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## The Financial Situation

Congress is now about to begin its winter work, some of it winter work only because members of the House and Senate could not gain consent to do it before they left Washington for their first breathing spell in a good while. Members now have had a number of weeks in which to cogitate, to stand away a little from the trees and obtain a better look at the forest.

They doubtless have had a good many heart to heart talks with the "folks back home." It is to be hoped that they also have taken the time to reach careful, more or less independent conclusions of their own concerning a number of vitally important public questions to which they must now turn. With the elections in the offing, it will not be easy for many of them to be as independent of local and partisan politics as the country can well wish them to be, but precisely that duty now lies heavy upon them. It is evident beyond any doubt that the Executive Department is badly in need of the kind of assistance that a strong and wise Congress could give it—and oblige it to accept.

### New Taxes

For one thing, the tax question must inevitably come before the national legislature this fall and winter. If there

if one thing more than any other that the Administration, particularly the Treasury, has bungled from the very beginning it is taxes. Unless all signs fail, the Treasury will lay before Congress before many weeks have passed recommendations for further tax legislation which will be of a piece with that which has gone before it—if not worse. This, of course, is no time to "play politics" further with this matter of the levies to be laid upon a people already sorely and inequitably burdened. Congress has not always liked the tax proposals of the Treasury in the past. It has not always given Mr. Morgenthau precisely what he requested. It has, however, not developed any well-considered and well-rounded tax plan of its own. Rather it has complained, sometimes balked, and in the end en-

(Continued on page 1110)

## Inflation Is Your Business

### Babson Says Every Citizen Should Wake Up

Inflation is as "catching" as smallpox and much more serious. If allowed to spread, it will cause far more deaths than epidemics of suicides, heart failures and nervous breakdowns. No wonder life insurance companies are fighting it tooth and nail. If the same intelligent approach is made to the problem of avoiding inflation as was made in the case of reducing and eliminating smallpox, we shall be all right. But if we neglect



Roger W. Babson

the present signs of the growing epidemic of inflation I am afraid we shall soon be beyond hope. Some people are saying, "Let inflation come." They hope it will help sell some long-held stocks which now show a loss. Possibly, but what will the money received be worth? It may be far better to hold stocks than to sell them at double the present price and get money worth only 40% or less of its present value. The same principle applies to buying stocks now with the hope of selling them later at a profit. Even when buying the right stocks as an inflation

hedge, they should be considered only as a "safe deposit box" in which to keep your money during inflation. What money you do not put into short-term war bonds, invest in good, productive real estate or good stocks. Do this as a permanent investment and not as a speculation.

Readers who have a little money invested in railroads, public utilities and other companies whose rates are regulated should especially watch inflation. Inflation can severely cripple these corporations. Although rate increases are possible they always lag considerably behind the increase in expenses caused by inflation. Inflation will, therefore, probably cause a decline in the securities of railroads and certain other corporations.

### Wages and Labor

It is true that some (not all) wages should go up under inflation, but what good will this do? Not only will these higher wages buy less in food, clothing and

(Continued on page 1116)

## The News Behind The News

By PAUL MALLON

An Anglo-American Alliance?

All right, say we have one, and acquire from Britain the ownership of leased air bases approaching our shores which are essential to implement it. Where, then, are we regarding the peace and security of this country and the world?



Paul Mallon

The idea of the alliance, the reason for it, is that it forms a military combination too powerful to be attacked by any enemy, and the rest of the thereupon would accept inferiority peacefully and never plan again to conquer us and establish their own world dominance. Would it do this?

Russia today has the greatest army in the world. Her sluggish industrialization has been quickened by war necessity, moved up perhaps a generation.

She has unparalleled stores of natural resources, probably greater than the combined stores of Britain and the United States. She can be expected to wield a powerful voice in Asia (China is closer to her diplomatically than we are). In Europe, her voice could indeed be equal to ours.

Her world policy has been isolationist so far. She has, and may (Continued on page 1115)

## Principles Of "Democracy First" Basis Of Lasting Peace--Wallace

### Proposes Seven New Freedoms As Part Of "Freedom From Want"

Vice-President Henry A. Wallace, asserting that "only by applying the principles of 'Democracy First' can we have any chance of lasting peace," proposed on Sept. 11 that a new "declaration of freedom" be adopted with freedom from want as its essence.

In an address before a "Win the Peace" rally at Chicago Stadium, the Vice-President listed seven new freedoms as spelling out President Roosevelt's "freedom from want," as follows:

- "1. Freedom from worry about a job.
- "2. Freedom from worry about a dependent and poverty-pinched old age.
- "3. Freedom from unnecessary worry about sickness and hunger.
- "4. Freedom from strife between workers and business men, between farmers and business men, and between workers and farmers.
- "5. Freedom from strife between the races and creeds.
- "6. Freedom from fear of bankruptcy caused by overproduction of necessary materials.
- "7. Freedom for venture capital and for inventors of new ideas



Henry A. Wallace

to expand production of needed goods without fear of repressive cartels, excessive taxation or excessive Government regulations."

Criticizing the slogan "America First," Mr. Wallace said that under that "smooth phrase" the common man would be robbed and that under that slogan we can have only war. Instead, he stated, "Democracy First" can lead to peace with "supremacy of freedom in both the economic and the political world."

He appealed for close cooperation with our Allies and charged that isolationism was a screen behind which a small group was seeking to retain its special privileges and the control of international business.

Mr. Wallace said that the time to make post-war plans was now while the Allies are in agreement and grateful to each other for mutual aid.

The Vice-President endorsed the proposal that America take the lead in peace-planning which was introduced in a resolution before Congress by Senators Ball (Continued on page 1112)

## From Washington Ahead Of The News

By CARLISLE BARGERON

This writer was sitting in the hotel lobby at Ashland, Ky., when news of the Italian surrender came over the radio. He was the only one in the lobby to show more than passing interest. He read in the papers the next morning that there had been a lot of jubilation in Washington, in spots of New York. There was none in this little place. The explanation, of course, would be that the surrender had been largely discounted. But it is

striking how little discussion of the war one hears going about the country. Occasionally, a fellow will remark: "Our boys have been going great guns." Seldom does it develop into a discussion.

Mr. Roosevelt may have had something, when in his speech invoking the buying of bonds, he said the people after the war probably wouldn't be in a celebrating mood, but a determined mood to insure that it will never happen again. There seems to be little doubt that the people now are in some sort of a quiet determined mood. Frankly, what the determination is has the Democrats worried.

In Kentucky a gubernatorial campaign is just getting under way and the Republicans admittedly have the best chance they have had in some 30 years. They are confining their campaign to State issues altogether, but the Democrats are insisting a Republican vote is a repudiation of the President's war efforts. Unquestionably the Republicans are going to cash in on the countless irritations to which people are

being subjected, but for purposes of strategy they are talking about nothing except the "gang" at Frankfort.

The Republican nominee, Simeon S. Willis, former member of the State Court of Appeals, and admittedly a high-type of man, has as his main positive issue the repeal of the State income tax. There is quite a move on in that direction among the States; in the past year several States having either abandoned the tax or greatly reduced it. As an issue in Kentucky, it is hardly an outstanding vote-getter because with exemptions it barely touches a married man with an income of less than \$5,000 a year. But Willis is carrying his fight on a broader scale, that the tax keeps capital out of Kentucky, that the bringing in of outside capital is the best way to provide jobs for the returning soldiers. It is a fact that Kentucky, once high up among the 13 Southern States in industrial progress, has dropped to 10th place.

If the Republicans win or even (Continued on page 1116)

## GENERAL CONTENTS

### Editorial

Financial Situation ..... Page 1109

### Special Articles (in Section 1)

Catching Up With The "American Radical" ..... 1109  
Economy And Free Enterprise ..... 1110  
Utilities Need Relief From Unnecessary Wartime Regulation ..... 1111

### Regular Features

From Washington Ahead of the News ..... 1109  
Moody's Bond Prices and Yields ..... 1118  
Items About Banks and Trust Cos. .... 1124  
NYSE Odd-Lot Trading ..... 1122  
NYSE Issue Values ..... 1118, 1119  
Trading on the New York Exchanges ..... 1122

### State of Trade

General Review ..... 1110  
Commodity Prices, Domestic Index ..... 1121  
Weekly Coalings ..... 1123  
Weekly Engineering Construction ..... 1120  
Paperboard Industry Statistics ..... 1123  
Weekly Lumber Movement ..... 1122  
Fertilizer Association Price Index ..... 1121  
Weekly Coal and Coke Output ..... 1121  
Weekly Steel Review ..... 1119  
Finished Shipments in July ..... 1121  
Moody's Daily Commodity Index ..... 1118  
Weekly Crude Oil Production ..... 1122  
Non-Ferrous Metals Market ..... 1121  
Weekly Electric Output ..... 1119  
August Bank Debits ..... 1122  
August Dept. Store Sales ..... 1118  
Federal Debt Limit Aug. 31 ..... 1119  
Class I Railways Selected Balance Sheet Items (June) ..... 1120  
August Cottonseed Receipts ..... 1120  
Cotton Ginned Prior to Sept. 1 ..... 1120

\*Not available this week.

## The Financial Situation

(Continued from first page)

acted "patched up" laws with which no one could be really satisfied.

### Crippling Enterprise

The stage has now been reached when we can little better afford this sort of thing in further and perhaps larger doses than we can to have Treasury plans passed to the statute books as they reach Capitol Hill. Our tax laws have long been stifling business enterprise. Private initiative of the sort that made this country great, and which must be given a large share of the credit for the victory which the United Nations appear now to be approaching, has had grievous burdens to carry for a decade or more. The fact that we are now waging "total war" has been more and more employed by the Administration as an excuse for heavier and heavier burdens upon all those who have the energy, initiative and courage to undertake any sort of business venture, to say nothing of those who virtually must continue to carry on with the tasks that they began in happier days. It is even now taxing business enterprises so heavily and so inequitably that they have no means left to prepare for the day when they will be expected to reconvert quickly and afford employment for the millions of workers who are so close to the heart of the reformers and politicians in Washington. The reply of the Administration apparently is to prepare grandiose plans by which the Government itself will provide work and wages—and this despite the obvious circumstance that the Treasury will end the war under a crushing burden of debt of its own. Congress, if it is to earn the respect of thoughtful citizens, simply can not afford to look the other way, or to yield to the cajoling or the threats of political cliques which now rule in Washington.

### Manpower

Even more urgent, and quite possibly as important, is the question of manpower and its innumerable ramifications. Our food supply, which no thoughtful man for a moment believes is so well assured as some of the propaganda agencies in Washington would have them suppose, is vitally involved. So is adequate armament and transportation for our huge armed forces and those of our allies. As things appear now to be going, there is good cause for grave uneasiness about the future on both these accounts, if we assume as we must in laying our plans that the war will continue for a considerable period longer. Indeed, it may well be that only a much

earlier termination of hostilities than the military men are reported to expect can save us from serious embarrassment, unless much greater wisdom is shown in the very near future as regards the full and most effective employment of the manpower available to us. There are many reasons why our failure on this question has been so serious, some of them going much deeper than is popularly supposed.

The 40-hour week is one of the basic difficulties. The temporary "concessions," if such they may be termed, which have been made by the Administration do not, and in the very nature of the case can not, suffice to meet the situation in the circumstances. For one thing, great masses of employers simply can not have their forces working longer than 40 hours a week if they must pay the heavy penalty attached to "overtime." Many of them probably could not do so in any event and remain in business; others are unable to do so in a situation where the prices they may exact for their products is rigidly and inequitably "frozen" at levels which allow nothing for such penalty wage payments. Here, of course, is a situation which has become, thanks to the union-coddling of the Administration, inextricably interwoven with union policies and union domination. Yet, whatever difficulties its solution may present at this time, we may as well face the fact that it lies close to the roots of our so-called manpower problems of the day.

### A Proper Balance

Another vital factor is the relative size of our armed forces and those other armies of workers which must supply them and the civilian population with the necessities of war and of ordinary life. Congress should by now have come to a realizing sense of the fact that this is not merely a "military question" as is so often said by those who have set our goals. Professional soldiers are, of course, best fitted to know the number of men they would like to have, or perhaps ought to have, to accomplish a given purpose in a given length of time, but men in the army and navy must have almost incredibly large amounts of weapons and other equipment which are most difficult and time-consuming to manufacture. To be sure there are other individuals better trained by experience to judge the quantities of these weapons and equipment that can be produced and transported by any given number of men and women. A proper balance be-

tween the number of men in the armed forces and the number of men and women in the factories at home is absolutely essential to maximum results. There have of late been some indications that this aspect of the problem is receiving rather more understanding attention than it had been getting. Congress, which after all under our system of government bears large responsibilities in the conduct of war, would do well to look carefully into this matter at once—not content itself with playing to the galleries about the draft of this, that or the other element in the population.

There is, of course, a multitude of other important matters which cry for attention on Capitol Hill, election or no election. Merely to list them here would unduly lengthen this discussion. Most

of them are well known and well understood to require attention. One matter which probably has not greatly impressed the rank and file, due to its technical nature, but which should by all means be given a place upon the Congressional agenda, is what is now known as "invasion currency"—together with related questions arising in occupied zones. The authorities appear to be making a mystery of them, but the fact is that a great deal of lasting harm could be done by unwise policies in these matters. Congress must demand to know what is actually taking place—and act as the circumstances indicate.

If Congress will get to work in a business-like way upon these and other public problems, it will have no further cause to worry about its place in our scheme of things.

## A Program

"A definition of the functions and fields of free enterprise, and of the scope and purpose of business regulation; a restriction upon the expansion of Government into the field of business without clear showing of necessity and without express legal authority; a declaration of intention regarding the responsibility of industry for post-war re-employment, and an indication of the measure of Government support of post-war construction and production; with legislation designed to make possible the accomplishment by the business organism of the tasks assigned.

"A thorough overhauling of the system of Federal taxation, to simplify procedure and computation, and promote the established policy for free enterprise by substituting incentives for handicaps, using the elimination of waste motion and complexities to reconcile the beneficiaries of simplification to increased tax collections.

"A declaration of the right of individual security expressly conditioned by the obligations to work to the extent of capacity, fixing the responsibility for providing the opportunity, and stimulating the production to a level where a guarantee of security can be made good by stressing the obligation to work, rather than by providing the population with spending money."—From a program of public policy suggested by Edward E. Chase, President of the New England Council.

We do not feel able, at least without more exact understanding of parts of it, to endorse these proposals in full, but we are confident that there are ideas here well worth the careful consideration of our readers.

## The State Of Trade

Reports from most of the heavy industries continue to show an upward trend. Carloadings showed a drop of almost 3,000 cars for the week, but this was more than offset by the excellent showing of electric power production, which again reached a new peak during the week ended September 4th. Reports from the retail trade were also favorable compared with last year.

Electric power output has been in the spotlight for some weeks past and again made a new high record of 4,350,511,000 kilowatt hours for the week ended Sept. 4th. This compares with 4,322,195,000 a week earlier, according to the Edison Electric Institute.

The latest week's power production was 18.4% higher than the 3,672,921,000 kilowatt hours produced in the similar 1942 week.

The Southern States again led the major geographical divisions with an increase of 22.4% over the same week in 1942.

Carloadings of revenue freight for the week ended Sept. 4th, totaled 901,075 cars, according to the Association of American Railroads. This was a decrease of 2,932 cars from the preceding week this year, 13,115 cars more than the corresponding week in 1942 and 103,284 cars above the same period two years ago.

This total was 133.41% of the average loadings for the corresponding week of 10 preceding

years. Steel operations for the current week are scheduled at 99.6% of capacity, indicating production of 1,736,000 net tons of ingots, the American Iron & Steel Institute estimated. This compares with operations last week at 100.3%, the record high, and production of 1,748,200 tons.

For the week beginning Sept. 13th last year ingot production amounted to 1,662,800 tons.

Production of steel ingots in the United States totaled 7,562,125 net tons in August, a new high for the month and the third largest of any month in the industry's history, according to the American Iron & Steel Institute. August output compared with 7,376,017 tons in July and 7,227,655 in August, 1942. The all-time monthly peak was established in March with 7,670,187 tons. In October, 1942, output totaled 7,579,514 tons.

Italy's capitulation should have little effect on the overall scope of

war production, the magazine "Steel" said. Germany's indicated determination to fight for Italy means there will be no letdown in the demand for munitions and equipment from United Nations' forces in that sector, the publication declared, adding:

"It is clear whatever changes in specifications may result from the Italian collapse, they will be offset by requirements in other directions, and by the intensification of production in certain lines to make it possible for Allied forces to take fullest advantage of the Italian capitulation.

"In addition, raw materials, including steel, will be needed on a large scale to supply whatever Italian manufacturing facilities can be utilized by the Allies. Consequently there seems little prospect that the military situation today permits of any view in the direction of easier war steel demand."

Civil engineering construction volume for the holiday-shortened week total \$36,606,000. This continental U. S. volume, not including construction by military combat engineers, American contracts outside the country and shipbuilding, is 62% below the corresponding 1942 week, and compares with \$61,674,000 for the preceding week, states Engineering News-Record.

Private construction is 58% lower than a year ago, and public is down 63% as a result of the 61% decline in state and municipal construction and the 63% decrease in Federal volume. Current construction brings 1943 volume to \$2,322,368,000, an average of \$64,510,000 for each of the 36 weeks of the period.

Some improvement was noted in retail trade the past week as sales of back-to-school wear picked up and a steady demand for some house furnishings continued, reports the weekly review of Dun & Bradstreet, Inc. Since Labor Day occurred in the corresponding week of 1942, sales varied less and for the country were estimated up 7 to 10% in the week, states this agency.

Department store sales on a country-wide basis for the week ending Sept. 4th, were the same in volume as the corresponding week a year ago, according to the weekly figures made public by the Federal Reserve Board.

Store sales were up 5% for the four-week period ending Sept. 4, compared with last year.

Department store sales in New York City for the week ended Sept. 11th, were 3% above the corresponding 1942 week, a preliminary estimate issued by the New York Federal Reserve Bank reveals.

In the previous week ended Sept. 4th, sales of this group of stores were 1% smaller than in the comparative 1942 week.

### Money In Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting the moneys held in the United States Treasury and by Federal Reserve Banks and agents. The figures this time are for July 31, 1943, and show that the money in circulation at that date (including, of course, that held in bank vaults of member banks of the Federal Reserve System) was \$17,954,587,757 as against \$17,421,261,974 on June 30, and \$12,739,478,258 on July 31, 1942 and compares with \$5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War that is on June 30, 1914, the total was \$3,459,434,174.

## Bratter To Direct Monetary Standards Inquiry Into Post-War Reconstruction & Stabilization

Having for its objective the investigation of a basis for international reconstruction and stabilization, what is designated as the Monetary Standards Inquiry, was launched in New York City on Sept. 8. The confusion in world monetary conditions expected at the end of the war prompts the action which has been taken, and in the statement with regard thereto, it is pointed out that "it is of the greatest importance at this time to evolve monetary arrangements that will solve effectively the urgent problems that will confront us in the post-war world."

The announcement dealing with the movement undertaken follows:

"Anticipating that the end of the war will find world monetary conditions in an unprecedented state of confusion, the launching of the Monetary Standards Inquiry for the purpose of investigating a basis for international reconstruction and stabilization was announced on September 8th by Herbert M. Bratter, director.

"Viewpoints of leading economists and officials who have specialized in monetary problems will be published for the guidance of government and the public, said Mr. Bratter, who is a widely-known writer and student of financial subjects. His statement was issued from the office of the Monetary Standards Inquiry in the Graybar Building.

"Participants in the inquiry will include such outstanding monetary and trade authorities as Eugene E. Agger, New Jersey State Department of Banking and Insurance, Trenton, N. J.; J. B. Condliffe, Carnegie Endowment for International Peace, Washington; Charles O. Hardy, temporarily with the Government on leave of absence from the Brookings Institution, Washington; Frank D. Graham, Professor of Economics, Princeton University, Princeton, N. J.; Elgin Groseclose, recently financial adviser to Iran and now in Washington; Dickson H. Leavens, Cowles Commission, University of Chicago, Chicago, Ill.; Charles A. McQueen, Office of Coordinator of Inter-American Affairs, Washington; Walter E. Spahr, Professor of Economics, New York University, New York; Amos E. Taylor, internationally recognized balance-of-payments expert, Washington, and Arthur R. Uppgren, economist and Vice-President, Federal Reserve Bank of Minneapolis, Minneapolis, Minn.

