,980	+ 50,208,034	+ 20.47

Month of June	Gross Earnings				Net Earnings			
	Year Given	Year Preceding	Incr. (+) or Dec. (-)	%	Year Given	Year Preceding	Incr. (+) or Dec. (-)	%
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1915	248,849,716	247,535,879	+ 1,313,837	+ 0.53	81,649,636	89,481,653		

## Labor Bureau's Wholesale Commodity Index Advanced 0.1% During Week Ended Aug. 28

The U. S. Department of Labor announced on Sept. 2 that led by advancing prices for grains and livestock, the Bureau of Labor Statistics' index of commodity prices in primary markets rose slightly by 0.1%, during the week ended Aug. 28. At 102.9% of the 1926 average the all-commodity index is somewhat higher than at the end of July and 4% above the level for the corresponding week of last year.

The Department's announcement gave further details as follows: "Farm Products and Foods—Average prices for farm products in primary markets rose 0.2% during the week. Substantial increases occurred in most grain markets, ranging from more than 1% for wheat to over 9% for rye. Quotations for hogs were up from 2 to 4% and prices of cows also advanced. Prices were generally lower for cotton, lemons and potatoes.

"Lower markets for fresh fruits and vegetables brought average prices for foods down 0.3%. Higher prices were reported for eggs and for flour. In the past four weeks food prices have declined 0.8%, and are now less than 5% higher than late in August of last year.

"Industrial commodities: There were relatively few changes in industrial commodity markets during the week. Quotations were higher for gasoline in the mid-continent area. Some types of gum and oak lumber declined fractionally and prices were also lower for turpentine."

The following notation is made: 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 table shows index numbers for the principal groups of commodities for the past 3 weeks, for July 31, 1943 and for Aug. 29, 1942, and the percentage changes from a week ago, a month ago, and a year ago:

Commodity groups—	Percentage changes to Aug. 28, 1943 from—											
	8-28 1943	8-31 1943	8-14 1943	7-31 1943	8-29 1942	8-21 1943	7-31 1943	8-29 1942	8-21 1943	7-31 1943	8-29 1942	8-21 1943
All commodities	102.9	102.8	102.7	102.8	98.9	+0.1	+0.1	+4.0				
Farm products	124.0	123.8	122.9	124.3	106.0	+0.2	-0.2	+17.0				
Foods	105.5	105.8	105.1	106.4	100.7	-0.3	-0.8	+4.8				
Hides and leather products	118.4	118.4	118.4	118.4	118.9	0	0	-0.4				
Textile products	97.0	96.9	96.9	96.9	96.6	+0.1	+0.1	+2.8				
Fuel and lighting materials	81.8	81.7	81.7	81.6	79.6	+0.1	+0.2	+0.4				
Metals and metal products	103.8	103.8	103.8	103.8	103.9	0	0	-0.1				
Building materials	112.1	112.1	112.1	110.8	110.3	0	+1.2	+1.6				
Chemicals and allied products	100.2	100.2	100.2	100.1	96.2	0	+0.1	+4.2				
Housefurnishing goods	104.2	104.2	104.2	104.2	104.1	0	0	+0.1				
Miscellaneous commodities	92.4	92.4	92.4	92.1	88.6	0	+0.3	+4.3				
Raw materials	112.8	112.7	112.3	113.0	100.8	+0.1	-0.2	+11.9				
Semimanufactured articles	92.8	92.8	92.8	92.7	92.6	0	+0.1	+0.2				
Manufactured products	100.0	100.0	100.0	99.8	99.2	0	+0.2	+0.8				
All commodities other than farm products	98.4	98.4	98.4	98.2	97.4	0	+0.2	+1.0				
All commodities other than farm products and foods	97.3	97.3	97.3	97.1	95.7	0	+0.2	+1.7				

## Civil Engineering Construction \$61,674,000 For Week—Volume 52% Above Week Ago

Civil engineering construction in continental U. S. for the week totals \$61,674,000. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 52% higher than in the preceding week, but is 76% below the total for the corresponding 1942 week as reported by "Engineering News-Record" on Sept. 2, which added:

Public construction is 86% above last week as a result of the 32% gain in state and municipal work, and the 92% climb in Federal volume. Private work, though, is 39% lower than a week ago. Comparisons with the corresponding 1942 week show an 8% gain in private, but public construction is 78% lower.

The current week's volume brings 1943 construction to \$2,285,762,000, an average of \$65,307,000 for each of the 35 weeks of the period. On the weekly average basis, 1943 volume is 67% below the \$7,181,568,000 reported for the 36-week 1942 period. Private construction, \$290,036,000, is 33% lower than last year, and public construction, \$1,995,726,000, is down 70% when adjusted for the difference in the number of weeks.

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

	Sept. 3, '42	Aug. 26, '43	Sept. 2, '43
Total U. S. Construction	\$261,671,000	\$40,638,000	\$61,674,000
Private Construction	6,269,000	11,065,000	6,754,000
Public Construction	255,402,000	29,573,000	54,920,000
State and Municipal	8,821,000	2,870,000	3,776,000
Federal	246,581,000	26,703,000	51,144,000

In the classified construction groups, gains over last week are in sewerage, bridges, public buildings, streets and roads, and unclassified construction. Industrial building is the only class of work to gain over a year ago. Subtotals for the week in each class of construction are: waterworks, \$394,000; sewerage, \$389,000; bridges, \$233,000; industrial buildings, \$2,342,000; commercial building and large-scale private housing, \$2,947,000; public buildings, \$37,758,000; earthwork and drainage, \$500,000; streets and roads, \$3,790,000; and unclassified construction, \$13,321,000.

New capital for construction purposes for the week totals \$2,252,000, 57% below the total for the 1942 week. The current week's new financing is made up of \$2,000,000 in corporate security issues, and \$252,000 in state and municipal bond sales.

New construction financing for the 35-week 1943 period, \$2,928,978,000, is 68% lower than the \$9,524,024 for the 36-week period a year ago.

## Non-Ferrous Metals — Zinc Allocations Result In Good Sales Volume — Lead Buying Expands

*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 Sept. 2 stated: "Sales activity in major nonferrous metals during the last week centered in zinc, following receipt by consumers of their September allocation certificates. Call for October lead improved, and this is expected to increase current month. September needs 80% covered. There were no new developments in copper. The War Manpower Commission on Aug. 30 announced that 2,750 men have been released so far by the Army to relieve the shortage of miners at copper, zinc, and molybdenum properties. A move to include a larger percentage of low-grade Bolivian tin concentrates in sales to Metals Reserve has failed. The publication further went on to say in part:

### Copper

Additional mine labor is being made available, and producers believe that domestic production will increase over the remainder of the year. The market situation was unchanged last week. Essential needs for the metal are being supplied promptly. Shipping conditions have improved in recent months, and imports of copper, in some instances have come through ahead of schedule.