"Mr. Bratter, director of the Inquiry, formerly was with the Department of Commerce and the United States Treasury, specializing in Far Eastern financial and monetary problems. Earlier he was statistician of the Chinese Government Bureau of Economic Information and has published numerous books and articles on monetary questions.

"Explaining the objectives and procedure of the Monetary Standards Inquiry, Mr. Bratter stated:

"The end of the war doubtless will find monetary conditions the world over in a state of confusion and chaos never equalled in history. Inflation will be rampant in many countries, and threatened in others. The foreign exchanges will be subject to numerous profound uncertainties. Peoples everywhere will be eager to begin reconstruction and to return to normal ways of life, but they will be hampered so long as they remain in daily fear of depreciation in the currencies they must use to carry on their business. Foreign trade, in particular, cannot be returned to



Herbert M. Bratter

normal channels while currency quotations fluctuate widely.

"The Monetary Standards Inquiry is being conducted on the assumption that while avoiding prejudices and renewal of old controversies, it is of the greatest importance at this time to evolve monetary arrangements that will solve effectively the urgent problems that will confront us in the post-war world. It does not help us to say that some type of monetary arrangement did or did not work at a certain time in the past. The crucial question before us today is: 'What is needed to place currencies on the soundest, strongest possible basis after the war?'"

"Because of the general recognition that unsound monetary conditions in any country affect adversely the rest of the world, the opportunity for international co-operation in the monetary field is unparalleled. There is every reason now to consider the whole problem of monetary stabilization."

"The Inquiry is being conducted on the following basic assumptions:

"1. A high degree of stability of foreign exchange rates is desirable to facilitate international trade and other economic relations.

"2. Stability of foreign exchange rates must rest primarily upon a reasonable measure of equilibrium of the balance of international payments of each country, which in turn requires political and economic stability outside the strictly monetary sphere.

"3. Devaluation 'wars' do no good, but rather work serious harm to the nations involved.

"4. The balance of international payments of every country will, at times, develop favorable or unfavorable tendencies, requiring the employment of a settling medium or media, whether some commodity like gold or silver or a mere credit device."

## U. S. Rejects Argentine Plea For Lend-Lease

The Argentine Government's request that the United States furnish arms and munitions to that country under the Lend-Lease Act has been declined, the State Department revealed on Sept. 7, in making public an exchange of notes between Secretary of State Hull and the Argentine Foreign Minister, Vice Admiral Segundo Storni.

Mr. Hull's reply made plain this government's disappointment over Argentina's failure to sever relations with the Axis, as she agreed to do in a resolution as the Rio de Janeiro conference of Foreign Ministers of the American republics.

In United Press Washington advices of Sept. 7, it was reported:

Mr. Hull categorically rejected each of Admiral Storni's pleas including one for a "gesture of genuine friendship" from President Roosevelt such as "the urgent provision of airplanes, spare parts, armaments and machinery."

Mr. Hull's letter, dated Aug. 30, was in reply to one from Admiral Storni Aug. 5, and was sent with the approval of Mr. Roosevelt.

Challenging Admiral Storni's contention that Argentina is helping the United Nations with all power consistent with popular Argentine opinion, Mr. Hull noted that "neither the present Argentine government nor its predecessor has at any time evidenced a disposition to strengthen the security of Argentina by having Ar-

gentine military and naval forces take part in measures designed for the defense of the hemisphere."

In Associated Press accounts from Washington it was stated:

"In reply Mr. Hull made three points:

"1. Only Argentina, of the 21 American republics (13 of whom have actually declared war) has not broken off relations with the Axis, nor has Argentina severed financial and commercial relations, and as a result has authorized financial transactions beneficial to the enemies of the United Nations.

"2. Axis agents continue to engage in espionage activities in Argentina, which is costing the United Nations ships and lives. They spread Axis propaganda, and their publications receive supplies of newsprint at favorable prices through the intervention of the Argentine Ministry of Agriculture.

"3. Argentina is the only American republic still maintaining radio-telephone and radio-telegraphic communication with Japan, Germany and Italy.

"All these, said Mr. Hull, were contrary to inter-American agreements to which Argentina had fully subscribed. They explained convincingly, he indicated, why Argentina's neutrality had not been 'understood.'"

From the same account from Washington we quote:

"Admiral Storni contended Argentina was pro-Ally. He intimated, however, that his country could be accused of stab-in-the-back tactics if she changed now from neutrality to open warfare.

"Admiral Storni, in his letter, recalled the military coup that placed Gen. Pedro Ramirez's government in power, and said that the present administration was not Fascist nor even sympathetic with the Axis.

"Argentine sentiment, eminently American, firmly opposed to totalitarian regimes, is on the side of the United Nations in material and spiritual action, he declared.

"Admiral Storni acknowledged that 'defeat is inexorably drawing closer to the Axis,' but that to break off relations now would put Argentine chivalry to a hard test. 'Let it suffice,' he said, 'to recall the judgment which Italy merited when, in a similar situation, it took its position against defeated France.'"

"Meanwhile, the Admiral continued, the Axis countries have nothing to hope for from Argentina, and 'public opinion is daily more unfavorable to them, but this evolution would be more rapid and effective for the American cause if President Roosevelt should make a gesture of genuine friendship toward our people; such a gesture might be the urgent provision of airplanes, spare parts, armaments and machinery to restore Argentina to the position of equilibrium to which it is entitled with respect to other South American countries.'"

As to the allotment of lend-lease supplies by the United States, the United Press advices from Washington Sept. 7 stated:

"In allotting lend-lease supplies to other American countries, Mr. Hull said, the United States has been concerned solely with questions of hemispheric defense.

"Since Argentina, both by its words and its actions, has indicated clearly that the Argentine armed forces will not under present conditions be used in a manner designed to forward the security of the New World, and thereby the vital war interests of the United States, it would be impossible for the President of the United States to enter into an agreement to furnish arms and munitions to Argentina under the lend-lease act, he said.

"Because of her attitude, he continued, Argentina is finding herself excluded from the 'studied discussions, meetings and arrange-

## Bowles Says Hourly Wage Rate Study Stresses Need For Reducing Living Costs

Acting Price Administrator Chester Bowles declared on Sept. 5 that the War Labor Board's recently published analysis of the movement of hourly wage rates since last fall confirms the need to carry through the Administration's program for reducing the cost of living. "Wage rates," he said, "that is, the basic rate paid to a worker for each hour of work or unit of output, have been effectively stabilized by the War Labor Board at the levels of September, 1942. On the other hand, the cost of living rose by 6.2% between Sept. 15, 1942, and May 15, 1943."

Stating that "for the past three months the cost of living trend has been reversed," Mr. Bowles added:

"The cost of living was reduced in June and July, and we expect another decrease to show in the BLS cost of living index for August. But there is still some way to go. We still have to bring about a reduction of 4.5% before prices are brought into line with stabilized wage rates."

Mr. Bowles further said, "You have to remember, that under the stabilization agreement we are dealing with the relation between the cost of living and hourly wage rates—not weekly earnings. Hourly wage rates have been effectively stabilized, as directed by Congress, at the levels of Sept. 15, 1942. The only thing that can and should be stabilized is hourly wage rates. To attempt to freeze total weekly earnings would be both unfair and disastrous. It would be unfair because men cannot be expected to work harder, at higher skills and more hours per week for the same weekly pay. It would be disastrous because it would wreck the policy of getting maximum production from our limited manpower. Businessmen would rightly object if, in the field of price control, their total earnings were frozen regardless of how many units of goods they produced and sold."

Mr. Bowles stated that he felt it necessary to make this statement because "some people had drawn erroneous interpretations from OPA data on hourly and weekly earnings that had no direct bearing on the program for reducing the cost of living." According to Mr. Bowles, these people had "jumped to the conclusion that the OPA saw no necessity for reducing prices because average weekly and hourly earnings had increased more rapidly than the cost of living." He continued:

"Of course, that is wrong. So far as this agency is concerned, we intend to do everything possible to continue and speed up the reduction in the cost of living. We want to see the cost of living figures reduced to the point at which wage rates were stabilized. We know the large percentage of the American people agree with us.

"Organized labor is supporting this program to cut the cost of living. They work for this program, rather than press for higher wage rates, and I think their position is a credit to the statesmanship of their responsible representatives."

It was added that the recently published WLB analysis of wage rates shows that increases in rates of pay approved by the War Labor Board in manufacturing occupations totaled only 0.8% between Sept. 15, 1942, and May 15, 1943. Increases in pay rates approved by the War Labor Board in other private non-farm employment averaged only 0.4% during the same period.

A promise by Mr. Bowles that

ments designed to solve post-war problems."

Following his failure to obtain aid, Mr. Storni resigned as Foreign Minister on Sept. 9 "to facilitate the future action of the Argentine Government." President Pedro Ramirez accepted the resignation.

the cost of living will be restored to the September 1942 levels, was referred to in our Sept. 9 issue, page 1019.

## Farm Land Up 8% In Chicago Res. Dist.

A rise of 8% in land values in the Seventh (Chicago) Federal Reserve District during the second quarter of 1943 was reported on Aug. 31 by the Federal Reserve Bank of Chicago. The summary is based upon the reports of 600 country bankers in Iowa and the Seventh District parts of Illinois, Indiana, Michigan and Wisconsin. In the opinion of the reporting bankers the greatest rise was shown for Iowa with an increase of 11%. A rise of 9% is shown for Indiana while Michigan and Illinois increases amounted to 8%, with a rise of nearly 4% reported for Wisconsin. The rise in values is based upon current sale prices of farm land in the farm territories.

The Reserve Bank's announcement further stated:

"Increases were rather general throughout Iowa, Illinois and Indiana, although the section in Indiana visited by heavy floods this spring showed a somewhat smaller rate of increase than for the rest of that State. Values in the northern half of the lower peninsula of Michigan showed a smaller rate of increase than in the southern half. The rises in Wisconsin were mostly confined to the area between Iowa and Lake Michigan and along the lake shore to the north. Little or no change, and in fact some declines were reported in the west-central portions of Wisconsin.

"Activity in the land market is reported as quiet to moderately active throughout the District, although brisk activity is reported by a few bankers in northwestern Iowa, southeastern Wisconsin, northeastern Illinois and southwestern Michigan."

## Result Of Treasury Bill Offerings

The Secretary of the Treasury announced on Sept. 13 that the tenders for \$1,000,000,000, or thereabouts, of 91-day Treasury bills to be dated September 16 and to mature December 16, 1943, which were offered on September 10, were opened at the Federal Reserve Banks on September 13.

The details of this issue are as follows:

Total applied for—\$1,535,294,000.

Total accepted—\$1,008,342,000 (includes \$76,164,000 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 0.352% per annum.

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

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

(64% of the amount bid for at the low price was accepted.)

Since the amount of bills maturing Sept. 16 totaled \$1,000,489,000, the Treasury did not realize any "new money" from the bill offerings this week. For the past eight weeks, the Treasury has been receiving approximately \$100,000,000 weekly from the bill offerings.

## Principles Of "Democracy First" Only Basis Of Lasting Peace, Wallace Declares

(Continued from first page)

(Rep., Minn.), Burton (Rep., Ohio), Hatch (Dem., N. M.) and Hill (Dem., Ala.).

Mr. Wallace also took occasion to denounce "international freebooters" and "monopolistic cartels."

An abridged text of the Vice-President's address follows, as given in Associated Press accounts from Chicago:

Those of you who must read the McCormick press know the inevitable conflict is here. Now—not tomorrow. We shall soon know whether the common man shall have "Democracy First" or whether under the smooth phrase "America First" the common man shall be robbed. Beautiful advertisements and slick editorials say, "Let our soldiers come home to America as it used to be." What they are really saying is, "Let us go back to normalcy, depressions, cartels and a war every 25 years."

In World War I we fought to make the world safe for Democracy. We failed, Hitler rose, and the Second World War came on because we were not sufficiently concerned with the plight of the common man the world over. We did not realize that economic democracy must be combined with political democracy or political democracy would die. Hitler exploited our failure to establish an economic democracy by starting World War II. If we are to prevent a second Hitler and World War III, we must be more daring than we were 25 years ago. We must fight not merely to make the world safe for democracy but to give democracy first place in the world. Some people say, "America first." Under that slogan we can have only war, because under it envious, hungry peoples, the have-not nations with per capita resources less than one-fifth our own, will inevitably rise up to tear us down. The battle cry, "America First," means that sooner or later we shall find ourselves alone, encircled by and fighting against a hostile combination. But the slogan "Democracy First," intelligently followed up and vigorously applied, can lead to peace. As a matter of fact, it is only by applying the principles of "democracy first" that we can have any chance of lasting peace.

The slogan "Democracy First" means the supremacy of freedom in both the economic and the political world. Freedom means respect for the dignity of the individual. No man should be free to take another man's freedom away from him. God gave every one of us certain rights. He gave all of us a world rich in soil and minerals. And to many of us he gave such scientific understanding that we know it is now possible to build health, comfort and happiness for everyone. If we plan right, there can be freedom from hunger and freedom from the fear of a poverty-stricken old age. The farmer can be free of his fear of impossibly low prices for what he sells and outrageously high prices for what he buys. The business man can be free from the fear of those monopolies and international cartels which use unfair practices in buying from him, selling to him or competing with him.

In the world of modern technology the possibilities of abundant production are so great that it is only a question of time until we can bring the blessing of freedom from want to every one. Two hundred years ago freedom of discussion and freedom of religion meant more to people than freedom from want. Those were the days when men on the farm and in the workshop were only about one-tenth as efficient as they are today. There was little talk about freedom from want in those days because nearly every one thought

scarcity was the will of God. Therefore, attention was centered on political freedom, on freedom of expression and freedom of religion, on the right to be secure in one's own home. With the old-line Tories, having things their own way in England and France, it was necessary to have a people's revolution to launch the idea of political freedom. We in the United States told the world that we were fighting for in the Declaration of Independence. Our first action after adopting the Constitution was to improve that Constitution by adding to it the Bill of Rights so as to make it certain that political democracy would always be the fundamental law of the United States. We shall never give up the freedom embodied in the Declaration of Independence and the Bill of Rights. But that freedom is not enough. Each age demands a new freedom. The time has come for a new declaration of freedom which adds to, and makes secure, in an age of airplanes, radio and abundance, the freedom for which our fathers fought. Our new declaration must go on to cover freedoms we haven't got now but which we must have.

Three of the President's famous Four Freedoms deal with freedoms which we in the United States have long enjoyed. The Fourth Freedom which must be the essence of the new declaration of freedom is freedom from want, which I would spell out as follows:

1. Freedom from worry about a job.
2. Freedom from worry about a dependent and poverty-pinched old age.
3. Freedom from unnecessary worry about sickness and hunger.
4. Freedom from strife between workers and business men, between farmers and business men, and between workers and farmers.
5. Freedom from strife between the races and creeds.
6. Freedom from fear of bankruptcy caused by overproduction of necessary materials.
7. Freedom for venture capital and for inventors of new ideas to expand production of needed goods without fear of repressive cartels, excessive taxation or excessive Government regulation.

The first step toward getting the seven new freedoms is to pass through the Senate of the United States some such resolution as No. 114, which provides for the United States taking the initiative in calling meetings of the United Nations. This resolution looks toward a court or board to listen to international disputes, a military force to prevent military aggression, and the gradual addition of such other machinery as may be necessary. I am for the resolution as far as it goes, but it doesn't go far enough. There should be provision for joint action on the problem of unemployment and overproduction due to international causes. There must be power to deal with those international cartels which are strangling production, competing unfairly or using methods which lead to war.

During the past two months Senators and Congressmen speaking on behalf of Resolution 114 have received a marvelous reception wherever they have gone. Next Tuesday Congress again takes up its duties. Ninety-six Senators and our President will determine what we are going to do about peace. Their action will largely depend on what they think you and millions like you are willing to do to get peace.

There is no time to be lost. Now is the time to strike while the war irons are hot. The war is costing us 10 times what it should because the democracies were not

prepared. The peace also will cost us 10 times what it should if we do not begin preparing now. We can arrive at understandings now which we can't get next year. The memory of the airplanes, tanks, food and men from the United States is so recent and means so much to England, Russia and China that they can't help being grateful. In like manner we are impressed today by the skill of the British airmen, the tremendous drive of the Russian armies and the patience of the Chinese after six years of fighting a treacherous foe. Today we all face reality and are grateful for the help of friends. But tomorrow millions of us may forget, and curse Europe and Asia as the cause of our woes. All nations tomorrow will too easily slump back into the selfishness which makes peace merely an interlude to war.

Isolationism is the screen behind which special privilege seeks to entrench its control. When I say this, I am not talking about people who honestly believe the United States could isolate itself from the problems of the rest of the world. Certain of the people whom I have known personally have devoted their lives to the elimination of special privilege. Senator Norris, who fought more vigorously against special privilege than any man of his generation, was at one time an isolationist. But men of Senator Norris's insight and motivation sooner or later realize that not only are isolationism and special privilege theoretically the same thing but that the men who back isolationism in the economic world have a very keen interest in special privilege. Isolationism and special privilege spoke with equal force to produce the peace of Munich. Wherever isolationism is being pushed most vigorously, there in the background can usually be found, furnishing money and power, monopolistic cartels. These cartels are customarily seeking tariffs, quotas, subsidies or other governmental favors which are the breeding ground of isolationism.

Senator Ball, who is with me on this program here tonight, and who, as far as I am able to discover, has the same ideas on international monopoly as I, is a Republican. The difference between us is that he thinks the forces of monopoly are more likely to dominate the Democratic Party, and I am sure that the same evil forces are in much greater danger of dominating the Republican Party. Wherever these forces are found, our job is to fight them. Those groups which rule over economic empires have usurped the sovereignty of the people in international relations. We talk about a foreign policy based on reciprocal trade treaties and on open covenants openly arrived at with the advice of the Senate responsible to the people. This is good as far as it goes but the facts have not squared with the principle.

In reality, much of our economic relationship with the rest of the world has been governed by a small group seeking to parcel out the resources and markets of the world so as to control production, prices, distribution and the very life-blood of world industry. These cliques have their own international government by which they arrive at private quotas. Their emissaries are found in the foreign offices of many of the important nations of the world. They create their own system of tariffs and determine who will be given permission to produce, to buy and to sell. When I attack these monopolists, these creators of secret, super-government, I am not attacking business. I am speaking for business because the overwhelming majority of business men as well as practically all consumers are forced to pay tribute to these international freebooters. They talk about freer

trade, but by dividing up world markets, restricting production, stifling investment, playing one nation against another, they have unwittingly fostered world depression and maintained economic feudalism. By eliminating competition, they have replaced true capitalism with the dead hand of monopoly. Pope Pius XI, 13 years ago, spoke truly about these men when he said: "This concentration of power has led to a threefold struggle for domination. First, there is the struggle for dictatorship in the economic sphere itself; then, the fierce battle to acquire control of the State, so that its resources and authority may be abused in the economic struggle; finally, the clash between States themselves."

Let us not be deceived into thinking that attacks on cartels are attacks on American business. On the contrary, cartels are the greatest menace to the American business principles of free private enterprise and equal opportunity. Ask the American business man who has felt the weight of monopoly, patent control and cartel oppression.

This whole matter takes on great practical importance as we consider the terms under which monopolists will obtain United States Government constructed war plants. These plants can be used to produce post-war abundance for the common man. The problem is whether the small business men are going to be elbowed to one side—whether free enterprise is to be smothered by monopolistic controls worked out by big business men holding Government ringside seats. Planning to give small business its full, practicable post-war share of warplant facilities and equal access to raw materials must begin at once. Otherwise there can be neither free enterprise nor full employment in the peace to come.

And now let us focus on the immediate objectives of the common man:

1. Hitler, Mussolini, and what they stand for, must be wiped out as soon as possible.
2. The time to dictate peace terms is when our armies are in Berlin and Tokyo.
3. The international monopolists should be conspicuous by their absence at the peace table.
4. The air space above this earth must be used to serve the needs of trade and travel for the common man. A proper degree of competition will insure the best service at the lowest cost. Government subsidies, if any, must be used to promote the common man's interest in trade and peace and not to preserve monopolies or to promote destructive international rivalries. If the airplane is to be an instrument of peace rather than an endless threat of war, there must be international cooperation.

5. International organization can build permanent peace only by serving continually the needs of the common man everywhere for jobs, opportunity, health and security.

6. Isolationism, whether it be by stifled patents, cartel understandings, high tariffs, or any other method of restrictive greed, must continually be fought.

7. Arrangements made by international cartels should be publicly recorded. The Department of State and Justice and the Patent Office must be continually alert to the possibility of secret agreements in addition to the written ones which should be on file.

8. Free enterprise demands freer travel between the nations and less passport, visa, and custom foolishness. We need more free moving, enterprising business men and fewer secret agents and monopolists.

9. Backward peoples everywhere must be educated by examples for full production. Free enterprise thoughtfully planned will result in power projects on the Danube, irrigation works in

India, flood control in China, and as a result of it all, the common man in every country will prosper, jobs will be created in Chicago and Detroit, and there will be a better market for the Iowa farmer right here at home. Such self-liquidating projects will not be gifts of the United States, but we can furnish engineering services and finance sales of machinery.

Senate Resolution 114 is a step toward a people's peace. A people's peace is the gateway on the path to the century of the common man. In the century of the common man Rule No. 1 is the full use of all natural resources on a sustained basis. Rule No. 2 is full use of all technologies. Rule No. 3 is to use these resources and technologies so that every one working in hope can come every night to a peaceful rest in the expectation of another day of hopeful work tomorrow.

The common man will not let the governments, corporations and cartels of the world rest until these three rules are fulfilled. America cannot do this job by herself, because in such case her standard of living, so far above the rest of the world, may bring on envy and finally war. America's only safety and guarantee of high living standards is in worldwide full use of natural resources, and a world-wide rise in living standards as rapid as her own.

There is certain to be revolution until the seven freedoms are obtained and the three rules are fulfilled. The only question is the speed of the revolution and whether it will be peaceful or violent. The returning soldiers and war workers will not tolerate bread lines, closed factories and bursting grain elevators after the style of 1930-32. Leadership will arise. If it be of the thoughtless or demagogic Nazi type, there are troubled days ahead. Monopolies which finance demagogues to cut the throat of progress and to despoil labor are playing with a fire which will burn down their own houses.

And so I ask all the potential leaders of agriculture, business and labor to take counsel with themselves and with the politicians. Time will not wait. The breath of the future is on us as it has never been before. We cannot escape. The day about which the prophets and seers of many nations have dreamed for 3,000 years is rapidly approaching. May wisdom and understanding guide our President and the 96 Senators as they try to make the dream of universal peace a reality.

## NYSE Borrowings Lower

The New York Stock Exchange announced on Sept. 8 that the total of money borrowed as reported by Stock Exchange member firms as of the close of business Aug. 31 was \$595,695,164, a decrease of \$22,888,322 below the July 31 total of \$618,583,486.

The following is the Stock Exchange's announcement:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges, (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$159,509,300; (2) on all other collateral, \$436,185,864; reported by New York Stock Exchange member firms as of the close of business Aug. 31, 1943, aggregated \$595,695,164.

The total of money borrowed, compiled on the same basis, as of the close of business July 31, 1943, was: (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$127,753,897; (2) on all other collateral, \$490,829,589. Total, \$618,583,486.

## Dr. Butler Calls Freedom Of Enterprise Base For Other Four Freedoms

Dr. Nicholas Murray Butler, President of Columbia University, said on Sept. 5 that to the Four Freedoms of the Atlantic Charter must be added a fifth freedom, Freedom of Individual Enterprise, "the keystone of the arch on which the other Four Freedoms must rest."

Delivering his 17th annual address at the Parrish Memorial Art Museum, Southampton, L. I., Dr. Butler asserted that the "fifth freedom" is the most important of all and that 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."

In the New York "Herald Tribune" of Sept. 6, Dr. Butler's remarks were further reported:

"This fifth freedom is in reality the cornerstone of the foundation upon which the other Four Freedoms must rest," Dr. Butler said. "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."

Within the broad scope of the fifth freedom, Dr. Butler asserted, "no individual must be looked upon as a member of a permanent class or group." A person must be free to "move about as he likes economically, socially and politically," Dr. Butler added.

Dr. Butler cited the vast field of opportunities in the United States as a means of implementing the meaning of the fifth freedom.

"The Army private of today is the major general of tomorrow," Dr. Butler continued. "He who begins his life as a manual worker or as a clerk may, as we well know, come to wield large influence and authority as an administrator, an organizer of men and of 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."

Dr. Butler contended that "most of what the free man does to advance himself in life is done in co-operation with his like-minded fellow men." The corporation in industry, finance, education or elsewhere, he said, has long been a "most effective instrumentality in enabling individuals to co-operate in the public service."

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

Dr. Butler said that every individual must be trained and encouraged to make the most of opportunities. From such opportunities, he said, some will gain considerable personal influence, some large fortunes and others reputations in the arts and sciences. "All these," he added, "are manifestations of the fifth freedom of individual enterprise."

Freedom creates government and it is fallacious to reason that in a democratic society government comes first and that freedom exists "incidentally and afterwards." Dr. Butler continued. It is vitally important, he said, that government "must be guided and controlled by the voice of the entire people whose government it is."

Dr. Butler warned that the government must never be guided and controlled by "organized and self-seeking groups working only for their own advantage and authority."

Dr. Butler asserted that "if and when there are two highly organized political parties, one liberal and one conservative, we have the almost ideal organization for the choice of carrying on of governmental policies by public opinion." He said the conserva-

tion western Democrat, Gov. Schricker of Indiana.

"Now he has finished the pilgrimage to Downing Street by way of Wall Street. He has bought and been bought by the prospect of millions for his campaign fund from New York bankers, but he has lost the millions of votes of New York Republicans as surely as he has lost the support of voters in the more American States. They now have no recourse but to repudiate him as a deserter."

"Gov. Dewey might well have been warned by the poll, just completed by James S. Kemper of Chicago, of the 1940 Republican Convention delegates. More of them than supported any other candidate gave their opinion that, as of a few days ago, Gov. Dewey was the strongest candidate the party could choose next year. At the same time a large majority of them named Mr. Willkie as the weakest candidate who could be foisted on the party. Gov. Dewey now embraces openly the principles that have destroyed Mr. Willkie."

"Let there be no misunderstanding as to the nature of the alliance that is proposed. There have been no concessions by the British. It is we, not they, who would propose the alliance. Mr. Churchill has said that he has no intention of liquidating the British Empire. The Empire that we would be expected to defend would be the Empire that includes the open sore of India, the Empire that discreetly evades the question of Chinese sovereignty over Chinese Hongkong, the Empire that upbraids our State Department for not supporting wholeheartedly its design for an Anglophile France, the Empire that today is eyeing Italian Pantelleria and Libya and French Bizerta."

"It is not for the United States, in the midst of a war that has demonstrated that the British Empire cannot survive without our support, to propose such an alliance. The proposal should come from the party who expects to benefit. It is for us then to reject or accept, and if we should accept, to set the conditions of our acceptance."

## Burton Urges Outline Of Peace Policy Now

The United States should not wait until peace has been achieved before making known its position on the continued unity of military action among the United Nations, Senator Burton (Rep., Ohio) declared on Sept. 12.

Mr. Burton spoke at a rally in New York City to enlist support of the resolution pledging the United States to take the initiative in setting up a post-war international organization to secure the peace. The Senator, who is one of four sponsors of the Ball-Burton-Hatch-Hill resolution, was quoted in the New York "Herald Tribune" of Sept. 13 as saying:

"It is not important that this resolution be adopted under its present number, in its present form or under its present sponsorship. Its substance and objectives, however, are important. . . . It is vital that the foreign policy of the United States be a clear and practical policy to prevent the tragic repetition of two world wars in one generation."

The same advices stated: "Senator Elbert D. Thomas, Democrat, of Utah, said that the resolution, introduced by two Republicans and two Democrats, deserves and is receiving overwhelming support. He said that he could not agree with those who urge a cooling-off period between the unconditional surrender of Germany and the drafting of peace settlements by the United Nations."

"Peace settlements should be prepared before hostilities cease, and in those cases in which that is impossible, the methods of solving them should be agreed

## Ration Banking Reimbursement Increased American Bankers Association Announces

Banks throughout the nation have been notified by the Ration Banking Committee of the American Bankers Association and by the Office of Price Administration of a new reimbursement schedule based on the experience had with ration coupon banking service in the first few months of operation, it was announced on Sept. 7 by the ABA. In its advices the original schedule was predicated on a test made in a limited area under a rationing system that included only three commodities, coffee, sugar and gasoline. The announcement goes on to say:

"This was before the processed foods, meats and fats and other commodities were added to the rationing program. Shortly after the start of nationwide ration banking it became evident that the schedule was inadequate and the American Bankers Association requested an upward revision. This was in line with an agreement made at the outset of the program between the ABA and the OPA. The new schedule now announced is the result."

"The OPA engaged the accounting firm of Driscoll, Millet & Co. to make a study of ration costs in 30 banks of varying sizes in the Middle West, East, and South. The Ration Banking Committee of the American Bankers Association went further and made its own survey, seeking data on their costs from 700 banks, mostly smaller banks, representative of every section of the country, with which to implement its discussions with the OPA. Out of these discussions, an agreement was reached on the following revised schedule:

- For the first account opened for any depositor at any one office of the bank—60c.
- For each additional account opened for the same depositor at the same bank office—20c.
- For each account carried on the books of the bank on the 15th day of each month—10c.
- For each deposit made—5c.
- For each item included in the deposit—1c.
- For each ration check properly debited to an account—4c.
- Reports and regulations charge each month—\$20.
- Verification charge for each envelope verified—20c.
- "Method for meeting the cost involved in forwarding envelopes to the District Office of the Office of Price Administration is still under discussion."
- "This schedule is retroactive to July 1 and banks will be reimbursed for their costs of operation under it as of that date."
- "In addition to the upward revision of the reimbursement items, two new items have been added. One, 'reports and regulations charge,' to cover the cost of the many memoranda and directives which the OPA finds it necessary to issue and the costs of making monthly reports. This item is designed especially to aid the smaller banks which do not enjoy the advantage of large volume and activity and resultant advantage of economical operation with respect to purchase of supplies. The other is a 'verification charge' to cover the cost of counting the contents of coupon envelopes deposited. This 'verification charge' will be retroactive only to Sept. 1."

"In its bulletin to the banks announcing the new reimbursement schedule, the Ration Banking Committee of the ABA also

Reports and regulations charge of \$20 per month apply to each office for banks having branches, with a maximum of \$100 per month for any one bank.

upon," he said. "The United Nations should be organized as quickly as possible, so that when the war ends the universal structure of peace to promote economic justice and to prevent aggression, by whatever means or force necessary, will be ready for man's use."

reports on the status of the proposed plan of the OPA to simplify rationing operations by introducing the use of tokens. It states that the project is still in the planning stage."

It is also announced that the committee's bulletin states that:

"According to estimates of the Office of Price Administration, the token plan will remove approximately 70% of the coupons now in circulation. Too, it will eliminate the bothersome expiration dates and will simplify operations through the use of a one-dominion stamp. From a banking standpoint the reduction in the number of coupons will also facilitate the early adoption of a sound method of verification. . . . Provision for the cost of handling the tokens will be made by the Office of Price Administration after the plan is in operation. It is expected that the token plan will go into effect within three or four months."

## FPR Urges Increased War Output To Speed Victory For Allies

President Roosevelt, in his annual Labor Day statement, on Sept. 4 praised workers, employers and farmers for their record production effort but urged that it be increased still further for "its continuation will spell defeat of our enemies—the preservation of our way of life." The President's statement follows:

"Fifty-six years ago Labor Day was observed for the first time in the United States. Since then we have fought one World War to victory and now are engaged in another and even greater conflict upon the result of which depends the future of freedom-loving people the world over."

"With that priceless heritage at stake we are determined that this World War, too, shall result in victory so that life, liberty and the pursuit of happiness shall be the lot of man when he wills it and that he be not the downtrodden serf of brutal Axis masters. That determination is shared by all Americans, by workers, by management and by farmers."

"It is altogether fitting that these groups of free Americans are working today, many laboring on round-the-clock shifts, that our fighting men on land, on sea and in the air may have the weapons with which to bring about victory as speedily as possible."

"To make time, and thus save lives and suffering, our American workers, employers and farmers will need not only to maintain their production pace but to increase it. Their record to date has been magnificent and in keeping with the true American spirit of all-out effort for those fighting so valiantly and so successfully in all parts of the world."

"That increased production effort will be forthcoming. It will be given gladly for love of country and for liberty as it has been given since Pearl Harbor to set up a record that never has been equalled. We well may be proud of that achievement, for it has done much to make possible the successes of the armed forces of the United Nations. Its continuation will spell the defeat of our enemies—the preservation of our way of life."

## Montague Says Post-War Anti-Trust Policy Should Include More Guidance To Business Men

The nation's post-war anti-trust policy should include more traffic lights, more traffic policemen and more guidance to business men on the highways of commerce, according to Gilbert H. Montague, New York lawyer.

Mr. Montague made this suggestion in a radio broadcast on Sept. 7 on the "American Forum of the Air." Other participants in the forum were Judge Thurman Arnold of the U. S. Court of Appeals for the District of Columbia and former head of the Justice Department's Anti-Trust Division; Tom C. Clark, Assistant Attorney General in charge of anti-trust cases, and R. V. Fletcher.

Mr. Montague said in part:

"When Thurman Arnold was Assistant Attorney General, he used to say that violating the anti-trust laws did not generally involve moral turpitude, but was more like passing through a traffic light at high speed, without intending to harm anyone.

"The simile was accurate, except for the traffic light.

"Mr. Arnold, as Assistant Attorney General, vigorously opposed traffic lights, traffic policemen, and every other legislative proposal for giving any guidance to business men on the highways of commerce.

"I think our post-war anti-trust policy should include more traffic lights, more traffic policemen and more guidance to business men, like what is now provided for the duration of the war by the Attorney General's April, 1941, procedure and Section 12 of the Small Business Act of 1942, under which clearance and limited immunity from anti-trust prosecution have been given to nearly 700 programs, after thorough investigation by the Department of Justice in consultation at all stages with other departments and agencies having particular knowledge of the subject matter.

"Instead of advocating traffic lights and traffic policemen, Mr. Arnold's method was to place several times that number of plain-clothesmen on every corner, and to arrest and prosecute every business man who, in the confusion of no traffic lights and no traffic policemen, did not guess correctly when to stop and when to go.

"No one every ridiculed this kind of crusade more biting than Mr. Arnold did in a book he published seven months before he became Assistant Attorney General.

"A change was compelled by the war emergency, and in respect of transactions requisite to the prosecution of the war a traffic-light-and-traffic-policeman method of administering the anti-trust laws was accomplished under the Attorney General's April, 1941, procedure and Section 12 of the Small Business Act of 1942.

"This reform is partial, and long overdue, but it is in line with the administrative handling of the anti-trust laws which Mr. Arnold vigorously advocated before he became Assistant Attorney General, and just as vigorously opposed after he took that office."

## No Change In Danish Minister's Status: Hull

Secretary of State Hull said on Sept. 2 that he would continue to regard Henrik de Kauffmann, the Danish Minister to Washington, as the duly accredited representative of Denmark in this country.

In a letter to Mr. de Kauffmann, Secretary Hull stated that he was "proud of this reaffirmation of your country's devotion to the principles of freedom and democracy" and expressed the sympathy of this country "for the sufferings already endured and still to come in Denmark."

It was stated in Associated Press accounts from Washington Aug. 30 that Mr. de Kauffmann visited James C. Dunn, Department of State political adviser, on that day

seeking any information the American Government might have on events in Denmark. The Press advised:

Reports that some Danish Government officials escaped in Sweden on board units of the Danish Navy may mean that details will be forthcoming when the officials reach Stockholm, Mr. de Kauffmann said.

"Since 1940," he declared, "I have been acting independently as a trustee for Denmark, since my government was not free. If there is no government now that will not change my position."

He intimated that if responsible officials succeeded in setting up a government in exile he would join forces with them.

Germany declared martial law in Denmark on Aug. 29, after the Danish Cabinet acted against a German demand for administration of justice by Nazi courts. The political upheaval resulted in the internment of King Christian and the resignation of Prime Minister Erik de Scavenius' government.

## W. M. Jeffers Resigns As Rubber Director

William M. Jeffers has resigned as Rubber Director in order to return to his post as President of the Union Pacific Railroad, the White House disclosed on Sept. 4.

In his letter to President Roosevelt asking to be relieved, Mr. Jeffers stated that the "big job" is done and felt that his greatest contribution to the war effort would be to return to his railroad post.

The President, in accepting the resignation with regret, said Mr. Jeffers had performed "a real public service and you have my sincere appreciation."

The White House disclosed that the President had appointed Col. Bradley Dewey, Mr. Jeffers' assistant, as Acting Director of the synthetic rubber program.

Mr. Jeffers was appointed Rubber Director on Sept. 15, 1942, to carry out the recommendations of a special Rubber Survey Committee, headed by Bernard M. Baruch.

Mr. Jeffers' letter of resignation follows:

"Dear Mr. President:

"The big job covered by the recommendations of the Baruch report is done. The problem of taking care of the requirements of the armed forces and keeping the country on rubber, meanwhile conserving the nation's stockpile of natural crude, is well in hand, though there is a present and prospective shortage of tire fabric, which is the responsibility of the WPB.

"All of the major synthetic rubber plants, the construction of which is under the jurisdiction of the Office of Rubber Director, are either completed or substantially so, with the exception of three. Practically all of the material is available for the completion of these three plants, but inasmuch as they are dependent upon feed stocks from the 100-octane gasoline plants, there is no need for crowding their completion in advance of the availability of these feed stocks.

"The emphasis on the war in the Pacific will increase the already heavy burden which the Pacific Coast rail lines are now handling. With this increase of traffic and the shortage of manpower and fuel, the burden will become such that only heroic efforts will make

it possible for these rail lines to meet the emergency.

"The greatest contribution that I can make in the present emergency is to return to an on-the-job handling of the operations of the Union Pacific Railroad.

"I hope, therefore, that I may be promptly relieved as Rubber Director.

"It is needless for me to say how appreciative I am to have been given an opportunity to serve you in this work.

"Sincerely your,  
"W. M. JEFFERS."

The President's letter of acceptance read:

"Dear Bill:

"I have your letter asking to be relieved of further service as Rubber Director.

"When I asked you to leave the Presidency of the Union Pacific Railroad and undertake the development of the synthetic rubber program, I realized the sacrifice it would require of you. You had served in many capacities from Trainmaster to President of the Union Pacific. You justly have great pride in the organization and I know that you disliked leaving it for even the period I asked of you.

"Therefore, I understand your desire to return to the Union Pacific Railroad and, much as I dislike to have you leave the public service at this time, I cannot ask you to make a further sacrifice.

"In your letter you state that the 'big job' is done, though it may be many months before synthetic tires will be readily available for our civilian population generally. I know that you would not leave unless you felt confident you could make this statement. You have performed a real public service and you have my sincere appreciation.

"Sincerely your,  
"FRANKLIN D. ROOSEVELT."

## Interim Food Group Planning Formation Of Permanent World Body

The United Nations' Interim Commission on Food and Agriculture, which was set up in Washington in July after the Food Conference in Hot Springs, Va., has established several committees and panels looking toward the formation of a permanent international organization. This was announced on Sept. 9 by L. B. Pearson, Canadian delegate and Chairman of the Interim Commission, who said that it is not likely that plans would be completed before the end of the year.

It is reported that the groups set up by the Interim Commission will be concerned with three main problems: (1) a draft agreement regarding the obligations of governments to one another and to their peoples to raise levels of nutrition and standards of living; (2) studying the scope of work which the projected permanent organization will undertake; and (3) consideration of what activities the Interim Commission should undertake before the permanent body is established.

The committee studying the first problem is under the chairmanship of Enrico Penteado, Brazilian delegate, while the second is headed by Sir Girja S. Bajpai of India, and the third by H. P. L. Steenberghe of the Netherlands.

In addition, two panels of experts—one of economists and the other of scientists in the field of agriculture and nutrition—have been set up to advise on what activities the permanent body could undertake.

Organization of the Interim Commission was noted in these columns Aug. 5, page 526.

## Post-War World Transport Plan Studied By U. S. Chamber

The International Transport Committee of the Chamber of Commerce of the United States will soon submit a report with recommendations to the organization's board of directors, it was announced on Sept. 1, following a two-day meeting in Washington, at which the need for converting the country's world-wide transport networks into permanent systems was stressed.