### Lead

Consumers of lead have been asked to submit requests for foreign lead for October shipment on or before Sept. 16, or several days later than last month. Producers and members of WPB expect to consider October allocations of such lead on Sept. 20. Sales of lead in the domestic market for the last week were a little more than 200% in excess of that in the preceding week.

### Zinc

Allocation certificates for September zinc came through during the last week, which resulted in the usual good volume of business. From present indications, WPB has been more liberal than in recent months in releasing High Grade. The situation in the ordinary grades remains about unchanged. Producers have offered some fairly large tonnages of High Grade to Metals Reserve. The trade is more hopeful that renegotiation on so essential a raw material as zinc will not be required on sales to the Government.

A special panel has been set up in the Tri-State district to which operators may present applications for wage adjustments. This action followed authorization last week by the National War Labor Board to permit mine owners in that area to increase wages up to 50c a day. Recently, higher wages were granted to mine workers of five unionized companies.

### Tungsten

The War Production Board has revoked Conservation Order M-29-b relating to tungsten. Tungsten has been under allocation for a long time, with the result that stocks acquired without allocation are virtually non-existent. In place of the conservation order, tungsten will be controlled exclusively by General Preference Order M-29, it was announced last week.

### Tin

Press advices from Bolivia state that President Penaranda's cabinet resigned Aug. 27 because of criticism over the suppression of the strike of miners at Catavi last December.

Efforts to include a larger proportion of low-grade tin concentrate under Metal Reserve's agreement with Bolivian producers have failed, according to the Banco Minero.

Production of tin-plate in the United States during the first

## Bricker Advocates 6-Year President Term

Governor John W. Bricker, of Ohio, urged on Sept. 4 that the Republican party submit a Constitutional amendment limiting the tenure of the President to one term of six years.

In a formal statement issued in Columbus, as he left for Mackinac Island, Mich., to attend the Republican post-war advisory council meeting, the Governor, asserting that among the principles of American government is "freedom from a self-perpetuating bureaucracy," also said the party "should take the position in the coming campaign both in its platform and through its candidate for a single term of four years for the next President of the United States."

In Associated Press Columbus advices, his further remarks were reported as follows:

There has grown up in recent years, Governor Bricker said, "a bureaucracy which attempts to superimpose the power of government over the individual in his daily life and the conduct of his business."

"When political power or the perpetuation in office of a President becomes the motivating factor in government, our liberties are imperiled. As a proposal to restore this government of ours to the control of the people, the Republican party should take the position in the coming campaign both in its platform and through its candidate for a single term of four years for the next President of the United States and pledge itself to submit under the Constitution an amendment to the people of our country to limit the tenure of the President of the United States thereafter to one term of six years."

He added that the principles of a single term, if adopted, would "restore and safeguard the control of the government of this country to the people and would curb the everlasting expansion of bureaucratic power, would cut the cost of government and would assure the people of the United States and the world that this is truly a self-governing nation."

The statement touched only tersely on foreign policy. Referring to next week's conference, Governor Bricker said the subjects to be discussed "offer our party a great opportunity for constructive service to the nation."

"Principles in the field of foreign policy should not be buried under cloudy generalities," he said. "They are simply stated in the proposition that America is not alone in the world and that it is vitally concerned in a lasting peace preserved through international cooperation."

## Nat'l Food Conference In Chicago Sept. 16

The national food conference called by Frank Gannett, newspaper publisher, is scheduled to start Sept. 16 at the Hotel Sherman in Chicago. More than 30 prominent speakers are expected to discuss every phase of the food situation in the four days the conference will be in session. "Since formulation of our plans for the conference a great and country-wide interest has been evidenced," said Mr. Gannett, who will preside. "There will be representation from every group and section of the nation," Mr. Gannett added.

"It is the belief and hope of the conference sponsors that out of this meeting will grow tangible recommendations and findings that later can be embodied in legislation to clear the present atmosphere of confusion and chaos. The conference will endeavor to review the current food production situation with respect to the strengths, weaknesses and conditions under war time restrictions."

seven months of 1943 amounted to 1,294,427 tons, according to the American Iron and Steel Institute. This compares with 1,982,090 tons in the first half of 1942.

Tin quotations were unchanged last week. Straits quality tin for shipment, cents a pound, was as follows:

	Sept.	Oct.	Nov.
Aug. 26	52.000	52.000	52.000
Aug. 27	52.000	52.000	52.000
Aug. 28	52.000	52.000	52.000
Aug. 30	52.000	52.000	52.000
Aug. 31	52.000	52.000	52.000
Sept. 1	52.000	52.000	52.000

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

### Quicksilver

Reports from producing centers in this country indicate that sufficient metal is being recovered to keep the market well supplied. Some producers are experiencing labor shortages, but this condition has obtained for some time. The price has not changed, holding at \$196@198 per flask, New York.

London continues to quote quicksilver ex warehouse at £68 10s. per flask. As an indicator of the world price of quicksilver, the London quotation under prevailing conditions carries no weight whatever.

### Silver

OPA last week called attention to the regulations governing the sale of silver scrap under Amendment No. 14 to Revised Supplementary Regulation No. 14 of GMPR. Under this amendment only scrap produced by suppliers engaged in semi-fabricating operations may be sold as domestic or Treasury silver casting metal. Moreover, semi-fabricators may sell such metal only to manufacturers and the silver sold must be deducted from inventory of newly mined domestic silver. Manufacturers of finished silver may not sell their scrap as silver casting metal. OPA points out that the amendment has only a limited application and it does not make for a general increase in the price of scrap.

The London market for silver was unchanged during the last week at 23½d. an ounce. The New York Official for foreign silver held at 44¼c, and the Treasury's price continued at 35c.

### 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.

## On Mexican Commission

President Roosevelt on Aug. 31 named three United States members to the Mexican Industrial Commission, set up to develop long term programs for the industrialization of Mexico. Associated Press advices from Washington report that the three are Wayne C. Taylor, Under Secretary of Commerce; Nelson A. Rockefeller, Co-ordinator of Inter-American Affairs and Chairman of the Inter-American Development Commission, and Thomas H. Lockett, Counselor of Embassy for Economic Affairs in Mexico City.

Mexican members are Primo Villa Michel, Co-ordinator of Co-ordination in Development of Production; Evarista Araiza, Chairman of the Board of Directors of the Bank of Mexico, and General Manager of the Monterey Steel Works, and Salvador Ugarte, banker.