William K. Jackson, Vice-President of the United Fruit Co., Boston, and Chairman of the Committee, is indicated as stating that the meeting showed large areas of unanimous agreement on the part of the varied interests represented—shipowners, shipbuilders, airline operators, aircraft manufacturers, exporters, importers and others interested in international trade. The different viewpoints presented included those of the American Merchant Marine Institute and 16 domestic air lines which recently joined in a statement on foreign air policy. Ideas of Government agencies were given by members of the United States Maritime Commission and the Civil Aeronautics Board.

The following regarding the meeting was reported in a Washington despatch of Sept. 1 to the New York "Herald Tribune":

A principal point on which there was unanimous agreement was that extensive trade routes by both sea and air should be established under private ownership and operation as quickly as possible.

As soon as the ship tonnage situation eases sufficiently to permit it without interference with the war effort—even prior to the termination of hostilities—it was the view that as many ships as possible should be turned over to

private operation in order to facilitate the early restoration of sound commercial practices and pave the way for a recovery of world trade.

In international air transport it was asserted that many new and challenging problems would have to be met. A question discussed extensively was whether the rights for privately owned planes to fly over designated routes in foreign countries, and rights of transit for commercial planes over similar routes, should be embodied in a general international convention or left to bilateral agreement as heretofore.

The organization of international air services to be operated by United States citizens was discussed with a wide range of viewpoints. As in the case of merchant shipping the problem of disposal of surplus commercial-type planes now utilized for war transport purposes was recognized as of great importance, and it was agreed that disposal policies should be such as not to interfere with a reasonable program of future commercial airplane construction and continuous development of improved types.

Appointment of this Committee was noted in these columns of Sept. 2, page 933.

## Military Armistice Granted Italy—Capitulation Approved By U. S., Britain & Russia

As was indicated in our issue of a week ago, page 999, the unconditional surrender of the Italian armed forces and the termination of hostilities between them and the armed forces of the United Nations was announced on Sept. 8 by Gen. Dwight D. Eisenhower, Commander-in-Chief of the Allied Force; his announcement was contained in a special broadcast from headquarters in North Africa.

In granting a military armistice, Gen. Eisenhower said that its terms had been approved by the United States, the United Kingdom and Russia.

The armistice was signed in Sicily on Sept. 3—the same day Allied troops invaded Italy—but it was agreed that the armistice would come into force "at a moment most favorable for the Allies and be announced simultaneously by both sides."

In his proclamation to the Italian armed forces, Marshal Pietro Badoglio, the Italian Premier, ordered the cessation of hostilities against the Allies but to "oppose attacks from any other quarter."

Under the military terms, the Italian Government binds itself "to comply with the political, economic and financial conditions of the Allies which will be imposed later," according to an announcement by Allied headquarters.

Simultaneous announcement by the Allies and the Italian Government was agreed upon in view of "the possibility of a German move to forestall publication of the armistice" by the Italians, headquarters said.

Gen. Eisenhower's announcement follows:

"This is Gen. Dwight D. Eisenhower, Commander-in-Chief of the Allied Force. The Italian Government has surrendered its armed forces unconditionally. As Allied Commander-in-Chief I have granted a military armistice, the terms of which have been approved by the Governments of the United Kingdom, the United States and the Union of Soviet Socialist Republics. Thus, I am acting in the interests of the United Nations.

"The Italian Government has bound itself to abide by these terms without reservation. The armistice was signed by my representative and the representative of Marshal Badoglio and it becomes effective this instant.

representative and the representative of Marshal Badoglio and it becomes effective this instant.

"Hostilities between the armed forces of the United Nations and those of Italy terminate at once. All Italians who now act to help eject the German aggressors from Italian soil will have the assistance and support of the United Nations."

Following is the text of Marshal Badoglio's proclamation:

"The Italian Government, recognizing the impossibility of continuing the unequal struggle against the overwhelming power of the enemy, with the object of avoiding further and more grievous harm to the nation, requested an armistice from Gen. Eisenhower, Commander-in-Chief of the Anglo-American Allied Forces.

"This request has been granted. "The Italian forces will, therefore, cease all acts of hostility against the Anglo-American forces wherever they may be met. They will, however, oppose attacks from any other quarter."

## Jewish Holiday Mail Gift Parcels Overseas

Postmaster Albert Goldman of New York announces that gift parcels sent overseas to members of our armed forces of the Jewish religion in connection with the Jewish religious holiday Chanukah, season of gift giving, occurring this year on Dec. 22, may be accepted for mailing during the period from Sept. 15 to Oct. 15 for Army personnel, and up to Nov. 1, 1943, for Navy personnel, under the same conditions as apply to Christmas parcels for members of our armed forces overseas.

Patrons should indorse such gift parcels "For Jewish Holiday."

## Foreign And Domestic Policy Statements Of Republican Post-War Advisory Council

### Advocates U. S. Participation In Organization Among Sovereign Nations To Prevent Military Aggression

The Republican Post-War Advisory Council, at its meeting in Mackinac Island, Mich., on Sept. 7, adopted a report on foreign policy calling for "responsible participation" by the United States in an organization among sovereign nations to prevent future military aggression.

The Council also approved a report of its Committee on Domestic Problems urging an end to control of American civilian life by "bureaucratic decree."

The foreign policy declaration was submitted by a group headed by Senator Vandenberg of Michigan, while the domestic program committee was headed by Senator Taft of Ohio.

The reports were briefly referred to in these columns of Sept. 9, page 1015.

The texts of the reports follow:

#### Foreign Policy

The members of this Council are aware of the gravity of the problems our nation faces. We are fighting a desperate war, which must be won as speedily as possible. When the war is ended we must participate in the making of the peace. 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.

At this time a detailed program for the accomplishment of these great objectives will be impossible, and specific commitments of this council of the Republican party, or by the nation, would be unwise. We cannot know now what situation may obtain at the war's end. But a specific program must be developed in the months to come, as events and relations unfold.

Therefore we consider it to be our duty at the beginning of our work as an advisory council of the Republican party to declare our approval of the following:

1. Prosecution of the war by a united nation to conclusive victory over all our enemies, including

(a) Disarmament and disorganization of the armed forces of the Axis.

(b) Disqualification of the Axis to construct facilities for the manufacture of the implements of war.

(c) Permanent maintenance of trained and well-equipped armed forces at home.

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

In making this recommendation we ground our judgment upon the belief that both the foreign policy and domestic policy of every country are related to each other so closely that each member of the United Nations (or whatever cooperative organization perpetuating existing unity may be agreed upon) ought to consider both the immediate and remote consequences of every proposition with careful regard for

(1) Its effect upon the vital interests of the nation.

(2) Its bearing upon the foreseeable international developments.

If there should be a conflict between the two, then the United States of America should adhere to the policy which will preserve its constitutionalism as expressed in the Declaration of Independence, the Constitution itself and the Bill of Rights, as administered through our republican form of government. Constitutionalism should be adhered to in

Resources Planning Board would wreck the country because the only remedy it proposes for any problem is unlimited government spending of borrowed money. It would socialize all industry. It would extend existing regulation until no man or woman could act, write, or live without governmental approval. It would substitute for American liberty the regimented existence of a subject people.

Our reconstruction, to insure real happiness, cannot be based alone on the improvement of standards of living, but it must be based upon the character of the American people, their religious faith, industry, morality, educated intelligence, and ingrained love of justice. Only thus will we remain a nation of free men who are masters of our own souls.

The Republican party is devoted to the Federal system of government by which basic rights and duties are reserved to the States, free of dictation and subject to the control of their people. These rights and duties the New Deal has arrogated to itself.

It has now multiplied the number of Federal civilian employees five times. Three million of them, three times as many as during the last war, regulate the lives of our people. The number of bureaus has so multiplied that every detail of American life is now regulated by bureaucratic decree.

The Republican party insists upon equality of opportunity for all Americans, regardless of race, color or creed, in the economic, educational, political and military life of the nation.

The production of food is vital to our armed forces, to the life of the people of our Allies.

The Administration's policies on man power and farm machinery and inexpert price regulation have long hampered production. Its bungling regulations issued through multitudes of overlapping agencies have interfered with farmers, processors, wholesalers and retailers, until the normal channels of trade have been completely disrupted. Many small operators have been forced out of business.

An immediate program of increased production and improved distribution must be adopted by a single agency clothed with full power over food in all of its aspects. Otherwise, we shall not only be without the means of relieving the starving people of Europe and Asia, but there will be the most serious shortage and hardships in the United States itself.

For the post-war period our agricultural program must seek to assure prices in the marketplace comparable to the prices of other commodities. Not only should no successful crops be eliminated, but the great field of new, improved and suitable crops must be explored and the greater industrial use of agricultural products should be vigorously encouraged. Our soil resources need to be conserved and sound reclamation projects should be developed.

The individual initiative of the American farmer must be unshackled and in all governmental action there should be a minimum control from Washington and a maximum freedom of operation by the American farmer.

This Council affirms its belief in the strength, the character and the right of the American workman; his pride in himself; his aims to get for himself a bank account, an insurance policy, a home of his own with a self-reliant American family in it; his right to organize and bargain collectively through agents of his own free choice.

We denounce the political effort to reduce labor in the United States to the European level of a class-conscious, vote-shackled proletariat. We reject the doctrine that the American workman's

## Rhode Island Mass Meeting Favors U. S. Participation In Planned Peace

Participation of the United States in the creation of appropriate international machinery for the maintenance of a just and lasting peace was voiced on Aug. 30 at a public mass meeting held in Providence, R. I.

The Rhode Island citizens adopted a resolution urging that Congress "give expression to this purpose at the earliest possible moment."

The day (Aug. 30) had been proclaimed on Aug. 23 by Gov. McGrath of Rhode Island as a day "for particular emphasis upon American participation in international co-operation for the maintenance of peace." The Providence "Journal" of Aug. 24 reported that the Governor emphasized that the State's celebration of the occasion at a mass meeting Aug. 30 is an attempt "to take to the people themselves the question of international co-operation in the hope that action in Congress, at the appropriate time, will reflect the attitude of the American people on post-war planning for peace."

Senator Burton (Rep., Ohio) and Representative McMurray (Dem., Wis.) spoke at the meeting on the subject of American participation in international co-operation, warning that peace must be built upon a sound foundation, planned well in advance.

mind must be made up in Washington and his personal life turned over to the management of Washington's political coddlers. The destiny of American labor is not Fascist. It must remain American.

The basic position of American labor in the economic system must be guaranteed by fair and equitable laws.

It is our solemn duty as a people to take those sound measures, as Abraham Lincoln once pointed out—to bind up the nation's wounds, to take care of him who has borne the battle, his widow and his orphans.

The supreme obligation of our country is to immediately pay our debt of honor to those who are fighting our crusade for peace and freedom. Our post-war program must and does include fullest provision for the rehabilitation and employment of the men and women of the armed forces.

Temporary help must of course be given but that is not enough. The returning veterans must and shall have the right to launch projects, till the soil, work in the arts and in business or profession, free to forge ahead. They are entitled to jobs; good honest jobs; jobs with which they can start and go forward; send their children through school; own their own homes; jobs which will feed and clothe them in comfort.

Veterans must not come home to be treated as wards of a state or nation, but must find their nation a land of greater opportunity under a free American system.

The deepest yearning of our people is for victory and union of our family in peace. That is the very heart of our whole life. If we build a better America with the highest standards of living and deep spiritual values, we shall have met their challenge and shall have approached their devotion.

### The News Behind The News

(Continued from first page) continue to trust her security mainly to her strong right arm.

Any unprejudiced eye can see that a combination of nations could be built around Russia which should be more powerful than the Anglo-American alliance.

Certainly such an alliance as Governor Dewey mentioned and Churchill has promised does not guarantee our peace and security against Russia or against any combination of the world which may arise in the coming years and

secretly arm themselves as Japan and Germany did to start this war. But if Russia came into the alliance, would we then be secure? An alliance is a political solution, whereas security, if not peace, is a military problem.

The alliance idea is being fostered in this country by those who want it in order to bring about a disarmed peace, whereas the security and peace of the British and us require continued military dominance—a subject strangely omitted in all current debates.

This would still be true if Russia were in the alliance. Clearly, then, we cannot trust our peace and security to others, but must constantly maintain it ourselves, no matter what alliances are made.

Another thing: the British have a world empire while we have not. The alliance, therefore, not only would protect our shores, but the British Empire shores around the world upon which the sun never sets.

An Anglo-American alliance, therefore, must defend itself constantly against the rest of the world, and so we must have stronger bases in the Far East.

Look ahead. Suppose the British Government changes in the 50 years of proposed alliance. Suppose it becomes pacifist and weak, or belligerent and aggressive, or pro-Russian, Communist, anti-American.

There can be no guarantee in any alliance that Mr. Churchill's views will prevail indefinitely in London. Indeed, the Laborites already are reaching for his scalp.

Would an alliance bring us peace and security against these developments or others that we cannot envisage in years ahead? Obviously not.

Peace and security then must be obtained by something deeper, more powerful and reassuring than alliances, by many intangible factors, such as national alertness, constant energy, wise leadership, appropriations for bases, sea and air fleets, but all these factors stream back to roots in alert military strength and ability to defend ourselves.

Alliances, therefore, are of secondary importance. Indeed, they may be dangerous if they create a false sense of security and make us want to disarm or forget about armed protection, as Governor Dewey and Mr. Lippmann already have forgotten about it in their argument for the alliance as a cure-all.

Absolutely guaranteed peace and security are probably not obtainable. Perhaps this is the main fault in all current discussions of the subject. At least no man and no nation ever had them permanently in all the history of the world.

But we can do the utmost to get as much of them as we can for ourselves, and, if possible, for others.

In striving for this: All evidence shows that alliances will be worthless in the post-war air world without American bases and a superior American air fleet.

For ourselves, we must own—not merely lease—Newfoundland, Bermuda, the Bahamas, British Guiana, on the Atlantic front at least, before we can even start to think about our own security.

No alliance will have any more value than the armament behind it.

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## Two Resolutions Adopted On China's Post-War Industrialization And Foreign Investments

A blueprint for China's post-war national industrial reconstruction was outlined in the form of two resolutions adopted at the Saturday meeting of the Eleventh Plenary Session of the Central Executive Committee and the Supervisory Committee of the Kuomintang, according to a Chinese News Service dispatch from Chungking, Sept. 12, which also had the following to say:

The first resolution, which contains 16 articles, maps out in detail a program for China's post-war national industrial reconstruction, while the second lays down the policy concerning foreign investments in line with Dr. Sun Yat-sen's plan of international cooperation in the development of China's industry. The texts of the two resolutions follow:

"First—Resolved that the following proposal be adopted and referred to the Government for detailed planning and execution in coordination with the developments in the field of communications:

"Article 1—Industrial reconstruction should be a planned one, mapped out by the Government according to the principles laid down in the San Min Chu, I, or the Three People's Principles, and Dr. Sun Yat-sen's industrial program.

"Article 2—Industrial output of various categories as required according to the plan of the Government within a specific period of time shall be scientifically regulated and plans for reconstruction in different localities and different years should be carried out accordingly, thereby increasing national wealth and the people's purchasing power.

"Article 3—The Central Government shall formulate a comprehensive nationwide plan for the establishment of industrial areas which is to be based upon the requirements of the national economy, existing communication facilities and the location of natural resources.

"Article 4—Industrial products shall be standardized as far as possible.

"Article 5—In the post-war industrial reconstruction the Government shall adopt the policy of emphasizing a simultaneous development of state and private industry. It shall be operated on a division of labor and collaboration basis . . . so that the production quota prescribed by various categories of industry may soon be reached.

"Article 6—Industry which may be entrusted to individuals or industries which will be less suitable for the State to operate shall be privately operated. The Government in such cases shall give them encouragement and protection of the law. Industries, the operation of which cannot be entrusted to individuals or industries which assume the nature of a monopoly shall be State operated. The Government shall stipulate specifically what constitute State-owned industries and what constitute private industries.

"Article 7—State as well as private industries shall strive to increase their working efficiency, adopt the latest technique, reduce the cost of production and improve the quality of products, in order to strengthen the foundation of enterprises and achieve rapid improvement.

"Article 8—The Government shall give special encouragement and financial assistance to private industries which conform to the provisions of industrial reconstruction programs. The Government shall also give to those private industries technical and transportation assistance and facilities so that they may be developed according to plan.

"Article 9—The Government shall support, promote and improve handicraft industries and industrial cooperatives, in order to encourage the people fully to utilize their leisure and engage

themselves in industrial production.

"Article 10—In order to increase international trade, export industries shall be given encouragement and support. Encouragement and commendation shall also be given to the people for the manufacture of goods for export as well as for the operation of export industries.

"Article 11—The Government and the public shall employ effective means to encourage the people to conserve their resources and investment in industry. The Government shall also supervise, direct and encourage the reinvestment of industrial profits in that particular industry or other industries.

"Article 12—The national financial policy and the banking policy shall be in complete accord with the national industrial reconstruction plan. The taxation and financial systems shall be in line with the promotion of national industrial reconstruction.

"Article 13—The national industrial operation educating program shall be fully coordinated with the national industrial reconstruction plan. Each industry shall be responsible for the training of its personnel in accordance with the regulations to be promulgated by the Government.

"Article 14—The Government and the public shall employ effective means to encourage inventions and creations and intensify the movement for the promotion of science and technology.

"Article 15—In order to strive for industrial and technical improvements, all research institutes and organizations in the country connected with industrial reconstruction shall devote themselves to the study of practical problems. They shall also assist in the removing of difficulties or in solving difficult problems encountered by various industries.

"Article 16—In order to speed up the completion of industrial reconstruction programs, foreign capital and technical cooperation shall be welcome."

The second resolution on policy concerning foreign investments reads:

"Whereas, the carrying out of the industrial program as outlined by Dr. Sun Yat-sen, the Father of the Republic, is one of the important objectives of the Kuomintang Revolution and according to Dr. Sun's plan international cooperation is to be welcomed in the development of China's industry, provisions for the realization of the program should not be further delayed now that victory is in sight.

"Therefore, be it resolved that to show a spirit of close cooperation with China's friendly powers, all restrictions applying to Chinese-foreign joint enterprises shall be revised. Hereafter, no fixed restriction shall be placed on the operation of foreign capital investment in joint enterprises. In the organization of a Chinese-foreign joint enterprise, except for the chairman of the board of directors, the general manager need not necessarily be a Chinese. The foregoing terms of cooperation shall become effective after an agreement by the parties concerned has been reached and the approval of the Government secured. At the same time, aliens, in accordance with the provisions of Chinese law and regulations, and having received the sanction of the Chinese Government, may finance their own enterprises in China. Negotiations for foreign loans for State enterprises shall

## From Washington

(Continued from first page) come unusually close, it will carry much significance for the 1944 campaign.

One gets the impression from traveling around that a question of far more importance than the blow-up in the State Department or of the surrender of Italy is "what was behind the President calling Drew Pearson a chronic liar." I suppose I was asked a hundred times if it meant the President and Pearson had "split" or if the President simply wanted to give that impression. I have tried to explain that the reason the President called him that was because that was what he thought he was. The fact is, too, that Pearson has never been close to the White House. He has played with a faction of the New Dealers, the younger ones, and mostly in subordinate positions and formerly led by Tommy Corcoran, who is now doing exceedingly well in business; what you might call monkey business. The President and Steve Early have never liked Pearson. He was and is a close friend of Sumner Welles. His continual playing of Welles against Hull was more responsible than any other one thing for the blow-up.

He plays with Ickes, and it is not infrequent at all that Pearson reports on how Ickes has won another victory in the Cabinet arguments. Once, when nothing like this had appeared for quite a while, the President remarked to friends: "I see Ickes has quit telling the columnists what goes on in the Cabinet."

Honest Harold is having his troubles with some of the other "Liberals" though. His support of the oil operators in their efforts to get an increase in the price of oil to encourage the bringing in of new wells, has outraged the CIO. They are attacking Ickes bitterly.

The melee in Italy is causing the promoters of a Second Front across the Channel to blush, and many observers believe the project is definitely out of the question. The situation in Italy is showing what would happen to France in an across-the-channel invasion to "liberate" her. She would probably be pulverized in the liberation process, as it now appears Italy is going to be.