### 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	U. S. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus
Sept. 7	120.33	111.07	119.20	116.61	111.44	98.88	103.13	113.89	117.00
6	Exchange Closed								
4	120.30	111.07	119.20	116.61	111.44	98.88	103.13	113.89	117.00
3	120.30	111.25	119.20	116.80	111.62	98.73	103.30	113.89	117.00
2	120.29	111.25	119.20	116.80	111.62	98.73	103.30	113.89	117.00
1	120.29	111.25	119.20	116.80	111.44	98.88	103.13	112.89	117.20
Aug. 27	120.34	111.25	119.20	116.80	111.44	99.04	103.30	113.89	117.00
20	120.20	111.25	119.20	116.80	111.62	99.04	103.30	113.89	117.20
13	120.29	111.25	119.20	116.80	111.44	99.04	103.13	114.08	117.20
6	120.19	111.25	119.20	116.80	111.62	99.04	103.30	114.08	117.20
July 30	120.18	111.44	119.20	116.80	111.44	99.20	103.30	114.08	117.00
23	120.51	111.25	119.20	116.80	111.44	99.20	103.13	114.08	117.20
16	120.46	111.25	119.20	116.80	111.44	98.88	102.80	114.08	117.00
9	120.73	111.07	119.20	116.22	111.25	98.25	102.46	113.70	116.61
2	120.75	110.70	118.80	116.22	111.07	98.09	102.46	113.70	116.61
June 25	120.15	110.52	118.80	116.02	111.07	97.94	102.30	113.50	116.41
18	119.99	110.52	118.80	116.02	111.07	97.94	102.30	113.50	116.41
11	119.92	110.34	118.40	115.82	111.07	97.78	102.30	113.50	116.02
4	119.82	110.34	118.20	115.82	110.88	97.78	102.30	113.11	115.82
May 28	118.36	109.79	118.00	115.43	110.34	97.00	101.31	113.12	115.63
21	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
14	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
7	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									
Sept. 5, 1942	117.80	107.09	117.00	113.31	108.34	92.03	96.54	111.62	114.08
2 Years ago									
Sept. 6, 1941	119.18	107.80	118.20	114.85	108.70	92.06	97.16	112.00	115.24

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

1943— Daily Averages	U. S. Govt. Bonds	U. S. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus
Sept. 7	1.83	3.11	2.69	2.82	3.09	3.82	3.56	2.96	2.80
6	Exchange Closed								
4	1.83	3.11	2.69	2.82	3.09	3.82	3.56	2.96	2.80
3	1.83	3.10	2.69	2.81	3.08	3.82	3.55	2.96	2.80
2	1.83	3.10	2.69	2.81	3.08	3.82	3.55	2.96	2.80
1	1.83	3.10	2.69	2.81	3.08	3.83	3.56	2.96	2.80
Aug. 27	1.83	3.10	2.69	2.81	3.09	3.82	3.56	2.96	2.79
20	1.84	3.10	2.69	2.81	3.09	3.81	3.55	2.96	2.79
13	1.83	3.10	2.69	2.81	3.08	3.81	3.55	2.95	2.79
6	1.84	3.10	2.69	2.80	3.08	3.81	3.55	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	3.55	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
June 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	1.98	3.18	2.75	2.88	3.15	3.94	3.67	3.00	2.87
14	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
7	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
High 1943	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
Low 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
High 1942	1.79	3.09	2.68	2.80	3.07	3.79	3.54	2.94	2.78
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago									
Sept. 5, 1942	2.03	3.33	2.80	2.99	3.26	4.27	3.97	3.08	2.95
2 Years ago									
Sept. 6, 1941	1.92	3.29	2.74	2.91	3.24	4.27	3.93	3.06	2.89

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

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

### Aug. Civil Engineering Construction \$161,548 Private Volume 8% Above Month Ago

Civil engineering construction in continental United States for August totals \$161,548,000, and averages \$40,387,000 for each of the four weeks of the period. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 32% lower than the weekly average for the five weeks of July, 1943, and is 80% below the four-week average for August, 1942, as reported by "Engineering News-Record" on Sept. 2, and which went on to say:

Private construction, on the weekly average basis, is 8% higher than in the preceding month, but declines 15% from the corresponding 1942 period. Public work is down 37% from a month ago, and is 83% lower than a year ago. Federal work is 39 and 84% lower, respectively, than last month and last year; and state and municipal construction is down 17% compared with July, and 51% below August, 1942.

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

	Aug. '42 (4 weeks)	July, '43 (5 weeks)	Aug. '43 (4 weeks)
Total U. S. Construction	\$813,077,000	\$296,288,000	\$161,548,000
Private Construction	33,069,000	32,704,000	28,094,000
Public Construction	780,008,000	263,584,000	133,454,000
State and Municipal	31,618,000	23,200,000	15,351,000
Federal Construction	748,390,000	240,384,000	118,103,000

The August volume brings 1943 construction to \$2,224,088,000, an average of \$65,414,000 for each of the 34 weeks of the eight-month period. On the weekly average basis, 1943 volume is 67% below the \$6,919,897,000 reported for the 35-week period in 1942. Private construction, \$283,282,000, is 33% lower than a year ago, and public construction, \$1,940,806,000, is down 69% when adjusted for the difference in the number of weeks reported. State and municipal work, \$138,912,000, and Federal construction, \$1,801,894,000, are 65 and 69% lower than their respective totals for the 1942 period.

#### New Capital

New capital for construction purposes for August totals \$5,538,000, a figure that compares with \$18,494,000 for the corresponding month last year. Most of the current month's new financing, \$5,451,000, is in state and municipal bond sales, and the balance, \$87,000, is in corporate security issues.

The August construction financing brings the 34-week 1943 total to \$2,926,726,000, a volume 68% below the \$9,518,744,000 reported for the 35-week, eight-month period in 1942.

### Weekly Coal And Coke Production Statistics

The Solid Fuel Administration for War, U. S. Department of the Interior, in its latest report, states that production of soft coal continues to show little change, the total output in the week ended Aug. 28, 1943, being estimated at 12,130,000 net tons, as against 12,010,000 tons in the week preceding. Production in the final week of August, last, was estimated at 11,505,000 tons. For the present year to Aug. 28, soft coal output was 1.6% 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. 28, 1943, was 1,296,000 tons, an increase of 43,000 tons, or 3.4%, over the preceding week. When compared with the output in the corresponding week of 1942, there was an increase of 52,000 tons, or 4.2%. The calendar year 1943 to date shows a decrease of 0.1% 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. 28, 1943, showed an increase of 4,100 tons when compared with the output for the week ended Aug. 21, 1943. The quantity of coke from beehive ovens decreased 4,100 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		
	Aug. 28, 1943	Aug. 21, 1943	Aug. 29, 1942	Aug. 28, 1943	Aug. 29, 1942	Aug. 28, 1937
Bituminous coal and lignite—	12,130	12,010	11,505	385,352	379,374	287,679
Total, incl. mine fuel—	2,022	2,002	1,918	1,889	1,873	1,421
Crude petroleum—						
Coal equivalent of weekly output—	6,722	6,757	6,350	218,503	208,486	189,938

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

#### ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

	Week Ended			Cal. Year to Date		
	Aug. 28, 1943	Aug. 21, 1943	Aug. 29, 1942	Aug. 28, 1943	Aug. 29, 1942	Aug. 31, 1937
Penn. anthracite—	1,296,000	1,253,000	1,244,000	40,017,000	40,038,000	46,058,000
Total incl. coll. fuel—	1,244,000	1,203,000	1,194,000	38,416,000	38,436,000	42,742,000
By-product coke—						
United States total—	1,242,400	1,238,300	1,220,100	41,611,300	40,796,000	47,000,000
Beehive coke—						
United States total—	163,700	167,800	158,800	5,149,000	5,447,800	4,608,600