Not only this, but the President and our high military leaders are believed to be having more and more confidence in our ability to knock Germany out of the war by bombing.

The ranting and railing of the "Liberals" over the treatment they are getting in the Administration these days may be, to an extent, a smoke screen. At least, they still have an amazing knack of getting their fellows on the inside. Little attention was paid to the announcement that Lauchlin Currie had been "loaned" to Leo Crowley to handle the job formerly held by Milo Perkins, under Wallace. Currie is about as advanced in his thinking as they come hereabouts. On a mission for the President to China he tried to convince Chiang Kai-Shek on the necessity of taking from the rich to help the poor. The old man wasn't very interested, but he did make a couple of gestures in order to qualify for lend-lease.

be centralized. Private individuals may negotiate foreign loans for their enterprises and such loan agreements shall become effective following the approval of the Government. The Government shall determine at an early date which category of State enterprises may accept foreign investments and which categories may seek foreign loans."

## Non-Farm Home Mortgage Debt Declined In 1942 For First Time In Five Years

Following five consecutive years of expansion, the outstanding non-farm home mortgage debt of the country declined from \$20,095,000,000 to \$19,917,000,000 in 1942, in spite of a substantial volume of new loans during the year, according to advices in the Federal Home Loan Bank "Review" made available Sept. 11. "The 1942 decline resulted chiefly from payments on mortgages in greater amount than required by loan contracts," the "Review" said. "These advance payments in part reflect the response of home owners to the government's policy of encouraging retirement of debt in order to absorb excess purchasing power and aid the fight against inflation." The "Review" added: "Although the 1942 drop of \$178,000,000, or less than 1% in the amount of outstanding loans on homes appears to be small, this reduction must be considered in contrast with the normal rise of nearly \$1,000,000,000 made the previous year and a \$900,000,000 increase in 1940. Indications are that 1943 will show a still more substantial decrease."

It is pointed out in the "Review" that the reduction of the home mortgage debt reveals not only the extent to which home owners are using increased incomes to cut down their borrowing but the effect of wartime building restrictions on new lending volume. The "Review" further says:

"Home-financing institutions have encouraged the prepayment of debt because the faster growth of owners' equities in homes will provide them with a new incentive for the maintenance of regular loan payments after war-swollen incomes go down. Federal agencies in the home-financing field have stressed both the patriotic and safety aspects of the rapid repayment of debt, and many lending institutions have waived prepayment penalties which were previously in effect.

"The net decline of the outstanding debt is the more remarkable since new lending activity during 1942 reached a total of \$3,082,000,000. While 18% less than the year before, it was the highest figure registered within the past 12 years, with the exception of 1940 and 1941. The decline in construction loans for the year was partly offset by a greater volume of loans for the purchase of existing houses and by larger average loans, resulting from a higher level of property prices."

Other factors contributed to the reversal of the debt trend in 1942 in the face of a large volume of lending, the "Review" said. Home purchase mortgages, comprising a high proportion of the loans made, represent in many cases cancellation of previous mortgages and to that extent do not add to the outstanding debt. Likewise, loans to refinance old mortgages constitute no increase in the debt except where the new loan is for a higher amount.

## Pay On Minas Geraes 6½%

The National City Bank of New York, as special agent, is notifying holders of State of Minas Geraes (United States of Brazil) 6½% secured external sinking fund gold bonds of 1928, due March 1, 1958, and secured external gold loan of 1929, Series A, 6½% bonds due Sept. 1, 1959, that funds have been deposited with it to pay, in lawful currency of the United States of America, 17.5% of the face amount of the coupons due March 1, 1941, amounting to \$5,6875 for each \$32.50 coupon and \$2,84375 for each \$16.25 coupon. The notice, issued Sept. 13, added:

"The acceptance of such payment is optional with the holders of the bonds and coupons but pursuant to the terms of the Presidential Decrees of the United States of Brazil, such payment, if

## Inflation Is Your Business

(Continued from first page)

shelter, but as wages rise, employers will hire fewer people. This means that inflation will result in unemployment. The older ones and the less efficient will be dumped first; then the higher paid will be let go and so unemployment will increase.

As unemployment increases, purchasing power will decrease. When retailers have fewer orders, manufacturers may be compelled to discharge their workers. Then we shall have another depression. This may not come until around 1950, but it certainly may be a bad one when it does come. Its severity will depend upon the extent of the preceding period of inflation. Hence, we all have a selfish interest in helping to stave off inflation.

## Effect Upon Small Business

Inflation may hit the middle-man hard. The well-to-do will have enough "fat" to carry them through the next depression. The poor will be supported by the government or have artificial employment through another WPA. The middle-class people, however, are out of luck. They will not have enough capital to carry them through the inflation period or will not be poor enough for government support. Small businessmen feel they are suffering terribly now but if we enter real inflation their condition will be much more difficult. Periods of inflation result in great increases in bankruptcy. These cases are almost wholly among the middle classes, especially small manufacturers, small retailers and the white-collar group in general.

Crime and misappropriation of funds increase during inflation. Speculation becomes rampant. Under such conditions, all business becomes more hazardous. Manufacturers and merchants then depend upon rising prices for their profits rather than on honest merchandising. Speculation develops a disregard for religion. This, in turn, undermines the entire business structure. Inflation encourages dishonesty as well as idleness. Justice is sidetracked. The spirit of the age is to "get while the going is good" with little thought of either the end or the means.

## Avoid Borrowing

Above everything else, investors, businessmen and workers should avoid borrowing any money at this time. We should all take a lesson from railroad and corporation managements who have taken advantage of the current period of good business to reduce their bonded indebtedness. They are getting in shape to attempt weathering any depression that may lie ahead. Some business think they can profit from inflation by borrowing good dollars now and paying back in bad dollars later. Very few can possibly succeed with such a program. Their business and investments will probably turn out so poorly that these men will be unable to get even enough bad dollars to pay the interest on their loans and the taxes on their property. Doubtless, too, there will be legislation making such sharp practices illegal.

accepted by the holders must be accepted in full payment of such coupons and of the claims for interest represented thereby."

## President Hails Italian Victory But Warns We Still Have Long Way To Go

President Roosevelt hailed the surrender of Italy on Sept. 8 as a "great victory" for the United Nations and the Italian people but warned that there is still "a long way to go" before the ultimate objectives of Berlin and Tokio are attained.

In a radio address opening the \$15,000,000,000 Third War Loan drive, the President asserted that "the time for celebration is not yet" as the war is and will continue to be a full-time job "until total victory is won."

Warning against over-confidence, Mr. Roosevelt said "the war does not and must not stop for one single instant," since the Germans must be driven out of Italy, out of France and all other captive countries.

In urging the American people to make the Third War Loan a success, the President stated that "our enemies will watch this drive with the keenest interest" as they know its success will shorten the war. He added that every dollar invested in the Third War Loan "is your personal message of defiance to our common enemies—to the ruthless militarists of Germany and Japan."

The text of the President's address follows:

"Once upon a time, a few years ago, there was a city in our Middle West which was threatened by a destructive flood in the river. The waters had risen to the top of the banks. Every man, woman and child in that city was called upon to fill sand bags in order to defend their homes against the rising waters. For many days and nights, destruction and death stared them in the face.

"As a result of the grim, determined community effort, that city still stands. Those people kept the levees above the peak of the flood. All of them joined together in the desperate job which had to be done—business men, workers, farmers, doctors, preachers—people of all races.

"To me, that town is a living symbol of what community cooperation can accomplish.

"Today, in the same kind of community effort, the United Nations and their people have kept the levees of civilization high enough to prevent the floods of aggression and barbarism and wholesale murder from engulfing us all. The flood has been raging for four years. At last, we are beginning to gain on it; but the waters have not yet receded enough for us to relax our sweating work with the sand bags. In this war bond campaign we are filling bags and placing them against the flood—bags, which are essential if we are to stand off the ugly torrent which is trying to sweep us all away.

"Today, an armistice with Italy was concluded.

"This was a great victory for the United Nations—but it was also a great victory for the Italian people. After years of war and suffering and degradation, the Italian people are at last coming to the day of liberation from their real enemies, the Nazis.

"But let us not delude ourselves that this armistice means the end of the war in the Mediterranean. We must drive the Germans out of Italy as we have driven them out of Tunisia and Sicily; we must drive them out of France and all other captive countries, and we must strike them on their own soil from all directions.

"Our ultimate objectives in this war continue to be Berlin and Tokio.

"I ask you to bear these objectives constantly in mind—and do not forget that we still have a long way to go before attaining them.

"The great news you have heard today from General Eisenhower does not give you license to settle back in your rocking chairs and say, 'Well, that does it. We've got 'em on the run. Now we can start the celebration.'

"The time for celebration is not yet. And I have a suspicion that

when this war does end, we shall not be in a very celebrating frame of mind. I think that our main emotion will be one of grim determination that this shall not happen again.

"During the past weeks, Mr. Churchill and I have been in constant conference with the leaders of our combined fighting forces. We have been in constant communication with our fighting allies, Russian and Chinese, who are prosecuting the war with conspicuous success on far distant fronts, and he and I are together here at this crucial moment.

"We have seen the satisfactory fulfillment of plans that were made in Casablanca last January and here in Washington last May. And we have made new, extensive plans for the future. But throughout these conferences we have never lost sight of the fact that this war will become bigger and tougher, rather than easier during the long months that are to come.

"This war does not and must not stop for one single instant. Out fighting men know that. Those of them who are moving forward through jungles against lurking Japs—those who are landing at this moment in barges moving through the dawn up to strange enemy coasts—those who are diving their bombers down on the target at roof-top level at this moment—every one of these men knows that this war is a full-time job and that it will continue to be until total victory is won.

"And by the same token, every responsible leader in all the United Nations knows that the fighting goes on 24 hours a day, seven days a week, and that any day lost may have to be paid for in terms of months added to the duration of the war.

"Every campaign, every single operation that we plan and carry through, must be figured in terms of staggering material cost. We cannot afford to be niggardly with any of our resources, for we shall need all of them to do the job that we have undertaken.

"Your fellow Americans have given a magnificent account of themselves—on the battlefield and on the oceans and in the skies all over the world.

"Now it is up to you to prove to them that you are contributing your share and more than your share. It is not sufficient simply to put money into war bonds which we would normally save. We must put money into war bonds which we would not normally save. Only then have we done everything that good conscience demands. It is up to you—the Americans in the American homes—the very homes which our boys and daughters are working and fighting and dying to preserve.

"I know I speak for every man and woman in America when I say that we Americans will not be satisfied to send our troops into the fire of the enemy with equipment inferior in any way.

"Nor will we be satisfied to send our troops with equipment only equal to that of the enemy. We are determined to provide our troops with overpowering superiority of quality and quantity in any and every category of arms and armaments that they may conceivably need.

"And where does our dominating power come from? It can come only from you. The money you lend and the money you give in taxes buys that death-dealing, life-saving power we need for victory. This is an expensive war

—expensive in money; you can help keep it at a minimum cost in lives.

"The American people will never stop to reckon the cost of redeeming civilization. They know there can never be any economic justification for failing to save freedom.

"We can be sure that our enemies will watch this drive with the keenest interest; they know that success in this undertaking will shorten the war. They know that the more money the American people lend to government, the more powerful and relentless will be the American forces in the field. They know that only a united and determined America could possibly produce on a voluntary basis so large a sum of money as \$15,000,000,000.

"The overwhelming success of the Second War Loan drive last April showed that the people of this democracy stood firm behind their troops.

"The Third War Loan, which we are starting tonight, will also succeed—because the American people will not permit it to fail.

"I cannot tell you how much to invest in war bonds during this Third War Loan Drive. No one can tell you. It is for you to decide under the guidance of your own conscience.

"I will say this, however. Because the nation's needs are greater than ever before, our sacrifices too must be greater than they have ever been before.

"Nobody knows when total victory will come—but we do know that the harder we fight now, the more might and power we direct at the enemy now, the shorter the war will be and the smaller the sum total of sacrifice.

"Success of the Third War Loan will be the symbol that America does not propose to rest on its arms—that we know the tough, bitter job ahead and will not stop until we have finished it.

"Now it is your turn! "Every dollar that you invest in the Third War Loan is your personal message of defiance to our common enemies—to the ruthless militarists of Germany and Japan—your personal message of faith and good cheer to our Allies and all the men at the front."

## Treasury Said To Aim At 12% Security Tax

The Treasury Department is planning to include an all-out \$5,600,000,000 proposal to increase the social security taxes to a total of 12% (6% on employers and 6% on employees) as one of the "alternative suggestions" its tax-policy makers are preparing for submission to the House Ways and Means Committee Sept. 20, it was learned on Sept. 11. This was reported in a Washington dispatch to the New York "Herald Tribune" from Samuel W. Bell, which continued:

Such an increase, which would be an advance of 2% on the employers and 5% on the employees, constituted the major recommendation of the National Resources and Planning Board in its "cradle to the grave" program recently submitted to Congress by President Roosevelt.

The existing gross income payroll taxes for social security are distributed at 1% for old age and survivors insurance plus 3% for unemployment compensation on employers and 1% on employees for old age insurance. The old age insurance rate will increase automatically Jan. 1 to 2% on both employers and employees unless the present law is changed.

The decision of the Treasury to include the Social Security tax increase in recommendations for raising an additional \$12,000,000,000 in revenue was said to have been due to continued cool reception in Congressional quarters to a revival of the \$4,500,000,000 spending tax.

## Authority On Draft Constitution Sees New Step Taken In China's March To Constitutional Gov't

An event of great and general interest to the American public has come about in the adoption of a resolution dealing with constitutionalism in China by the Nationalist Party, according to Dr. C. L. Hsia, Director of Chinese News Service and representative in the United States of the Chinese Ministry of Information. The Chinese News Service, in New York, on Sept. 13, also added:

Dr. Hsia, who was a member of the committee of the Legislative Yuan which worked on China's Draft Constitution, issued a statement this afternoon explaining the significance of the current Eleventh Plenary Session of the Kuomintang Central Executive Committee, particularly the resolution which will pave the way to the creation in China of a government of the people, by the people and for the people.

The text of Dr. Hsia's statement follows:

"The Central Executive Committee of the Kuomintang was in session throughout last week. It is a very important session because of the far-reaching decisions it has made.

"The conference has laid down a number of broad principles of China's economic policy especially in the field of foreign investment and her economic cooperation with friendly nations. This question will be of great interest, of course, to America.

"Still more important is the resolution passed at the conference which deals with constitutionalism—a matter of great and general interest to the American public. The resolution sets a definite date that a People's Congress will be convened within one year after the conclusion of the war to do two things—to adopt a constitution and to decide the date when the constitution will go into effect. One of the implications, as Generalissimo Chiang Kai-shek explained at the opening session, is that after the enforcement of constitutional government the period of political tutelage will end and the Kuomintang will hand over the government to the people

and then take its place on equal footing with other political parties enjoying equal privileges and rights, fulfilling equal obligations under the principles of the freedom of assembly, organization, speech and publication in accordance with the law.

"If it was not clear before, it has now been made clear beyond the shadow of a doubt that the Kuomintang does not intend to exercise any special right or privilege after the war but will carry out the democratic program and policy of Sun Yat-sen towards the creating of a government of the people, by the people and for the people.

"While the resolution refers to 'a constitution,' actually it refers to the Draft Constitution published by mandate of the National Government on May 5, 1936. It was the intention of the Kuomintang and the National Government that the People's Congress was to meet in November, 1937, to ratify that document. But the outbreak of hostilities in that summer brought to an abrupt end China's constitutional progress. This Draft Constitution has been brought up for scrutiny since the war but the broad principles of the draft and its main provisions will remain when it is finally submitted to the People's Congress for ratification after the war.

"I was a member of the committee of the Legislative Yuan which worked on the final draft of the constitution and I, therefore, can speak with some confidence that it is a sincere attempt to create a government of the people, by the people and for the people."

## Senator Vandenberg Asks Congress To Decide On Social Security Increase

Congress was asked on Sept. 14 by Senator Vandenberg to decide whether to postpone the increased payroll levies of 1% on Jan. 1 on employers and employees under the Social Security Act, said an Associated Press despatch from Washington, which also had the following to say:

Congress voted last year and the year before to postpone an increase in the levy to 2%. Each postponement was at Senator Vandenberg's insistence.

Unless a third postponement is voted, the increased levies automatically go into effect on Jan. 1.

Asserting he was "keeping an open mind" on the subject, Senator Vandenberg told the Senate:

"I think it should be fully canvassed by both the Senate Finance Committee and the House Ways and Means Committee in connection with other tax decisions which are to be made this fall."

Mr. Vandenberg, a member of the Senate Finance Committee, made public a letter from Dr. Arthur J. Altmeyer, Chairman of the Social Security Board, asserting that it would be unwise to defer the increase in the contribution rates.

Dr. Altmeyer reported that total receipts from social security taxes for old-age benefits in the fiscal year ended June 30, 1943, were \$1,130,000,000, while the total draft upon the fund for payment of benefits and administrative expenses was \$176,000,000. The reserve on June 30, 1943, was \$4,268,000,000.

While saying this would appear to be ample, Senator Vandenberg added that "the tremendous and unanticipated expansion of employment and resultant social security coverage" due to the war "now injects some new and highly speculative actuarial calculations for the future."

In view of the situation, he said he did not want the responsibility for a third recommendation in opposition to Social Security Board recommendations.

## NYSE Short Interest Lower On Aug. 31

The New York Stock Exchange announced on Sept. 10 that the short interest as of the close of business on the Aug. 31 settlement date, as compiled from information obtained by the Stock Exchange from its members and member firms, was 801,321 shares, compared with 836,764 shares on July 30, both totals excluding short positions carried in the odd-lot account of all odd-lot dealers. As of the Aug. 31 settlement date, the total short interest in all odd-lot dealers' accounts was 34,070 shares, compared with 36,489 shares on July 30.

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

1943—	
Jan. 29	579,394
Feb. 26	663,750
Mar. 31	774,871
April 30	882,376
May 28	980,047
June 30	879,575
July 30	836,764
Aug. 31	801,321

\*Revised.



## Market Value Of Stocks On New York Stock Exchange Higher On Aug. 31

The New York Stock Exchange announced on Sept. 8 that as of the close of business Aug. 31, there were 1,237 stock issues, aggregating 1,489,131,930 shares listed on the Exchange, with a total market value of \$47,710,472,858. This compares with 1,235 stock issues, aggregating 1,479,099,743 shares listed on the Exchange on July 31, with a total market value of \$47,577,989,240, and with 1,241 stock issues, aggregating 1,471,287,744 shares, with a total market value of \$34,871,607,323 on Aug. 31, 1942.

In making public the figures for Aug. 31, the Exchange also said: "As of the close of business Aug. 31, New York Stock Exchange member total net borrowings amounted to \$595,695,164, of which \$436,185,864 represented loans which were not collateralized by U. S. Government issues. The ratio of the latter borrowings to the market value of all listed stocks, on that date, was therefore 0.91%. As the loans not collateralized by U. S. Government issues include all other types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value."