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

#### ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(The current weekly estimates are based on railroad loadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

State—	Week Ended					Aug. average 1923
	Aug. 21, 1943	Aug. 14, 1943	Aug. 22, 1942	Aug. 23, 1941	Aug. 21, 1937	
Alabama	385	406	356	333	249	397
Alaska	5	5	5	5	3	**
Arkansas and Oklahoma	87	88	89	93	60	81
Colorado	141	142	143	112	85	173
Georgia and North Carolina	1	1	1	††	††	**
Illinois	1,509	1,456	1,154	1,183	700	1,363
Indiana	531	503	468	465	272	440
Iowa	43	40	46	43	52	100
Kansas and Missouri	154	144	178	143	113	145
Kentucky—Eastern	941	961	942	911	681	765
Kentucky—Western	313	317	229	196	123	217
Maryland	38	34	36	35	28	44
Michigan	6	5	7	8	7	21
Montana (bituminous and lignite)	98					

### Daily Average Crude Oil Production For Week Ended Aug. 28, 1943 Fell Off 22,100 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Aug. 28, 1943, was 4,196,250 barrels, a decline of 22,100 barrels when compared with the preceding week, and 228,350 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of August, 1943. The current figure, however, is 231,900 barrels per day in excess of production during the week ended Aug. 29, 1942. Daily output for the four weeks ended Aug. 28, 1943 averaged 4,214,150 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 4,227,000 barrels of crude oil daily and produced 12,420,000 barrels of gasoline; 1,434,000 barrels of kerosene; 4,351,000 barrels of distillate fuel oil, and 8,732,000 barrels of residual fuel oil during the week ended Aug. 28, 1943; and had in storage at the end of that week 72,525,000 barrels of gasoline; 10,443,000 barrels of kerosene; 37,928,000 barrels of distillate fuel, and 67,250,000 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 1943	Actual Production Week Ended Aug. 28, 1943	Change from Previous Week	4 Weeks Ended Aug. 28, 1943	Week Ended Aug. 29, 1942
Oklahoma	247,000	358,000	326,200	+ 3,650	329,200	379,600
Kansas	300,000	290,000	297,600	-10,500	297,400	290,050
Nebraska	2,100		11,800	- 100	1,900	3,200
Panhandle Texas			98,000		96,050	88,900
North Texas			140,400		140,400	136,400
West Texas			258,400		258,400	226,800
East Central Texas			129,950		129,900	87,150
East Texas			371,000		371,000	363,000
Southwest Texas			239,050		238,850	200,350
Coastal Texas			474,450		474,250	309,750
Total Texas	1,317,000	1,817,937	1,711,250		1,708,950	1,412,350
North Louisiana			81,900	- 1,450	83,150	97,650
Coastal Louisiana			268,500		268,500	240,550
Total Louisiana	356,300	380,300	350,400	- 1,450	351,650	338,200
Arkansas	75,500	80,052	76,350	+ 100	76,400	71,050
Mississippi	50,000		52,200	+ 2,000	51,300	75,550
Illinois	222,800		211,800	+ 4,250	214,400	268,050
Indiana	14,000		14,700	+ 1,400	13,900	16,950
Eastern— Not incl. Ill., Ind. Ky.)	86,500		73,950	- 1,450	75,000	85,600
Kentucky	25,000		22,600	- 700	23,150	10,900
Michigan	60,100		56,950	+ 3,850	56,700	61,800
Wyoming	98,000		96,850	- 5,250	100,300	90,900
Montana	23,300		21,350	- 50	21,400	22,900
Colorado	7,000		7,300	+ 250	7,200	6,550
New Mexico	110,000	110,000	105,050		104,500	95,300
Total East of Calif.	3,594,600		3,426,350	-10,700	3,433,350	3,227,950
California	830,000	830,000	769,900	-11,400	780,800	736,400
Total United States	4,424,600		4,196,250	-22,100	4,214,150	3,964,350

\*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 prorations. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in 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. 26, 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 STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED AUG. 28, 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	Crude Runs to Still Daily	Production at Refineries			Stocks of Gas Oil and Distillate Fuel	Stocks of Residual Fuel Oil	
			Crude	Finished Gasoline	Unfinished Gasoline			
*Combin'd; East Coast, Texas Gulf, Louisiana Gulf, North Louisiana—Arkansas and Inland Texas	2,444	88.7	2,173	88.9	5,898	30,545	16,402	16,576
Appalachian—								
District No. 1	130	83.9	108	83.1	311	1,202	788	377
District No. 2	47	87.2	57	121.3	170	881	125	160
Ind., Ill., Ky.	824	85.2	741	89.9	2,714	14,158	5,792	3,369
Okl., Kans., Mo.	416	80.1	324	77.9	1,236	6,038	2,108	1,719
Rocky Mountain—								
District No. 3	8	26.9	8	100.0	30	47	9	29
District No. 4	139	57.7	86	61.9	295	1,271	381	715
California	817	89.9	730	89.4	1,766	18,383	12,323	44,305
Tot. U. S. B. of M. basis Aug. 28, 1943	4,825	86.4	4,227	87.6	12,420	72,525	37,928	67,250
Tot. U. S. B. of M. basis Aug. 21, 1943	4,825	86.4	4,046	83.9	12,134	72,815	37,464	66,724
U. S. Bur. of Mines basis Aug. 29, 1942			3,705		11,253	79,713	42,618	78,270

\*At the request of the Petroleum Administration for War. †Finished, 62,460,000 barrels; unfinished, 10,065,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,434,000 barrels of kerosene, 4,351,000 barrels of gas oil and distillate fuel oil and 8,732 barrels of residual fuel oil produced during the week Aug. 28, 1943, which compares with 1,243,000 barrels, 4,137,000 barrels and 8,411 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. 29, 1942. ¶Note—Stocks of kerosene amounted to 10,443,000 barrels at Aug. 28, 1943, against 9,898,000 barrels a week earlier and 12,056,000 barrels a year before.

### Trading On New York Exchanges

The Securities and Exchange Commission made public on Sept. 3 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. 21, 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. 21 (in round-lot transactions) totaled 1,028,110 shares, which amount was 16.33% of the total transactions on the Exchange of 3,148,320 shares. This compares with member trading during the week ended Aug. 14 of 1,056,495 shares, or 17.12% of total trading of 3,086,210 shares. On the New York Curb Exchange, members trading during the week ended Aug. 21 amounted to 206,195 shares, or 14.94% of the total volume of that exchange of 690,180 shares; during the Aug. 14 week trading for the account of Curb members of 202,505 shares was 14.10% of total trading of 717,935.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members\* (Shares) WEEK ENDED AUG. 21, 1943

A. Total Round-Lot Sales:	Total for week	†Per Cent
Short sales	86,770	
‡Other sales	3,061,550	
Total sales	3,148,320	
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	242,550	
Short sales	43,520	
‡Other sales	231,350	
Total sales	274,870	8.22
2. Other transactions initiated on the floor—		
Total purchases	126,200	
Short sales	16,200	
‡Other sales	143,410	
Total sales	159,610	4.54
3. Other transactions initiated off the floor—		
Total purchases	130,210	
Short sales	6,000	
‡Other sales	88,670	
Total sales	94,670	3.57
4. Total—		
Total purchases	498,960	
Short sales	65,720	
‡Other sales	463,430	
Total sales	529,150	16.33

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members\* (Shares) WEEK ENDED AUG. 21, 1943

A. Total Round-Lot Sales:	Total for week	†Per Cent
Short sales	3,055	
‡Other sales	687,125	
Total sales	690,180	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	63,985	
Short sales	1,615	
‡Other sales	59,450	
Total sales	61,065	9.02
2. Other transactions initiated on the floor—		
Total purchases	15,300	
Short sales	1,000	
‡Other sales	11,625	
Total sales	12,625	2.02
3. Other transactions initiated off the floor—		
Total purchases	23,810	
Short sales	0	
‡Other sales	30,000	
Total sales	30,000	3.90
4. Total—		
Total purchases	102,505	
Short sales	2,615	
‡Other sales	101,075	
Total sales	103,690	14.94
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	33	
‡Customers' other sales	34,445	
Total purchases	34,478	
Total sales	25,299	

\*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."

### Sproul Of N. Y. Reserve Urges Banks To Invest Temporarily Idle Funds During War Loan Drive

In connection with the Third War Loan drive which opens today (Sept. 9), Allan Sproul, President of the Federal Reserve Bank of New York, has sent a circular to all incorporated banks and trust companies in the Second (New York) Federal Reserve District advising them of the policy that should be followed in investing their temporarily idle funds and also as to loans on Government securities for speculative purchases. Mr. Sproul's letter follows: "During the Third War Loan drive in September, a substantial amount of the private deposits of commercial banks will be transferred to war loan deposit accounts in payment for Government securities subscribed for by customers. Since there are no reserve requirements with respect to war loan deposit accounts, this transfer will normally result in a decline in the required reserves of the banks having such accounts and an increase in their excess reserves. The increase in excess reserves, however, will be only temporary. Government funds in war loan deposit accounts will be withdrawn by the Treasury in

instalments as needed and, although they will be almost immediately returned to the banking system in the form of private deposits through Government disbursements, not all banks will get back the full amount of the funds withdrawn. Furthermore, since reserves are required against private deposits, bank reserve requirements will rise, as this transfer from war loan deposits to private deposits takes place, and excess reserves will diminish.

"In these circumstances, banks are urged to invest their temporarily idle funds in Treasury bills, which are ordinarily the best medium for adjusting for changes of this nature. Banks that have sold bills to the Federal Reserve Banks under option to repurchase can invest their funds by repurchasing these bills. Other purchases of bills can be made by bidding for new issues and by purchasing bills in the market. As excess reserves subsequently decline, banks can sell bills to the Federal Reserve Banks under option.

"In following this policy, banks will not impair their ability to subscribe for the new Treasury securities which will be offered for exclusive subscription by commercial banks for their own account shortly after the close of the Third War Loan drive. Subscriptions of these issues will not affect the level of reserve requirements and need not affect excess reserves at that time. Banks having war loan deposit accounts can pay for all of their purchases of these securities by credits to such accounts.

"The Third War Loan will be a drive to sell Government securities to investors—investors other than commercial banks. It is desirable to eliminate, as far as possible, speculative purchases of securities offered during the drive. Bank loans for speculative purchases of Government securities are not an appropriate part of the Third War Loan drive. Bank loans to investors to help finance the purchase of Government securities, if such loans are made in accord with the joint statement issued by the National and State bank supervisory authorities in November 1942, are an appropriate part of the drive. That statement reads in part as follows:

"In connection with Government financing, individual subscribers relying upon anticipated income may wish to augment their subscriptions by temporary borrowings from banks. Such loans will not be subject to criticism but should be on a short term or amortization basis fully repayable within periods not exceeding six months.

"Loans made on any other basis to facilitate the purchase of Government securities during the drive, particularly where there are indications that such purchases may be speculative in character, should be at rates high enough and with a margin of collateral substantial enough to discourage speculators."

### Morse To Advise Internat'l Economic Council

Appointment of E. C. Morse, former President of the Chrysler Export Corp. as Economic Advisor to the International Economic Council was recently announced in Washington following a meeting at its new offices in the Bond Building. As advisor to the Council, Mr. Morse brings with him a practical knowledge of world wide economic affairs gained over a period of more than 35 years in foreign trade activity. During that time, as Foreign Sales Manager of the National Cash Register Company, General Sales Manager of the Hudson Motor Car Company, and for 18 years head of Chrysler world operations, Mr. Morse's duties brought him in contact with leaders in governmental and trade circles throughout the world.

# Revenue Freight Car Loadings During Week Ended Aug. 28, 1943 Increased 12,810 Cars

Loading of revenue freight for the week ended Aug. 28, 1943 totaled 904,007 cars, the Association of American Railroads announced on Sept. 2. This was an increase above the corresponding week of 1942 of 4,602 cars, or 0.5%, but a decrease below the same week in 1941, of 8,713 cars or 1.0%.

Loading of revenue freight for the week of Aug. 28, increased 12,810 cars, or 1.4% above the preceding week.

Miscellaneous freight loading totaled 398,422 cars, an increase of 8,740 cars above the preceding week, but a decrease of 20,875 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 102,479 cars, an increase of 1,366 cars above the preceding week, and an increase of 11,312 cars above the corresponding week in 1942.

Coal loading amounted to 178,769 cars, an increase of 2,280 cars above the preceding week, and an increase of 10,788 cars above the corresponding week in 1942.

Grain and grain products loading totaled 54,288 cars, a decrease of 1,937 cars below the preceding week, but an increase of 6,821 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of Aug. 28, totaled 39,061 cars, a decrease of 1,418 cars below the preceding week but an increase of 5,599 cars above the corresponding week in 1942.

Live stock loading amounted to 16,389 cars, an increase of 116 cars above the preceding week, but a decrease of 3 cars below the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of Aug. 28, totaled 12,370 cars, a decrease of 60 cars below the preceding week, and a decrease of 163 cars below the corresponding week in 1942.

Forest products loading totaled 48,297 cars, an increase of 119 cars above the preceding week but a decrease of 6,390 cars below the corresponding week in 1942.

Ore loading amounted to 90,491 cars, an increase of 1,782 cars above the preceding week and an increase of 1,962 cars above the corresponding week in 1942.

Coke loading amounted to 14,872 cars, an increase of 344 cars above the preceding week, and an increase of 987 cars above the corresponding week in 1942.