In the following table listed stocks are classified by leading industrial groups with the aggregate market value and average price for each:

	—Aug. 31, 1943—		—July 31, 1943—	
	Market Value	Average Price	Market Value	Average Price
Amusement	501,140,612	22.91	483,290,036	22.19
Automobile	3,875,667,009	31.94	3,794,439,787	31.30
Aviation	637,371,447	18.60	636,723,548	18.58
Building	551,642,666	26.70	540,190,936	26.17
Business and Office Equipment	394,227,035	33.42	389,793,119	33.06
Chemical	5,950,662,209	62.82	5,960,753,803	62.93
Electrical Equipment	1,599,577,613	39.11	1,573,717,912	38.87
Farm Machinery	759,548,267	57.99	745,706,132	56.93
Financial	956,129,408	19.14	948,440,969	18.96
Food	3,122,942,647	33.45	3,115,720,270	33.38
Garment	44,331,505	26.51	44,868,923	26.83
Land & Realty	29,348,889	6.03	29,381,524	6.04
Leather	234,589,523	27.85	235,091,380	27.91
Machinery & Metals	1,599,535,229	23.36	1,606,318,878	23.46
Mining (excluding iron)	1,371,901,219	23.31	1,365,311,147	23.20
Paper & Publishing	462,672,165	20.22	449,885,266	19.95
Petroleum	6,185,927,710	30.72	6,143,324,622	30.57
Railroad	3,594,569,771	31.95	3,841,318,445	34.15
Retail Merchandising	2,596,504,415	35.65	2,525,509,821	34.68
Rubber	562,062,580	53.09	539,804,089	50.99
Ship Building & Operating	100,277,256	18.18	100,091,907	18.14
Shipping Services	14,020,726	8.13	14,042,626	8.14
Steel, Iron & Coke	2,145,080,753	42.40	2,171,448,484	42.92
Textiles	484,045,218	54.04	474,116,050	33.34
Tobacco	1,227,606,510	45.71	1,225,911,624	45.60
Utilities:				
Gas & Electric (Operating)	2,112,113,206	21.03	2,062,698,659	22.48
Gas & Electric (Holding)	1,067,108,131	11.14	1,071,337,844	11.18
Communications	3,611,327,570	86.30	3,583,630,186	85.66
Miscellaneous Utilities	104,992,568	14.24	102,105,845	13.85
U. S. Cos. Operating Abroad	751,577,432	22.10	763,095,426	22.44
Foreign Companies	920,354,952	22.74	901,161,780	22.27
Miscellaneous Businesses	141,616,617	24.13	138,758,202	23.64
All Listed Stocks	47,710,472,858	32.04	47,577,989,240	32.17

We give below a two-year compilation of the total market value and the average price of stocks listed on the Exchange:

Year	Month	Market Value	Average Price	Year	Month	Market Value	Average Price
1941	Jan. 31	41,654,256,215	28.46	1942	Jan. 31	34,871,607,323	23.70
	Aug. 30	41,472,032,904	28.32		Sept. 30	35,604,809,453	24.20
	Sept. 30	40,984,419,434	28.02		Oct. 31	37,727,599,526	25.65
	Oct. 31	39,057,023,174	26.66		Nov. 30	37,374,462,460	25.41
	Nov. 29	37,882,316,239	25.87		Dec. 31	38,811,728,666	26.39
	Dec. 31	35,785,946,533	24.46				
1942	Jan. 31	36,228,397,999	24.70	1943	Jan. 31	41,410,585,043	28.16
	Feb. 28	35,234,173,432	24.02		Feb. 27	43,533,661,753	29.61
	Mar. 31	32,844,183,750	22.36		Mar. 31	45,845,738,377	31.20
	Apr. 30	31,449,206,904	21.41		Apr. 30	46,192,361,639	31.45
	May 29	32,913,725,225	22.40		May 29	48,437,700,647	32.96
	June 30	33,413,047,743	22.73		June 30	48,878,520,886	33.27
	July 31	34,443,805,860	23.42		July 31	47,577,989,240	32.17
					Aug. 31	47,710,472,858	32.04

## Statutory Debt Limitation As Of Aug. 31, 1943

The Treasury Department made public on Sept. 4 its monthly report showing the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding on Aug. 31, 1943, totaled \$148,169,881,620, thus leaving the face amount of obligations which may be issued, subject to the new \$210,000,000,000 statutory debt limitation at \$61,830,118,380. In another table in the report, the Treasury indicates that from the total face amount of outstanding public debt obligations (\$148,169,881,620) should be deducted \$5,285,218,709 (the unearned discount on savings bonds), reducing the total to \$142,884,662,911, but to this figure should be added \$1,174,209,412 (the other public debt obligations outstanding but not subject to the statutory limitation). Thus, the total gross debt outstanding as of Aug. 31, 1943, was \$144,058,872,323.

The following is the Treasury's report for Aug. 31:

### Statutory Debt Limitation As of Aug. 31, 1943

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

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

Total face amount that may be outstanding at any one time	\$210,000,000,000
Outstanding as of Aug. 31, 1943:	
Interest-bearing:	
Bonds—	
Treasury	\$57,520,494,900
*Savings (Maturity value)	27,978,768,450
Depository	261,980,250
Adjusted Service	720,895,657
Treasury notes	\$26,368,417,950
Certificates of indebtedness	22,113,655,000
Treasury bills (Maturity val.)	12,845,975,000
	\$86,492,139,257
	61,328,047,950
	\$147,810,187,207
Matured obligations, on which interest has ceased	155,536,375
Bearing no interest (U. S. Savings stamps)	204,158,038
	148,169,881,620
Face amount of obligations issuable under above authority	\$61,830,118,380

## RECONCILEMENT WITH DAILY STATEMENT OF THE UNITED STATES TREASURY

AUG. 31, 1943	
Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act	\$148,169,881,620
Deduct unearned discount on Savings Bonds (difference between current redemption value and maturity value)	5,285,218,709
Add other public debt obligations outstanding but not subject to the statutory limitation:	\$142,884,662,911
Interest-bearing (pre-war, etc.)	\$195,942,720
Matured obligations on which interest has ceased	8,071,455
Bearing no interest	970,195,227
	1,174,209,412
Total gross debt outstanding as of Aug. 31, 1943	\$144,058,872,323
*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement \$22,693,549,741.	

## Electric Output For Week Ended Sept. 11, 1943, Shows 18.0% Gain Over Same Week Last Week

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Sept. 11, 1943, was approximately 4,229,262,000 kwh., compared with 3,583,408,000 kwh. in the corresponding week last year, an increase of 18.0%. The output for the week ended Sept. 4, 1943, was 18.4% in excess of the similar period of 1942.

Major Geographical Divisions—	PERCENTAGE INCREASE OVER PREVIOUS YEAR			
	Week Ended			
	Sept. 11	Sept. 4	Aug. 28	Aug. 21
New England	6.2	5.9	7.1	5.1
Middle Atlantic	19.1	19.6	19.9	15.9
Central Industrial	15.1	14.3	16.4	14.0
West Central	10.3	11.9	13.0	14.5
Southern States	23.3	26.1	24.0	20.5
Rocky Mountain	18.5	17.7	17.6	17.7
Pacific Coast	22.4	22.4	22.9	18.5
Total United States	18.0	18.4	18.7	16.1

Week Ended—	DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)					
	1943	1942	% Change over 1942			
July 3	4,110,793	3,424,188	+20.1	2,903,727	1,341,730	1,592,075
July 10	3,919,398	3,428,916	+14.3	3,178,054	1,415,704	1,711,625
July 17	4,184,143	3,565,367	+17.4	3,199,105	1,433,993	1,727,225
July 24	4,196,357	3,625,645	+15.7	3,220,526	1,440,386	1,732,031
July 31	4,226,705	3,649,146	+15.8	3,263,082	1,426,986	1,724,728
Aug 7	4,240,638	3,637,070	+16.6	3,233,242	1,415,122	1,729,667
Aug 14	4,287,827	3,654,795	+17.3	3,238,160	1,431,910	1,733,110
Aug 21	4,264,825	3,673,717	+16.1	3,230,750	1,436,440	1,750,056
Aug 28	4,322,195	3,639,961	+18.7	3,261,149	1,464,700	1,761,594
Sep 4	4,350,511	3,672,921	+18.4	3,132,954	1,423,977	1,674,588
Sep 11	4,229,262	3,583,408	+18.0	3,322,346	1,476,442	1,806,259
Sep 18		3,756,922		3,273,375	1,490,863	1,792,131
Sep 25		3,720,254		3,273,376	1,499,459	1,777,854

## Steel Operations At High—Plate Producing Facilities Flooded With Heavier Orders

"As the men, equipment and strategy of the United States and Great Britain encountered their sternest war tests this week against the Germans in Italy, production in America was holding up strongly and large quantities of material were being rushed to the front," the "Iron Age" states in its issue of today (Sept. 16), further adding:

"Steel ingot output at 99.5% this week is a decline of one point but the tonnage is the second highest on record, exceeded only by last week's mark. Shipments of Lend-Lease steel, after a short lull are heavy again and probably will remain so through the balance of this year.

"The war's new turn will tighten all domestic supply problems, temporarily at least, and will heighten the critical manpower and coal shortages. The pattern of the military supply program will not be altered at this time and therefore there can be little hope for the additional release of steel and other critical materials to the civilian economy.

"Italy's capitulation increases the seriousness of the domestic coal crisis, since Italy is dependent on imports of fuel. Already coal is being diverted on a priority basis to metallurgical industrial needs in the U. S., and the shortage can be expected to grow more serious. Many miners have been drafted or lured to other industries while those remaining at their posts are said to be jittery because they are working without a contract. Other factors contributing to the shortage include effects of this year's numerous mine strikes, absenteeism, exhaustion of coal veins, a falling off in coal mining efficiency at both hand and mechanized mines, and the tight transportation problem. By-product coke production has not kept pace with pig iron output and rejections of beehive coke have increased because of poor quality.

"All plate producing facilities of the nation are flooded with heavier orders than ever before due to the step-up in shipbuilding. Sheet and other flat-rolled departments reflect the unprecedented situation, being greatly extended on their backlogs and un-

one month ago, 1,662,800 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Sept. 13 stated in part as follows:

"Italy's unconditional surrender is expected to have little effect on the overall scope of the war production program.

"It is clear that whatever changes in specifications may result from the Italian collapse they will be offset by requirements in other directions, and by the intensification of production in certain lines to make it possible for Allied forces to take fullest possible advantage of the Italian capitulation.

"In addition, raw materials, including steel, will be needed on a large scale to supply whatever Italian manufacturing facilities can be utilized by the Allies. Consequently there seems little prospect the military situation today permits of any view in the direction of easier war steel demand.

"Italy's collapse has again focused attention of the scrap trade on possibility of battlefield scrap being retained for use by the Italian steel industry. In recent weeks there has been an increasing amount of this scrap shipped to this country, although still not in heavy volume.

"Lend-lease steel shipments from the East coast are considerably better than in many months.

"Distribution of vital sheet orders continues complicated by the plate program. Substantial tonnage of sheets has not been allotted to the mills because priorities given the Maritime Commission for plates are taking most of the available rolling time on continuous mills, and the shortage of suitable semifinished material limits tonnage on non-integrated sheet mills. Army orders for drum stock, ammunition boxes and similar vital equipment are among those now awaiting placement.

"Steel plate allocation numbers for first and second quarters are coming out more freely, with the result most producers have no room on their schedules before late February. High octane gasoline refinery tonnage is increasing again, with some being placed for fourth quarter under directives. Mill interests say this is the first important directives tonnage received since the inauguration of CMP.

"August plate shipments were off moderately to 1,061,000 tons, comparing with 1,089,000 in the preceding month and 1,097,866 in corresponding 1942 period.

"Freight car builders are not clear as to where all the steel is coming from for the construction of 9,645 domestic cars allocated for the fourth quarter. Mills are booked over the remainder of the year, generally speaking, and so far they have received allotment numbers for only some of the steel needed for these cars. Domestic freight car awards in August of 4,422 units, were the largest since January when 8,365 were placed. Total awards for the first eight months of 16,992, compares with 24,030 in like period last year and 103,902 in corresponding months of 1941.

"Iron ore shipments during August established the second consecutive monthly record, although unfavorable weather towards the close of the period prevented the total from exceeding the 14,000,000 gross tons earlier predicted. Reflecting completion of three additional Maritime Commission vessels on the Great Lakes this month, the ore movement in September should remain at current high level despite the shorter month. August ore shipments of 13,976,770 gross tons, brought the season's total to 52,359,474, or 13.6% below the 60,593,534 tons moved in the like 1942 period."

### Selected Income And Balance Sheet Items Class I Railways For June

The Bureau of Statistics of the Interstate Commerce Commission has issued a statement showing the aggregate totals of selected income and balance sheet items for class I steam railways in the United States for the month of June, 1943 and 1942, and the 6 months ending with June, 1943 and 1942.

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

Income Items—	All Class I Railways		Class I Railways Not in Receivership or Trusteeship	
	For the Month of June 1943	For the Month of June 1942	For the 6 Months of 1943	For the 6 Months of 1942
Net ry. operat. income	\$103,655,124	\$118,737,985	\$705,943,274	\$551,683,823
Other income	16,725,945	15,979,833	77,536,223	74,449,669
Total income	120,381,069	134,717,818	783,479,497	626,133,492
Miscellaneous deductions from income	2,527,495	2,372,152	14,367,228	15,424,516
Income available for fixed charges	123,853,574	132,345,666	769,112,269	610,708,976
Fixed charges:				
Rent for leased roads and equipment	14,987,434	15,108,787	88,119,334	84,493,288
Interest deductions	35,827,027	36,952,939	217,631,500	222,129,543
Other deductions	120,205	118,121	745,451	705,649
Total fixed charges	50,934,666	52,179,847	306,496,285	307,328,480
Inc. after fixed charges	72,918,903	80,165,919	462,615,984	303,380,496
Contingent charges	2,232,567	2,419,845	13,905,715	13,875,323
Net income	70,686,341	77,746,073	448,709,268	289,505,173
Depreciation (way and structures and equip.)	26,525,395	20,102,752	159,153,932	117,346,016
Amortization of defense projects	11,273,601	7,213,897	62,944,165	33,631,668
Federal income taxes	124,964,316	73,397,321	669,751,776	279,037,262
Dividend appropriations:				
On common stock	6,729,364	7,963,341	62,582,498	57,493,486
On preferred stock	1,152,943	695,298	14,599,629	13,302,837
Ratio of income to fixed charges	2.43	2.54	2.51	1.99

Selected Asset Items—	All Class I Railways		Class I Railways Not in Receivership or Trusteeship	
	Balance at end of June 1943	Balance at end of June 1942	Balance at end of June 1943	Balance at end of June 1942
Investments in stocks, bonds, etc., other than those of affiliated companies	\$557,518,182	\$478,724,241	\$531,105,456	\$450,816,717
Cash	1,055,544,453	831,034,188	783,567,775	618,935,928
Temporary cash investments	1,255,536,523	186,418,688	967,019,335	175,828,325
Special deposits	203,561,642	154,675,025	162,158,803	116,725,332
Loans and bills receivable	273,975	1,038,549	253,517	986,332
Traffic and car-service balances (Dr.)	37,063,524	41,086,165	26,236,747	34,351,463
Net balance receivable from agents and conductors	167,300,523	117,949,612	133,174,550	98,017,451
Miscellaneous accounts receivable	570,918,263	308,443,403	449,539,611	245,602,436
Materials and supplies	516,741,379	534,418,742	414,889,973	429,597,336
Interest and dividends receivable	20,105,424	19,813,605	18,246,542	18,738,937
Rents receivable	1,180,952	1,332,524	887,021	1,019,772
Other current assets	47,505,245	9,342,897	34,055,686	7,650,246
Total current assets	3,881,731,915	2,205,553,399	2,990,029,623	1,747,453,558
Selected Liability Items—				
Funded debt maturing within six months	\$157,484,459	\$84,773,331	\$136,611,708	\$63,396,342
Loans and bills payable	15,628,192	18,352,851	1,600,000	3,207,500
Traffic and car-service balances (Cr.)	148,846,244	86,085,522	103,186,077	60,741,805
Audited accounts and wages payable	360,409,313	303,447,318	292,062,026	243,605,330
Miscellaneous accounts payable	113,398,623	67,667,588	88,332,800	49,600,093
Interest matured unpaid	69,149,518	74,431,861	61,956,651	62,272,381
Dividends matured unpaid	27,209,248	25,703,491	26,867,083	25,351,228
Unmatured interest accrued	52,075,532	57,723,450	47,192,242	47,054,352
Unmatured dividends declared	12,916,027	10,131,711	12,916,027	10,131,711
Unmatured rents accrued	17,497,623	16,382,587	14,571,960	14,560,030
Accrued tax liability	1,356,233,817	572,072,608	1,184,465,913	525,082,550
Other current liabilities	94,269,521	58,548,743	69,949,500	47,520,881
Total current liabilities	2,267,693,669	1,290,547,730	1,903,100,279	1,089,127,862

Analysis of accrued tax liability: U. S. Government taxes, 1,219,631,442; Other than U. S. Government taxes, 136,662,375. \*Represents accruals, including the amount in default. †For railways not in receivership or trusteeship the net income was as follows: June, 1943, \$54,866,537; June, 1942, \$61,643,397; for the six months ended June, 1943, \$340,798,322; six months ended June, 1942, \$239,427,483. ‡Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report. §For railways in receivership and trusteeship the ratio was as follows: June, 1943, 2.28; June, 1942, 2.32; six months, 1943, 2.44; six months, 1942, 1.72. ¶Includes obligations which mature not more than two years after date of issue.

### Civil Engineering Construction \$36,606,000 For Holiday-Shortened Week

Civil engineering construction volume for the holiday-shortened week totals \$36,606,000. This continental U. S. volume, not including construction by military combat engineers, American contracts outside the country, and shipbuilding, is 62% below the corresponding 1942 week, and compares with \$61,674,000 reported for the preceding week by "Engineering News-Record" on Sept. 9. Private construction is 58% lower than a year ago, and public work is down 63% as a result of the 61% decline in State and Municipal construction and the 63% decrease in Federal volume. The report went on to say:

The current week's construction brings 1943 volume to \$2,322,368,000, an average of \$64,510,000 for each of the 36 weeks of the period. On the weekly average basis, 1943 construction is 67% lower than the \$7,278,879,000 for the 37-week period in 1942. Private construction, \$296,735,000, is 33% below last year, and public construction, \$2,025,633,000, is down 69% when adjusted for the difference in the number of weeks. Of the public total, State and Municipal construction, \$144,954,000, is 65% lower, and Federal volume, \$1,880,679,000, is down 70%.

Civil engineering construction volumes for the short 1942 week,

last week and the current week are:

	Sept. 10, 1942 (four days)	Sept. 2, 1943 (five days)	Sept. 9, 1943 (four days)
Total U. S. Construction	\$97,311,000	\$61,674,000	\$36,606,000
Private Construction	15,920,000	6,754,000	6,699,000
Public Construction	81,391,000	54,920,000	29,907,000
State and Municipal	5,869,000	3,776,000	2,266,000
Federal	75,522,000	51,144,000	27,641,000

In the classified construction groups, gains over last week are in waterworks, sewerage, and commercial building and large-scale private housing. Commercial building is the only class of work to gain over the 1942 week. Subtotals for the week in each class of construction are: waterworks, \$540,000; sewerage, \$503,000; bridges, \$56,000; industrial buildings, \$827,000; commercial buildings, \$5,822,000; public buildings, \$20,216,000; earthwork and drainage, \$142,000; streets and roads, \$2,181,000; and unclassified construction, \$6,319,000.

New capital for construction purposes for the week totals \$177,000 and is made up entirely of State and Municipal bond sales. New construction financing for the 36 weeks of 1943, \$2,929,155,000, is 68% below the \$9,524,957,000 reported for the 37-week 1942 period.

### Cotton Ginned from Crop of 1943 Prior to Sept. 1

The census report issued on Sept. 8, compiled from the individual returns of the ginners is shown below:

Number of bales of cotton ginned from the growth of 1943 prior to Sept. 1, 1943, and comparative statistics to the corresponding date in 1942 and 1941.

State—	RUNNING BALES (Counting round as half bales and excluding linters)		
	1943	1942	1941
United States	*1,784,629	*739,005	*505,720
Alabama	157,743	49,088	88,916
Arizona	7,758	1,082	10,701
Arkansas	115,810	2,952	25,383
Florida	6,764	4,748	7,128
Georgia	154,095	120,545	125,102
Louisiana	213,024	60,115	27,084
Mississippi	351,372	58,661	79,404
Missouri	2,941	235	7,744
North Carolina	3,351	2,934	745
Oklahoma	2,758	225	119
South Carolina	58,512	40,781	13,558
Texas	705,662	397,611	118,083
All other States	4,823	28	1,747

\*Includes 107,353 bales of the crop of 1943 ginned prior to Aug. 1 which was counted in the supply for the season of 1942-43, compared with 48,625 and 1,969 bales of the crops of 1942 and 1941.

The statistics in this report include no round bales for 1943; none for 1942 and 16 for 1941. Included in the above are 4,284 bales of American-Egyptian for 1943, 56 for 1942 and 499 for 1941; also no bales Sea-Island for 1943, 54 for 1942 and 83 for 1941.

The statistics for 1943 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail. The revised total of cotton ginned this season prior to Aug. 16 is 351,643 bales.

### Consumption and Stocks—United States

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

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

### World Statistics

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

### Cottonseed Receipts In August

On Sept. 13, the Bureau of Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the month ended August 31, 1943 and 1942.