All districts reported increases compared with the corresponding week in 1942, except the Southern, Northwestern and Central-western but all districts reported decreases compared with 1941 except the Centralwestern & 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	868,845	890,337
Week of Aug. 21	891,197	869,434	899,788
Week of Aug. 28	904,007	899,405	912,720
<b>Total</b>	<b>27,958,874</b>	<b>28,736,441</b>	<b>27,727,539</b>

The following table is a summary of the freight loadings for the separate railroads and systems for the week ended Aug. 28, 1943. During this period 55 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED AUG. 28

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
<b>Eastern District—</b>					
Ann Arbor	245	321	597	1,491	1,297
Bangor & Aroostook	844	864	988	373	154
Boston & Maine	6,729	6,494	9,403	14,471	14,037
Chicago, Indianapolis & Louisville	1,354	1,476	1,838	2,389	1,885
Central Indiana	41	21	17	60	71
Central Vermont	1,096	1,097	1,609	2,352	2,614
Delaware & Hudson	6,492	6,234	7,348	11,294	11,458
Delaware, Lackawanna & Western	7,843	7,917	10,403	12,933	9,765
Detroit & Mackinac	269	541	373	109	191
Detroit, Toledo & Ironton	2,035	1,595	2,349	1,279	1,207
Detroit & Toledo Shore Line	327	296	366	2,484	2,627
Erie	13,673	12,277	15,933	19,284	16,099
Grand Trunk Western	3,933	4,755	4,973	8,362	8,666
Lehigh & Hudson River	197	156	174	2,549	3,457
Lehigh & New England	2,159	2,374	2,094	1,741	2,065
Lehigh Valley	9,006	8,765	10,513	14,293	15,541
Maine Central	2,429	2,317	3,542	2,779	2,438
Monongahela	6,275	6,339	6,449	444	391
Montour	2,381	2,387	2,460	365	24
New York Central Lines	56,395	49,346	53,269	57,338	55,029
N. Y., N. H. & Hartford	10,338	10,086	12,266	18,673	19,033
New York, Ontario & Western	1,448	1,031	1,273	2,620	2,363
New York, Chicago & St. Louis	6,956	7,886	7,233	16,805	16,236
N. Y., Susquehanna & Western	685	414	412	2,263	1,184
Pittsburgh & Lake Erie	7,567	7,713	8,992	9,005	8,347
Pere Marquette	5,230	5,575	6,202	7,695	5,855
Pittsburgh & Shawmut	998	842	751	32	17
Pittsburgh, Shawmut & North	413	384	441	292	336
Pittsburgh & West Virginia	1,139	1,189	1,012	2,644	3,446
Rutland	345	410	606	1,112	1,071
Wabash	5,834	6,457	6,486	12,237	12,529
Wheeling & Lake Erie	6,045	5,885	6,091	4,485	5,047
<b>Total</b>	<b>170,712</b>	<b>163,485</b>	<b>186,463</b>	<b>234,296</b>	<b>225,380</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
<b>Allegheny District—</b>					
Akron, Canton & Youngstown	730	678	761	1,315	1,226
Baltimore & Ohio	44,705	43,262	44,052	30,272	27,562
Bessemer & Lake Erie	6,783	6,877	7,284	2,021	2,657
Buffalo Creek & Gauley	268	275	312	3	1
Cambria & Indiana	1,851	2,072	1,944	5	19
Central E. R. of New Jersey	7,379	7,704	9,013	21,232	21,050
Cornwall	666	639	675	55	59
Cumberland & Pennsylvania	234	264	296	25	9
Ligonier Valley	125	133	117	47	64
Long Island	2,073	1,176	957	4,136	3,583
Penn.-Reading Seashore Lines	2,078	2,199	2,307	3,146	2,522
Pennsylvania System	88,288	87,566	93,898	70,515	67,923
Reading Co.	16,225	15,594	17,278	26,603	28,897
Union (Pittsburgh)	21,312	21,995	19,676	7,777	7,788
Western Maryland	4,361	4,231	4,226	12,019	12,909
<b>Total</b>	<b>197,079</b>	<b>194,670</b>	<b>202,796</b>	<b>179,362</b>	<b>176,269</b>
<b>Pocahontas District—</b>					
Chesapeake & Ohio	30,104	28,575	29,233	14,441	14,051
Norfolk & Western	22,652	23,416	24,869	7,076	6,901
Virginian	4,957	4,542	4,931	2,259	2,121
<b>Total</b>	<b>57,713</b>	<b>56,533</b>	<b>59,033</b>	<b>23,776</b>	<b>23,073</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
<b>Southern District—</b>					
Alabama, Tennessee & Northern	306	390	450	411	371
Ail. & W. P.—W. R. R. of Ala.	659	767	912	2,659	2,565
Atlanta, Birmingham & Coast	717	705	778	1,191	1,207
Atlantic Coast Line	11,710	12,097	10,796	10,735	9,579
Central of Georgia	3,785	3,828	4,835	4,296	4,280
Charleston & Western Carolina	398	367	435	1,619	1,534
Clinchfield	1,682	1,793	1,824	2,843	2,794
Columbus & Greenville	350	393	336	201	221
Durham & Southern	104	106	203	649	688
Florida East Coast	1,282	838	426	1,461	1,824
Gainesville Midland	50	38	35	80	79
Georgia	1,315	1,489	1,266	3,036	2,690
Georgia & Florida	543	417	345	498	593
Gulf, Mobile & Ohio	4,256	4,428	4,365	4,452	4,843
Illinois Central System	29,152	28,200	27,371	18,681	18,093
Louisville & Nashville	25,447	26,650	26,142	12,516	10,382
Macon, Dublin & Savannah	186	194	214	601	757
Mississippi Central	280	191	232	577	667
Nashville, Chattanooga & St. L.	3,289	3,381	3,400	5,019	4,439
Norfolk Southern	975	1,215	1,461	1,400	1,924
Piedmont Northern	360	341	470	1,183	1,171
Richmond, Fred. & Potomac	443	466	447	9,733	8,196
Seaboard Air Line	10,166	10,446	9,639	8,165	8,522
Southern System	22,914	24,207	25,037	23,784	25,035
Tennessee Central	497	545	580	1,014	910
Winston-Salem Southbound	144	196	148	982	1,088
<b>Total</b>	<b>121,010</b>	<b>123,680</b>	<b>122,167</b>	<b>117,786</b>	<b>114,492</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
<b>Northwestern District—</b>					
Chicago & North Western	21,512	22,187	23,270	15,064	13,926
Chicago Great Western	2,845	2,554	3,218	3,124	3,377
Chicago, Milw., St. P. & Pac.	22,070	21,919	25,299	11,610	10,512
Chicago, St. Paul, Minn. & Omaha	4,269	4,509	4,587	4,713	4,691
Duluth, Missabe & Iron Range	31,116	31,574	24,858	345	300
Duluth, South Shore & Atlantic	1,587	1,220	1,737	655	1,353
Elgin, Joliet & Eastern	8,532	10,093	11,038	11,305	10,019
Fl. Dodge, Des Moines & South	479	557	679	123	123
Great Northern	26,376	28,816	26,143	6,333	6,218
Green Bay & Western	459	455	600	1,045	895
Lake Superior & Ishpeming	2,968	2,120	3,287	55	82
Minnesota & St. Louis	2,188	2,238	2,262	2,403	2,374
Minn., St. Paul & S. S. M.	8,306	8,417	8,325	2,823	3,436
Spokane International	12,595	12,644	13,386	6,216	4,820
Northern Pacific	261	243	214	547	806
Spokane, Portland & Seattle	2,816	2,893	2,672	3,882	3,135
<b>Total</b>	<b>148,379</b>	<b>152,439</b>	<b>151,655</b>	<b>70,249</b>	<b>66,027</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
<b>Central Western District—</b>					
Aitch., Top. & Santa Fe System	22,718	23,213	22,380	13,147	12,164
Altamont	3,722	3,559	3,485	4,913	4,723
Bingham & Garfield	536	563	669	56	77
Chicago, Burlington & Quincy	20,401	21,373	18,728	12,599	11,706
Chicago & Illinois Midland	2,854	2,614	2,316	1,035	896
Chicago, Rock Island & Pacific	12,503	12,666	14,518	12,759	12,857
Chicago & Eastern Illinois	2,851	2,881	3,163	6,451	4,385
Colorado & Southern	1,017	885	838	1,998	1,835
Denver & Rio Grande Western	5,619	4,459	5,023	6,251	6,020
Denver & Salt Lake	833	776	816	25	25
Fort Worth & Denver City	1,212	1,624	1,181	1,726	2,114
Illinois Terminal	2,003	1,862	2,110	2,002	2,443
Missouri-Illinois	1,083	1,348	1,119	658	368
Nevada Northern	2,134	2,164	2,050	117	118
North Western Pacific	1,160	1,297	1,267	804	812
Peoria & Pekin Union	20	7	15	0	0
Southern Pacific (Pacific)	32,722	33,522	31,243	14,548	10,995
Toledo, Peoria & Western	327	271	335	2,153	1,741
Union Pacific System	16,757	16,750	17,420	17,923	15,772
Utah	576	463	545	6	9
Western Pacific	2,338	2,419	2,072	4,259	3,830
<b>Total</b>	<b>133,386</b>	<b>134,716</b>	<b>131,291</b>	<b>103,436</b>	<b>92,396</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
<b>Southwestern District—</b>					
Burlington-Rock Island	282	945	286	220	274
Gulf Coast Lines	5,760	4,975	3,675	3,511	2,573
International-Great Northern	2,872	3,334			