State—	COTTONSEED RECEIVED, CRUSHED, AND ON HAND (TONS)		
	*Received at mills Aug. 1 to Aug. 31	Crushed Aug. 1 to Aug. 31	On hand at mills Aug. 31
United States	391,421	168,588	132,574
Alabama	30,950	8,995	11,908
Arkansas	19,075	1,684	7,317
Georgia	40,290	21,644	15,986
Louisiana	40,636	11,789	9,596
Mississippi	84,759	8,300	25,219
Texas	160,585	109,488	44,050
All other States	15,126	6,688	12,983

\*Does not include 89,817 and 81,928 tons on hand Aug. 1 nor 5,906 and 5,542 tons reshipped for 1943 and 1942 respectively.

Item—	Season	COTTONSEED PRODUCTS MANUFACTURED, SHIPPED OUT, AND ON HAND		
		On hand Aug. 1	Produced Aug. 1 to Aug. 31	Shipped out Aug. 1 to Aug. 31
Crude oil (thousand pounds)	1943-44	*21,825	40,010	28,840
	1942-43	34,450	29,383	23,366
Refined oil (thousand pounds)	1943-44	†207,081	†27,839	—
	1942-43	310,191	32,426	—
Cake and meal (tons)	1943-44	18,593	58,978	48,330
	1942-43	190,100	42,332	99,198
Hulls (tons)	1943-44	11,986	31,638	24,454
	1942-43	44,118	24,216	42,126
Linters (running bales)	1943-44	\$135,116	39,687	62,996
	1942-43	43,295	28,256	19,659
Hull fiber (500-lb. bales)	1943-44	631	353	277
	1942-43	229	335	258
Grabbots, notes, &c. (500-lb. bales)	1943-44	14,281	1,532	5,950
	1942-43	23,644	990	1,757

\*Includes 12,863,000 and 10,042,000 pounds held by refining and manufacturing establishments and 2,522,000 and 4,936,000 pounds in transit to refiners and consumers Aug. 1, 1943 and Aug. 31, 1943 respectively.

†Includes 3,203,000 and 2,286,000 pounds held by refiners, brokers, agents, and warehousemen at places other than refineries and manufacturing establishments and 5,135,000 and 4,596,000 pounds in transit to manufacturers of shortening, soap, etc. Aug. 1, 1943 and Aug. 31, 1943 respectively. Does not include winterized oil.

‡Produced from 30,704,000 pounds of crude oil. Total linters produced includes 8,406 bales first out, 26,744 bales second out and 4,537 bales mill run. Total held includes 10,689 bales first out, 32,741 bales second out and 68,377 bales mill run.

### Exports and Imports of Cottonseed Products

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

### Post-War Planning Urged By Johnston

The urgency of making post-war economic plans immediately was stressed earlier this month by Eric A. Johnston, President of the Chamber of Commerce of the United States, on his return to Washington from a three-weeks' visit to England.

Mr. Johnston proposed that business men of Great Britain and the United States hold meetings on post-war problems. Later, he said, there should be other conferences including government, labor and agriculture leaders of both nations, and, finally, representatives of all Atlantic countries.

"After that," he added, "we ought to work with Russia."

In Associated Press Washington accounts, the following was reported:

Speaking of prospects for the post-war world, Mr. Johnston told a press conference he could see no reason for the apprehension he reported on the part of some Britishers that Great Britain has lost her South American trade contacts to the United States. He said he explained that while Britain had been unable to ship goods to South America since the war, so had we.

Besides, he added, there will be "plenty of opportunity after the war for Great Britain and us both to do more business in South America than ever before—and I hope we can do it on a competitive basis."

Although expressing a hope that Congress will do some post-war planning of its own, Mr. Johnston said he saw no necessity for immediate governmental participation in the conferences he has suggested.

### Further 5% Cut In Newsprint Ordered

A net reduction of an additional 5% in newsprint usage for the fourth quarter of 1943 was recommended by the Newspaper Industry Advisory Committee meeting with War Production Board representatives in Washington on Sept. 3. This is expected to bring about a total reduction of 15% since the first of the year. The original Order L-240, effective Jan. 1, 1943, reduced quotas by approximately 5%, and a further 5% cut was ordered on July 1. The announcement of the WPB also said:

"Exact percentage of the reduction in the fourth quarter cannot be determined by WPB until the Combined Resources and Production Board meets in the near future to learn the maximum tonnage Canada can deliver during the fourth quarter. Canada has been delivering 210,000 tons of newsprint per month since Jan. 1.

"The Newspaper Industry Committee advised against a larger percentage cut and recommended only 5%, because it felt the necessary tonnage could be taken out of inventories.

"The committee also recommended a reduction in permitted publishers inventories of newsprint from 50 days to 40 days supply in the Northeast and Central region and from 75 days to 65 days in the West and South effective Sept. 1, 1943. Publishers would be required to revise their September delivery orders to conform to these new inventory restrictions.

"The committee recommended that WPB grant no personal or telephone interviews in connection with appeals for additional tonnage, and that all communications concerning appeals be 'in writing and in writing only.'"

### Weekly Coal And Coke Production Statistics

The Solid Fuels Administration for War, U. S. Department of the Interior, in its latest report, states that production of soft coal in the week ended Sept. 4, 1943, is estimated at 12,050,000 net tons, as compared with 12,130,000 tons in the preceding week and 11,453,000 tons in the corresponding week of 1942. Total estimated output of soft coal in 1943 to date now stands but 6,575,000 tons above that in 1942.

The U. S. Bureau of Mines estimated that the total production of Pennsylvania anthracite for the week ended Sept. 4, 1943 was 1,254,000 tons, a decrease of 42,000 tons (3.2%) from the preceding week. When compared with the output in the corresponding week of 1942, however, there was an increase of 6,000 tons, or 0.5%. The calendar year 1943 to date shows a decrease of less than 0.1% when compared with the corresponding period of 1942.

The Bureau of Mines also reported that the estimated production of by-product coke in the United States for the week ended Sept. 4, 1943 showed a decrease of 4,500 tons when compared with the output for the week ended Aug. 28, 1943. The quantity of coke from beehive ovens decreased 2,000 tons during the same period.

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

Commodity	Week Ended			January 1 to Date		
	Sep. 4, 1943	Sep. 4, 1942	Sep. 5, 1942	Sep. 4, 1943	Sep. 5, 1942	Sep. 4, 1942
Bituminous coal and lignite	12,050	12,130	11,453	397,402	390,827	296,259
Total, incl. mine fuel	2,008	2,022	1,909	1,892	1,874	1,422
Crude petroleum	6,784	6,722	5,899	225,287	214,385	195,853

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

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

Commodity	Week Ended			Cal. Year to Date		
	Sep. 4, 1943	Aug. 28, 1943	Sep. 5, 1942	Sep. 4, 1943	Sep. 5, 1942	Sep. 7, 1929
Penn. anthracite	1,254,000	1,296,000	1,248,000	41,271,000	41,286,000	47,276,000
Commercial production	1,204,000	1,244,000	1,198,000	39,620,000	39,635,000	43,872,000
By-product coke	1,238,400	1,242,900	1,215,500	42,850,100	42,011,500	47,399,200
United States total	161,700	163,700	169,100	5,310,700	5,616,900	4,739,200

\*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 (In Thousands of Net Tons)

State	Week Ended					Aug. 28, average 1929
	Aug. 28, 1943	Aug. 21, 1943	Aug. 29, 1942	Aug. 30, 1942	Aug. 28, 1942	
Alabama	385	385	374	370	252	397
Alaska	5	5	5	5	2	**
Arkansas and Oklahoma	88	87	94	105	74	81
Colorado	147	141	143	130	105	173
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,509	1,509	1,197	1,127	830	1,363
Indiana	515	531	488	473	260	440
Iowa	39	43	44	45	59	100
Kansas and Missouri	143	154	180	140	114	145
Kentucky—Eastern	952	941	979	947	719	765
Kentucky—Western	320	313	242	227	164	217
Maryland	37	36	36	37	28	44
Michigan	3	6	4	9	6	21
Montana (bituminous and lignite)	96	98	75	64	44	50
New Mexico	37	35	35	20	27	49
North and South Dakota (lignite)	32	31	25	29	17	**20
Ohio	662	681	638	665	414	871
Pennsylvania (bituminous)	2,971	2,940	2,923	2,883	2,025	3,734
Tennessee	128	129	146	149	113	118
Texas (bituminous and lignite)	3	3	9	7	20	24
Utah	110	109	110	99	66	83
Virginia	416	403	388	419	266	248
Washington	28	26	33	37	31	47
*West Virginia—Southern	2,296	2,221	2,228	2,335	1,845	1,515
*West Virginia—Northern	1,031	1,018	948	847	480	875
Wyoming	169	161	160	137	97	154
†Other Western States	1	1	††	††	††	**4
Total bituminous and lignite	12,130	12,010	11,505	11,307	8,058	11,538
†Pennsylvania anthracite	1,296	1,253	1,244	1,279	817	1,926
Total all coal	13,426	13,263	12,749	12,586	8,875	13,464

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

### Wholesale Commodity Index Declined 0.1% During Week Ended Sept. 4, Says Labor Dept.

The U. S. Department of Labor announced on Sept. 9 that a decline of more than 6% in average prices for fruits and vegetables brought the Bureau of Labor Statistics' index of commodity prices in primary markets down 0.1% during the week ended Sept. 4. The Department's announcement further stated:

**"Farm Products and Foods—**Weakening markets for potatoes, apples and lemons, together with lower quotations for hogs, and for rye and wool, caused the index for farm products to drop 0.6% during the week. Higher prices were reported for barley, oats and wheat, for steers and sheep, and for cotton, flaxseed, onions and eggs. In the past four weeks average prices for farm products have declined 1.4%. They are, however, 15.6% higher than at this time last year.

**"The sharp decline in prices for fruits and vegetables brought average prices for foods down 0.8% during the week. Prices were higher for cereal products, including flour, oatmeal and pretzels. Prices for foods in primary markets are 1.8% lower than for the first week of August and 3.3% above the corresponding week of a year ago.**

**"Industrial Commodities—**Prices for most industrial commodities remained steady. Building materials rose fractionally because of

higher prices for pine lumber. Quotations were lower for certain paint materials, particularly butyl acetate, red lead and 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 three weeks, for Aug. 7, 1943, and Sept. 5, 1942, and the percentage changes from a week ago, a month ago, and a year ago:

Commodity groups—*	(1926=100)				Percentage changes to Sept. 4, 1943 from—		
	9-4 1943	8-28 1943	8-21 1943	8-7 1943	8-28 1943	8-7 1943	9-5 1942
All commodities	102.8	102.9	102.8	103.0	99.1	-0.1	-0.2 + 3.7
Farm products	123.3	124.0	123.8	125.0	106.7	-0.6	-1.4 + 15.6
Food	104.7	105.5	105.8	106.6	101.4	-0.8	-1.8 + 3.3
Hides and leather products	118.4	118.4	118.4	118.4	119.0	0	0 + 0.5
Textile products	97.0	97.0	96.9	96.9	96.7	0	+0.1 + 0.3
Fuel and lighting materials	81.7	81.8	81.7	81.6	79.6	-0.1	+0.1 + 2.6
Metals and metal products	103.8	103.8	103.8	103.8	103.9	0	0 + 0.1
Building materials	112.2	112.1	112.1	111.9	110.3	+0.1	+0.3 + 1.7
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	92.2	88.6	0	+0.2 + 4.3
Raw materials	112.3	112.8	112.7	113.5	101.2	-0.4	-1.1 + 11.0
Semimanufactured articles	92.8	92.8	92.8	92.7	92.7	0	+0.1 + 0.1
Manufactured products	100.0	100.0	100.0	99.9	99.2	0	+0.1 + 0.8
All commodities other than farm products	98.4	98.4	98.4	98.3	97.5	0	+0.1 + 0.9
All commodities other than farm products and foods	97.3	97.3	97.3	97.2	95.7	0	+0.1 + 1.7

\*Preliminary.

### Finished Steel Shipments By Subsidiaries Of U. S. Steel Corporation Ahead Of July

Shipments of finished steel products by subsidiaries of the United States Steel Corporation in August amounted to 1,704,289 net tons, an increase of 43,527 net tons over the July deliveries of 1,660,762 net tons, official figures released on Sept. 10 disclosed. In August 1942, shipments were 1,788,650 net tons, or 84,361 net tons larger than in August of this year. For August, 1941, deliveries reached 1,753,665 net tons, and in the same month of 1940, they were 1,455,604 net tons.

For the eight months ended Aug. 31, last, shipments totaled 13,405,067 net tons, a decrease of 652,839 net tons from the 14,057,906 net tons sent out in the corresponding period of last year.

In the table below we list the figures by months for various periods since January, 1929:

Month	1943	1942	1941	1940	1939	1929
January	1,685,993	1,738,893	1,682,454	1,145,592	870,866	1,384,801
February	1,691,592	1,616,587	1,548,451	1,009,256	747,427	1,388,407
March	1,772,397	1,780,938	1,720,366	931,905	845,108	1,605,510
April	1,630,828	1,758,894	1,687,674	907,904	771,752	1,617,302
May	1,705,543	1,834,127	1,745,295	1,084,057	795,689	1,701,874
June	1,552,663	1,774,068	1,668,637	1,209,684	607,562	1,529,241
July	1,660,762	1,765,749	1,666,667	1,296,887	745,364	1,500,281
August	1,704,289	1,788,650	1,753,665	1,455,604	885,636	1,262,674
September	1,703,570	1,664,227	1,392,838	1,086,683	1,086,683	1,262,674
October	1,787,501	1,851,279	1,572,408	1,348,855	1,348,855	1,335,355
November	1,665,545	1,624,186	1,425,352	1,408,205	1,408,205	1,110,050
December	1,849,635	1,846,036	1,544,623	1,443,969	931,744	1,443,969
Total by mos.	21,064,157	20,458,937	14,976,110	11,752,116	16,825,477	16,825,477
Yearly adjust.	*449,020	*42,333	37,639	*44,865	*12,827	*12,827
Total	20,615,137	20,416,604	15,013,749	11,707,251	16,812,650	16,812,650

NOTE—The monthly shipments as currently reported during the year 1942, are subject to adjustments reflecting annual tonnage reconciliations. These will be comprehended in the cumulative yearly shipments as stated in the annual report.

### Non-Ferrous Metals—Lead Sales Good—Zinc Is Moderately Active—Copper Quiet

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. 9 stated: "The news of the unconditional surrender of Italy reached the market at noon of Sept. 8. The event was regarded as of great importance, particularly because of its political implications. Marketwise, however, the news caused no excitement and left hardly a ripple on the more-or-less fixed price structure. Sales of lead during the last week were in good volume, with zinc moderately active. Copper experienced a quiet period. OPA has inserted clarifying provisions into the price regulations for copper, lead and zinc in regard to drawback privileges on importations of the three metals. Sellers of manganese ores were authorized to use Atlantic basing points in sales east of the Mississippi River and north of the Ohio River." The publication further went on to say in part:

**Copper**  
"The War Department announced last week that it has released 4,480 men for work in the mines. Of this number, 75% will work at copper properties. The program called for 4,500 men.  
"With the war news encouraging, the industry hopes that larger quantities of copper will be made available by the authorities in Washington for civilian consumption. WPB issued CMP Regulation No. 9 last week, informing retailers and repair men in business on Aug. 1 on necessary procedure for obtaining copper wire for retail sales.

**Lead**  
"Though some of the recent increased activity in lead resulted from the request made by WPB that consumers add to their inventories before the fall freight congestion sets in, the sales volume has been better than most observers expected. It now develops that sales of lead booked during August were larger in volume than for any other month since the United States entered into the war. Demand has continued fairly active, and is expected to increase next week as the date for considering October allocations approaches. The trade believes the date for the meeting will be Sept. 20, as stated a week ago.

**Zinc**  
"Fair tonnages of zinc were sold during the last week, which just about brought an end to the buy-

ing movement so far as the September needs of consumers are concerned. The price situation was unchanged. Though domestic production has declined somewhat during the summer period, the stocks on hand actually increased.

"In addition to clarifying the provisions governing drawbacks on imports of zinc (Amendment 3 to Revised Price Schedule 81), OPA last week officially freed from price control all purchases by Metals Reserve Co. or any other Government department, agency, or corporation approved by the OPA.

"Point of shipment, according to the amended price regulation, means the point at which primary slab zinc is first loaded on a conveyance for transportation directly to the buyer's receiving point. This is usually the seller's plant, warehouse, or yard, but if the slab zinc is shipped directly to the buyer's receiving point from some point other than the seller's plant, warehouse, or yard, such other point is the point of shipment. In the case of primary slab zinc shipped by water from outside the limits of the continental United States the point of shipment means the place within the limits of the continental United States where the material is loaded on a conveyance for transportation directly to the buyer's receiving point. If such zinc is brought into the continental United States by overland shipment from Mexico or Canada, the point of shipment means the freight station in the continental United States or at nearest the point on the boundary between the United States and Mexico or Canada, as the case may be, at which the primary slab zinc first enters the United States.

**Tin**  
"Spain produced 109 tons of tin contained in ore and 20 tons as metal during the first quarter of 1943.

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

Month	Sept.	Oct.	Nov.
Sept. 2	52.000	52.000	52.000
Sept. 3	52.000	52.000	52.000
Sept. 4	52.000	52.000	52.000
Sept. 6	52.000	Holiday	52.000
Sept. 7	52.000	52.000	52.000
Sept. 8	52.000	52.000	52.000

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

**Quicksilver**  
"Gold producers on the Pacific Coast, unable to operate under war conditions, are looking around for quicksilver properties. Production of quicksilver is holding at a higher level than most authorities thought possible. The high price has been the stimulating influence. Quotations in New York last week continued at \$196@193 per flask of 76 pounds. The 10-year average (1930 to 1939 inclusive) in the New York market was \$81.49 per flask.

**Silver**  
"WPB last week prohibited any further use of foreign silver in the manufacture of brazing alloys or solders. However, the order provides that manufacturers may complete processing foreign silver already in process, or use up one month's supply of the total quantity of foreign silver on hand July 29.

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

"The New York Official and the Treasury prices were also unchanged at 44¼¢ and 35¢, respectively."

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

### Trading On New York Exchanges

The Securities and Exchange Commission made public on Sept. 11 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. 28, 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. 28 (in round-lot transactions) totaled 963,940 shares, which amount was 16.49% of the total transactions on the Exchange of 2,922,750 shares. This compares with member trading during the week ended Aug. 21 of 1,028,110 shares, or 16.33% of total trading of 3,148,320 shares. On the New York Curb Exchange, members trading during the week ended Aug. 28 amounted to 194,530 shares, or 15.83% of the total volume of that exchange of 614,570 shares; during the Aug. 21 week trading for the account of Curb members of 206,195 shares was 14.94% of total trading of 690,180 shares.

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

WEEK ENDED AUG. 28, 1943		Total for week	†Per Cent
<b>A. Total Round-Lot Sales:</b>			
Short sales	-----	88,620	
†Other sales	-----	2,834,130	
Total sales	-----	2,922,750	
<b>B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:</b>			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases	-----	266,870	
Short sales	-----	41,880	
†Other sales	-----	188,590	
Total sales	-----	230,470	8.51
2. Other transactions initiated on the floor—			
Total purchases	-----	105,300	
Short sales	-----	10,220	
†Other sales	-----	121,820	
Total sales	-----	132,040	4.06
3. Other transactions initiated off the floor—			
Total purchases	-----	110,790	
Short sales	-----	5,410	
†Other sales	-----	113,060	
Total sales	-----	118,470	3.92
4. Total—			
Total purchases	-----	482,960	
Short sales	-----	57,510	
†Other sales	-----	423,470	
Total sales	-----	480,980	16.49

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

WEEK ENDED AUG. 28, 1943		Total for week	†Per Cent
<b>A. Total Round-Lot Sales:</b>			
Short sales	-----	4,815	
†Other sales	-----	609,755	
Total sales	-----	614,570	
<b>B. Round-Lot Transactions for the Account of Members:</b>			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases	-----	53,880	
Short sales	-----	3,190	
†Other sales	-----	47,340	
Total sales	-----	50,530	8.50
2. Other transactions initiated on the floor—			
Total purchases	-----	11,150	
Short sales	-----	250	
†Other sales	-----	11,625	
Total sales	-----	11,875	1.87
3. Other transactions initiated off the floor—			
Total purchases	-----	22,940	
Short sales	-----	100	
†Other sales	-----	44,055	
Total sales	-----	44,155	5.46
4. Total—			
Total purchases	-----	87,970	
Short sales	-----	3,540	
†Other sales	-----	103,020	
Total sales	-----	106,560	15.83
<b>C. Odd-Lot Transactions for the Account of Specialists—</b>			
Customers' short sales	-----	0	
†Customers' other sales	-----	28,522	
Total purchases	-----	28,522	
Total sales	-----	22,029	

\*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."