## Items About Banks, Trust Companies

The Federal Reserve Bank of New York announced on Sept. 3 that the Lockport Exchange Trust Co., Lockport, N. Y., and the United States Trust Co., Paterson, N. J., had become members of the Federal Reserve System. The Lockport bank has assets in excess of \$10,000,000, while the Paterson institution's assets are above \$27,000,000.

Elliott V. Bell, New York State Superintendent of Banks, announces that checks aggregating \$25,920 are being mailed as dividends to 4,245 depositors and creditors of the closed Times Square Trust Co. of New York City. The New York "Herald Tribune," reporting this, said: The payment represents a final liquidating dividend of 3% to claimants who previously have received 100% of claims in eleven payments totaling \$870,520. About \$44,000 in dividends remain unclaimed. The bank was closed Aug. 5, 1931.

Manuel Rionda, President and Director of the Czarnikow-Rionda Co., New York, importers of Cuban sugar, died on Sept. 2 at his home in Alpine, N. J. He was about 80 years old. Mr. Rionda also was President and Director of the Manati Sugar Co., the Riovista Corp., the Riovista Land Corp. and the Tuinucu Sugar Co.

The Metamora State Bank, Metamora, Ill., a State member bank of the Federal Reserve System, has converted into a National bank under the title Metamora National Bank.

Harold R. Bailey, Manager of Bond Sales for the Bond Department of the Commerce Trust Co. of Kansas City, Mo. for the past 22 years, died on September 1. Mr. Bailey who had a wide acquaintance among the bond fraternity in the country was 52 years old. He became associated with Trust Company's bond department in 1921. Mr. Bailey was active in IBA circles. He was Chairman of the Southwestern Group of the IBA for a number of years; also Secretary to the Board of this group. He suffered a stroke on January 1 which kept him from active duty; a second stroke on September 1 proved fatal.

At the request of the Treasury Department of the United States Government, The Louisville Trust Company of Louisville, Kentucky, has accepted designation as a depository and financial agent of the Government, and under such designation will provide banking facilities at Bowman Field for the duration of the emergency, it is announced by Earl B. Muir, President of the trust company, who states:

"Col. George P. Johnson, Commandant of the Base, sometime ago recognized the need of banking facilities at the Base, and requested that such facilities be provided.

"Banking quarters have already been provided and equipped and operations of the facility will begin on Wednesday, September 1."

J. G. Burrus, for the last three years discount teller at the trust company, will be manager of the Bowman Field banking quarters, which as explained by Arthur R. Furnish, Vice-President of the Trust Co. do not constitute a branch of The Louisville Trust Company—it is a banking facility which is being afforded the officers, enlisted men and other personnel of the Field.

The deposits of the Louisville Trust have advanced from \$6,-878,150 on Dec. 31, 1932, to \$48,-332,932 on June 30, 1943.

The Citizens Bank of Hattiesburg, Hattiesburg, Miss., has been

admitted to membership in the Federal Reserve System.

The American Trust Co., San Francisco, has acquired the First National Bank of Stockton (Calif.), it was announced jointly by James K. Lohead, President of American Trust, and Percy Cleghorn, President of First National. The Stockton bank has assets of \$12,000,000. Gerald Kennedy, an official of American Trust for 20 years, will be resident Vice-President; J. L. Watters, Manager of the American Trust branch in Stockton, will be manager of the institution.

Robert Burns Motherwell II, President of the Wells Fargo Bank and Union Trust Co., San Francisco, died Aug. 29 at the Franklin Hospital, San Francisco. Mr. Motherwell joined the Wells Fargo institution as Vice-President in 1927, becoming President in 1935, succeeding F. L. Lipman, who then became Chairman of the Board. For a number of years prior to that Mr. Motherwell had been connected with the Federal Reserve Bank of San Francisco and with its branches in Salt Lake City and Los Angeles.

## NYC Executives Pledge Support To War Loan

Chief executives of commercial, industrial and professional organizations of New York City, approximating 30,000 firms, have pledged enthusiastic cooperation in making the forthcoming Third War Loan drive an unprecedented success, William E. Cotter, Director of the Commerce & Industry Division of the State War Finance Committee, announced on Aug. 26.

Mr. Cotter, who is counsel for the Union Carbide & Carbon Corp., said his division had been formed specifically to map the part business is to play in the September drive. The division will be comprised of ten major sections of related business groups under the chairmanship of business leaders. It will not engage in direct solicitation or sale of bonds, but, he said, "will be responsible for seeing that the Third War Loan and all that it implies is 'sold' to business and management right through the ranks." A series of organizational meetings were held this week at the committee's War Center on 50th Street, off Sixth Avenue, when outstanding figures in civic and professional affairs discussed the objectives in the biggest bond sales campaign in the nation's history. Objectives in mind, Mr. Cotter said, are three fold:

To obtain the largest possible corporate subscriptions;

To encourage extra \$100 bond purchases during the drive and increase the present volume of employee bond-buying on the Payroll Savings plan;

To stimulate substantial subscriptions by salaried executives.

## Treasury To Borrow \$21 Billion More

Under-Secretary of the Treasury Daniel W. Bell revealed on Aug. 29 that the Treasury intends to borrow \$21,000,000,000 during the last four months of this year.

Mr. Bell reported that Government expenditures will total \$35,-000,000,000 while revenues in the four-month period will total only \$14,000,000,000.

The Third War Loan drive for \$15,000,000,000 is expected to take care of most of the deficit, with direct borrowing from commercial banks and sales of war bonds in the latter months making up the remainder.

## McNutt Says 2,600,000 Must Change To War Jobs Before July, 1944

Between now and July, 1944, a rock-bottom minimum of 2,600,000 persons must transfer from less essential jobs to munitions production or to jobs in the great number of community services that are essential to the health, transportation and other vital accessories of civilian life," according to a statement issued Aug. 23 by Paul V. McNutt, Chairman of the War Manpower Commission.

"It is easy to see," Mr. McNutt said, "why such large scale transfers must take place. The military services plan to expand from 9,300,000 to 11,300,000 between July, 1943, and July, 1944. These men and women will be drawn from war-useful jobs as well as from other occupations." He added:

"At the same time, as our commitments on the battle fronts multiply, the war industries are required to meet rising schedules of production. They must replace the men drawn into war service, replace those they lose from accidents, normal deaths, retirements and other kinds of turn-

over, and add enough skilled workers to assure that production schedules are met within specified periods."

He said that 2,100,000 are needed before the end of this year, and appealed for persons in doubt about the war-usefulness of their jobs to consult local offices of the United States Employment Service.

Mr. McNutt urged, however, that workers not transfer from one war-useful job to another unless the switch involves greater use of their talents.

## Schram Views Capital Markets Entering Upon Period Of Great Usefulness

The belief "that our capital markets are about to enter upon a period of great usefulness," was expressed on Sept. 1 by Emil Schram, President of the New York Stock Exchange, in addressing the 26th convention of the National Association of Securities Commissioners at Cincinnati. Mr. Schram added that "we must see to it that these markets are kept clean as well as efficient." "To the extent

that their capacity to serve the public may be restricted by defects in the regulatory laws," he said, "we will not hesitate to ask for appropriate amendment, justified only by considerations of public welfare." His confidence that the Government will take a realistic view of post-war problems was also indicated by Mr. Schram as he predicted that "our economy will flourish as never before." Since Mr. Schram's remarks in Cincinnati were extemporaneous, and hence, not available in official form, his views as above are taken from the Cincinnati account to the New York "Herald Tribune," from which we also quote:

"If our system of free enterprise operates in a healthful atmosphere, the capital markets themselves will have little to worry about. Reasonable regulation will present no problem. On the other hand, these markets will have little excuse for existence, no matter how free and untrammelled they may be, if our enterprise system loses its capacity to serve society.

"Restrictions on the creative genius and productive powers of the American business man and industrialists are infinitely more dangerous to our American way of life and much more likely to cause anemic markets than any other type of regulation.

"War-time co-operation and mutual respect between government and industry may be born of necessity, but we must see to it that it lasts over into the peace period.

"Business has a chance to sell itself to government. Government should take advantage of the opportunity to sell itself to business. Washington has learned at first hand the problems of business in undertaking the gigantic production for war.

"It is no mere coincidence that the securities markets in the United States and Great Britain are the only such markets in the world operating with anything like a normal degree of freedom. Free markets are an integral part of the democratic system. Markets in the United States and in Great Britain are permitted to reflect the progress of the war; they express from day to day the acutely sensitive appraisal by investors of all factors and developments affecting our economy. There is no censorship of our markets and none is needed."

"Mr. Schram said he favored a constructive tax policy that would remove existing deterrents to

and employees of the commercial banks and the clients and employees of the stock exchange firms and investment dealers. A volunteer sales force of more than 7,000 is prepared to take the field for the seventeen bank teams at the opening gun on Sept. 9. Although the emphasis, as in other divisions, will be on reaching the wage and salary buyers, it is recognized that large corporate subscriptions will be needed to meet the national quota of \$15,000,000,000.

## To Open Talks On Brazilian Debt Service

The Foreign Bondholders Protective Council, Inc., announced on Sept. 3 that negotiations concerning a proposed plan of service for the external dollar bonds of Brazil will soon be brought under way in Rio de Janeiro. Representing the Council in the discussions will be Robert E. McCormick, a partner of Alexander & Green, New York, assisted by Lee Orton, Treasurer of the U. S. Guaranty Co., New York.

Regarding the status of Brazilian bonds, the Council's announcement said:

"There are 31 issues of dollar bonds of Brazil—Federal, State and municipal—outstanding in an amount totaling approximately \$304,000,000 upon which annual contractual interest is roughly \$20,000,000, and upon which the past due and unpaid interest totals slightly more than \$70,000,000.

"Defaults on most issues of Brazilian dollar bonds occurred in 1931. Federal bonds of Brazil were served under the 1931 Funding Plan which covered the period from default to and including Oct. 15, 1934, such holders being offered 20 year 5% funding bonds for the full face amount of those coupons. Under the Aranha Plan of 1934, holders of Federal, State and municipal bonds were offered over a four year period reduced cash interest payments which, during the last year of that plan, amounted to 47% of contract interest. However, default under that plan occurred on some issues in October, 1937, about six months before its termination. After a two and a half year period, announcement was made of Decree-Law No. 2085 of 1940, under which bondholders were offered another four year plan of further reduced cash interest payments, which during the last year of that plan amount to about 24% of the contract rates."

## Patriotic Rally Celebrates Treasury Dept's 154th Year

The 154th anniversary of the founding of the U. S. Treasury Department was celebrated on Sept. 2 on the steps of the Sub-Treasury in Wall Street by a patriotic rally of some 7,000 persons under the auspices of the Third War Loan and the American Women's Voluntary Services. Walter H. Johnson, Jr., Director of the Community Sales Division of the War Finance Committee for New York State, presented a special "Citation of Service" to Mrs. Irving B. Levine as representative of the accomplishments of the AWVS War Savings Division of Manhattan. More than 500 uniformed members of the AWVS were assembled on the Sub-Treasury steps for the presentation.

Mrs. Cortlandt D. Barnes, Down-State Vice-Chairman of the New York War Finance Committee unveiled the new Third War Loan poster, "Back the Attack." An appeal for additional volunteers was made by Mrs. George Baker and Mrs. Harold Talbot, co-chairmen of the AWVS.