### Daily Average Crude Oil Production For Week Ended Sept. 4, 1943 Increased 39,200 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Sept. 4, 1943, was 4,235,450 barrels, an increase of 39,200 barrels over the preceding week and 552,700 barrels per day more than produced in the corresponding week of 1942. The current figure, however, is 316,650 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of September, 1943. Daily output for the four weeks ended Sept. 4, 1943, averaged 4,222,350 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 4,214,000 barrels of crude oil daily and produced 12,343,000 barrels of gasoline, 1,269,000 barrels of kerosine, 4,361,000 barrels of distillate fuel oil and 8,703,000 barrels of residual fuel oil during

the week ended Sept. 4, 1943; and had in storage at the end of that week 71,402,000 barrels of gasoline, 10,725,000 barrels of kerosine, 38,673,000 barrels of distillate fuel and 67,675,000 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 September	*State Allowables Begin, Sept. 1	Actual Production Week Ended Sept. 4, 1943	Change from Previous Week	4 Weeks Ended Sept. 4, 1943	Week Ended Sept. 5, 1942
Oklahoma	347,000	358,000	1,324,950	+ 1,250	327,950	379,300
Kansas	300,000	290,000	1,263,300	-34,300	293,800	245,850
Nebraska	2,000	-----	11,800	-----	1,850	3,300
Panhandle Texas	-----	-----	101,400	+ 3,400	98,850	75,000
North Texas	-----	-----	140,500	+ 100	140,400	130,450
West Texas	-----	-----	300,800	+ 42,400	269,000	180,150
East Central Texas	-----	-----	130,100	+ 150	130,000	79,700
East Texas	-----	-----	376,150	+ 5,150	372,300	291,000
Southwest Texas	-----	-----	252,300	+ 13,250	242,250	157,800
Coastal Texas	-----	-----	479,300	+ 4,850	475,600	293,800
Total Texas	1,909,000	1,946,153	1,780,550	+ 69,300	1,728,400	1,207,900
North Louisiana	-----	-----	82,200	+ 300	82,800	97,000
Coastal Louisiana	-----	-----	273,500	+ 5,000	269,750	231,500
Total Louisiana	375,000	399,000	355,700	+ 5,300	352,550	328,500
Arkansas	80,100	80,052	76,650	+ 300	76,350	72,350
Mississippi	50,000	-----	51,550	- 650	52,100	72,000
Illinois	222,800	-----	211,350	- 450	210,450	267,700
Indiana	13,800	-----	13,100	- 1,600	13,500	18,400
Eastern— (Not incl. Ill., Ind. and Ky.)	86,600	-----	78,300	+ 4,350	76,050	85,750
Kentucky	25,500	-----	20,800	- 1,800	22,400	11,600
Michigan	60,100	-----	55,550	- 1,400	56,700	61,900
Wyoming	98,800	-----	91,200	- 5,650	97,800	88,450
Montana	23,300	-----	21,350	- 550	21,350	21,700
Colorado	6,500	-----	6,750	- 550	7,200	6,700
New Mexico	116,600	116,600	105,050	- 550	104,800	95,350
Total East of Calif.	3,717,100	-----	3,457,950	+ 31,600	3,443,250	2,966,750
California	835,000	\$835,000	777,500	+ 7,600	779,100	716,000
Total United States	4,552,100	-----	4,235,450	+ 39,200	4,222,350	3,682,750

\*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 June, 1943, as follows: Oklahoma, 27,000; Kansas, 4,900; Texas, 106,400; Louisiana, 19,300; Arkansas, 4,000; Illinois, 11,500; Eastern (not including Illinois, Indiana or Kentucky), 6,000; Kentucky, 2,200; Michigan, 100; Wyoming, 2,000; Montana, 300; New Mexico, 5,400; California, 46,000.

†Oklahoma, Kansas, Nebraska figures are for week ended Sept. 2, 1943.

‡This is the net basic allowable as of Sept. 1 calculated on a 30-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 7 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 SEPT. 4, 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		at Re- fineries Includ. and Un- finished	†Stocks of Gasoline	†Stocks of Oil and Distillate	†Stocks of Residual Fuel
	Poten- tial % Re- porting	% Re- porting	Average	erated				
Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas—	2,444	88.7	2,163	88.5	5,983	30,695	17,063	17,122
Appalachian—								
District No. 1	130	83.9	102	78.5	302	1,268	770	363
District No. 2	47	87.2	53	112.8	180	892	128	176
Ind., Ill., Ky.	824	85.2	719	87.3	2,515	13,723	5,823	3,311
Okla., Kans., Mo.	416	80.1	337	81.0	1,237	6,139	2,090	1,717
Rocky Mountain—								
District No. 3	8	26.9	8	100.0	30	53	15	28
District No. 4	139	57.7	94	67.6	317	1,225	390	721
California	817	89.9	738	90.3	1,779	17,407	12,394	44,237
Tot. U. S. B. of M. basis Sept. 4, 1943	4,825	86.4	4,214	87.3	12,343	71,402	38,673	67,675
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
U. S. Bur. of Mines basis Sept. 5, 1942	-----	-----	3,675	-----	11,224	79,093	43,426	78,602

\*At the request of the Petroleum Administration for War. †Finished, 60,980,000 barrels; unfinished, 10,422,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,269,000 barrels of kerosine, 4,361,000 barrels of gas oil and distillate fuel oil and 8,703,000 barrels of residual fuel oil produced during the week Sept. 4, 1943, which compares with 1,434,000 barrels, 4,351,000 barrels and 8,732,000 barrels, respectively, in the preceding week and 1,239,000 barrels, 4,060,000 barrels and 7,000,000 barrels, respectively, in the week ended Sept. 5, 1942.

Note—Stocks of kerosine amounted to 10,725,000 barrels at Sept. 4, 1943, against 10,443,000 barrels a week earlier and 12,201,000 barrels a year before.

### Bank Debits For Month Of August

The Board of Governors of the Federal Reserve System issued on Sept. 10 its usual monthly summary of "bank debits," which we give below:

#### SUMMARY BY FEDERAL RESERVE DISTRICTS (In millions of dollars)

Federal Reserve District—	—3 Months Ended—			
	Aug. 1943	Aug. 1942	Aug. 1942	Aug. 1942
Boston	3,046	2,707	9,704	8,565
New York	23,309	20,174	77,429	61,247
Philadelphia	2,949	2,521	8,982	7,674
Cleveland	4,181	3,650	13,240	11,387
Richmond	2,401	2,189	7,312	6,605
Atlanta	2,133	1,815	6,585	5,443
Chicago	9,795	8,332	30,374	25,393
St. Louis	1,755	1,600	5,506	4,949
Minneapolis	1,318	1,042	3,890	3,081
Kansas City	2,132	1,811	6,653	5,406
Dallas	1,736	1,517	5,537	4,442
San Francisco	5,860	4,630	17,644	13,598
Total, 334 centers	60,614	51,989	192,856	157,811
*New York City	21,221	18,324	70,661	55,326
*140 other centers	33,359	28,286	103,273	86,005
193 other centers	6,034	5,379	18,923	16,480

\*Included in the national series covering 141 centers, available beginning in 1919.

### NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Sept. 11 a summary for the week ended Sept. 4 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Week Ended Sept. 4, 1943

Odd-Lot Sales by Dealers: (Customers' purchases)	Total for Week
Number of orders	11,965
Number of shares	328,559
Dollar value	12,681,441
<b>Odd-Lot Purchases by Dealers— (Customers' Sales)</b>	
Number of Orders:	
Customers' short sales	102
Customers' other sales	12,828
Customers' total sales	12,930
Number of Shares:	
Customers' short sales	3,777
Customers' other sales	312,964
Customers' total sales	316,741
Dollar value	10,350,839

Round-Lot Sales by Dealers—	Number of Shares:
Short sales	360
†Other sales	84,750
Total sales	85,110
<b>Round-Lot Purchases by Dealers—</b>	
Number of shares	106,540

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

### Lumber Movement—Week Ended September 4, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 446 mills reporting to the National Lumber Trade Barometer exceeded production by 0.8% for week ended Sept. 4, 1943. In the same week new orders of these mills were 4.8% less than production. Unfilled order files in the reporting mills amounted to 109% of stocks. For reporting softwood mills, unfilled orders are equivalent to 41 days' production at the current rate, and gross stocks are equivalent to 35 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 9.1%; orders by 10.8%.

Compared to the average corresponding week of 1935-39 production of reporting mills was 11.8% greater; shipments were 12.2% greater; and orders were 11.1% greater.

### Kettering Asks All To Plan For Peace

Charles F. Kettering, Vice-President of the General Motors Corp., addressing the war-time conference of the Associated Press Managing Editors Association on Sept. 10 at Chicago, said "that there ought to be in the United States 130,000,000 post-war planning organizations—each one should do his own thinking." Associated Press advices from Chicago, on Sept. 10 also quoted Mr. Kettering as saying:

"You have a responsibility greater than any business in America because so many people depend on you for their thinking. It is up to your organization to lay the long-term foundations. No man can prescribe the rules by which civilization is to go forward any more than this group."

### Revenue Freight Car Loadings During Week Ended Sept. 4, 1943 Decreased 2,932 Cars

Loading of revenue freight for the week ended Sept. 4, 1943, totaled 901,075 cars, the Association of American Railroads announced on Sept. 10. This was an increase above the corresponding week of 1942 of 13,115 cars, or 1.5%, and an increase above the same week in 1941, which included Labor Day holiday of 103,284 cars or 12.9%.

Loading of revenue freight for the week of Sept. 4, decreased 2,932 cars, or 0.30% below the preceding week.

Miscellaneous freight loading totaled 398,604 cars, an increase of 182 cars above the preceding week, but a decrease of 21,453 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 101,889 cars, a decrease of 590 cars below the preceding week, but an increase of 12,892 cars above the corresponding week in 1942.

Coal loading amounted to 177,212 cars, a decrease of 1,557 cars below the preceding week, but an increase of 11,112 cars above the corresponding week in 1942.

Grain and grain products loading totaled 54,277 cars, a decrease of 11 cars below the preceding week, but an increase of 10,193 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of Sept. 4, totaled 38,718 cars, a decrease of 343 cars below the preceding week but an increase of 8,873 cars above the corresponding week in 1942.

Live stock loading amounted to 17,596 cars, an increase of 1,207 cars above the preceding week, and an increase of 1,453 cars above the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of Sept. 4, totaled 13,385 cars, an increase of 1,015 cars above the preceding week, and an increase of 1,052 cars above the corresponding week in 1942.

Forest products loading totaled 47,442 cars, a decrease of 855 cars below the preceding week and a decrease of 5,000 cars below the corresponding week in 1942.

Ore loading amounted to 89,342 cars, a decrease of 1,149 cars below the preceding week but an increase of 3,480 cars above the corresponding week in 1942.

Coke loading amounted to 14,713 cars, a decrease of 159 cars below the preceding week, but an increase of 438 cars above the corresponding week in 1942.

All districts reported increases compared with the corresponding week in 1942, except the Pocahontas, Southern and Centralwestern and all districts reported increases compared with 1941.

	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
4 weeks of August	3,554,446	3,487,905	3,581,350
Week of September 4	901,075	887,960	797,791
Total	28,859,949	29,624,401	28,525,330

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Sept. 4, 1943. During this period 70 roads should increase when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED SEPT. 4

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1943	1942	1941	1943	1942	1941
<b>Eastern District—</b>						
Ann Arbor	243	339	479	1,622	1,415	1,900
Bangor & Aroostook	1,039	941	715	442	190	190
Boston & Maine	6,708	6,433	7,776	14,839	14,216	14,216
Chicago, Indianapolis & Louisville	1,502	1,534	1,433	2,242	1,980	1,980
Central Indiana	33	19	17	55	62	62
Central Vermont	1,058	1,088	1,333	2,468	2,814	2,814
Delaware & Hudson	6,295	6,437	6,466	11,010	11,450	11,450
Delaware, Lackawanna & Western	7,818	7,806	8,780	10,786	10,712	10,712
Detroit & Mackinac	231	580	277	104	300	300
Detroit, Toledo & Ironton	2,041	1,735	2,123	1,259	1,340	1,340
Detroit & Toledo Shore Line	330	274	270	2,710	2,685	2,685
Erle	14,344	13,235	13,627	19,691	16,848	16,848
Grand Trunk Western	3,717	3,977	4,342	8,408	8,562	8,562
Lehigh & Hudson River	182	211	162	3,237	3,313	3,313
Lehigh & New England	2,067	2,487	2,045	1,676	2,068	2,068
Lehigh Valley	8,792	8,668	9,073	16,401	15,060	15,060
Maine Central	2,465	2,229	2,634	2,892	2,600	2,600
Monongahela	6,462	6,248	5,608	445	442	442
Montour	2,431	2,387	2,344	235	31	31
New York Central Lines	57,318	50,017	46,177	57,437	57,401	57,401
N. Y., N. H. & Hartford	10,155	9,866	10,378	18,618	19,537	19,537
New York, Ontario & Western	1,090	1,048	1,112	2,433	2,474	2,474
New York, Chicago & St. Louis	6,808	8,447	6,460	17,501	16,093	16,093
N. Y., Susquehanna & Western	647	350	406	2,077	1,999	1,999
Pittsburgh & Lake Erie	8,050	8,163	7,694	9,186	8,657	8,657
Pere Marquette	5,244	5,853	5,358	7,377	6,071	6,071
Pittsburgh & Shawmut	947	880	519	13	33	33
Pittsburgh, Shawmut & North	385	360	422	356	278	278
Pittsburgh & West Virginia	1,232	978	889	2,571	3,538	3,538
Rutland	330	418	562	1,018	973	973
Wabash	6,069	6,445	5,369	12,082	12,873	12,873
Wheeling & Lake Erie	6,148	5,291	5,225	4,444	5,225	5,225
Total	172,181	164,744	160,075	235,635	231,250	231,250
<b>Allegheny District—</b>						
Akron, Canton & Youngstown	697	736	686	1,187	1,115	1,115
Baltimore & Ohio	45,116	42,769	38,225	29,612	26,354	26,354
Bessemer & Lake Erie	6,822	6,422	6,665	2,204	2,623	2,623
Buffalo Creek & Gauley	301	267	260	4	4	4
Cambria & Indiana	1,751	1,897	1,840	6	9	9
Central R. R. of New Jersey	7,259	7,440	7,469	21,537	19,814	19,814
Cornwall	691	672	683	53	57	57
Cumberland & Pennsylvania	223	257	266	10	9	9
Ligonier Valley	146	135	119	47	55	55
Long Island	2,009	1,183	867	4,381	3,985	3,985
Penn-Reading Seashore Lines	2,099	2,288	1,884	3,047	2,349	2,349
Pennsylvania System	87,460	85,119	79,857	71,635	62,121	62,121
Reading Co.	15,935	15,513	15,783	29,365	27,825	27,825
Union (Pittsburgh)	20,851	20,430	19,191	8,016	7,231	7,231
Western Maryland	4,406	3,967	3,908	12,206	13,432	13,432
Total	195,766	189,095	177,703	183,310	166,983	166,983
<b>Pocahontas District—</b>						
Chesapeake & Ohio	28,992	28,239	27,086	14,343	13,767	13,767
Norfolk & Western	22,563	23,552	21,971	7,463	6,876	6,876
Virginian	4,580	4,542	4,157	2,282	2,298	2,298
Total	56,135	56,333	53,214	24,088	22,941	22,941

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
<b>Southern District—</b>					
Alabama, Tennessee & Northern	301	354	394	353	339
Atl. & W. P.—W. R. E. of Ala.	643	683	942	2,641	2,773
Atlanta, Birmingham & Coast	691	682	883	1,056	1,063
Atlantic Coast Line	11,266	11,076	10,322	10,334	9,541
Central of Georgia	3,926	3,909	4,319	4,583	4,344
Charleston & Western Carolina	419	376	442	1,336	1,534
Clinchfield	1,669	1,768	1,696	2,682	2,609
Columbus & Greenville	364	396	298	159	247
Durham & Southern	108	116	200	1,051	572
Florida East Coast	1,177	903	416	1,265	1,516
Gainesville Midland	45	40	38	86	60
Georgia	1,187	1,494	1,312	3,190	2,806
Georgia & Florida	451	314	469	594	607
Gulf, Mobile & Ohio	4,515	4,370	3,739	4,609	4,619
Illinois Central System	29,201	28,241	22,979	18,025	18,210
Louisville & Nashville	28,131	25,719	23,358	12,448	10,899
Macon, Dublin & Savannah	185	186	208	664	732
Mississippi Central	247	302	204	535	1,203
Nashville, Chattanooga & St. L.	3,410	3,648	3,053	4,967	4,608
Norfolk Southern	1,141	1,342	1,472	1,426	2,179
Piedmont Northern	371	439	385	1,113	1,223
Richmond, Fred. & Potomac	489	439	385	9,612	8,864
Seaboard Air Line	9,867	10,596	9,029	8,111	8,782
Southern System	22,209	23,469	22,059	23,883	24,450
Tennessee Central	935	527	477	1,196	821
Winston-Salem Southbound	124	95	126	957	1,169
Total	120,193	121,387	109,315	116,876	115,771

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
<b>Northwestern District—</b>					
Chicago & North Western	21,299	21,273	19,739	15,457	15,088
Chicago Great Western	3,182	2,653	2,684	3,336	3,750
Chicago, Milw., St. P. & Pac.	23,395	22,025	20,363	12,564	12,909
Chicago, St. Paul, Minn. & Omaha	4,756	4,084	3,758	4,548	4,670
Duluth, Missabe & Iron Range	30,505	31,067	23,586	373	386
Duluth, South Shore & Atlantic	1,668	1,195	1,152	723	1,349
Elgin, Joliet & Eastern	8,715	9,917	9,903	11,187	10,853
Ft. Dodge, Des Moines & South	498	591	583	111	106
Great Northern	26,885	27,128	23,684	6,172	5,989
Green Bay & Western	558	505	535	1,062	879
Lake Superior & Ishpeming	2,501	2,227	2,467	62	61
Minneapolis & St. Louis	2,521	2,184	1,917	2,790	2,470
Minn., St. Paul & S. S. M.	8,103	8,246	6,794	3,006	3,102
Spokane International	13,551	12,620	10,418	6,058	5,795
Northern Pacific	159	277	127	581	601
Spokane, Portland & Seattle	3,068	2,874	2,157	3,917	3,657
Total	151,364	148,866	129,867	71,947	71,665

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
<b>Central Western District—</b>					
Atch., Top. & Santa Fe System	23,342	22,954	20,576	13,341	13,012
Alton	3,616	3,644	2,978	4,329	4,856
Bingham & Garfield	462	549	673	78	96
Chicago, Burlington & Quincy	20,772	20,293	16,873	12,396	12,151
Chicago & Illinois Midland	3,079	2,447	2,630	918	1,033
Chicago, Rock Island & Pacific	12,171	12,835	11,799	13,028	13,023
Chicago & Eastern Illinois	2,738	2,856	2,504	5,490	4,507
Colorado & Southern	932	910	762	2,047	1,869
Denver & Rio Grande Western	4,470	6,125	4,462	6,314	6,189
Denver & Salt Lake	803	820	714	24	18
Port Worth & Denver City	1,163	1,382	874	1,269	1,702
Illinois Terminal	1,734	1,846	1,733	2,146	2,534
Missouri-Illinois	1,212	1,246	1,012	572	488
Nevada Northern	2,151	2,200	1,626	135	105
Norfolk Western Pacific	1,041	1,307	1,039	700	742
Peoria & Pekin Union	32	2	8	0	0
Southern Pacific (Pacific)	31,657	32,973	26,305	13,689	10,712
Toledo, Peoria & Western	312	330	299	1,955	1,589
Union Pacific System	16,918	16,605	15,945	17,320	16,059
Utah	581	514	506	5	5
Western Pacific	2,333	2,462	1,755	4,631	3,787
Total	131,519	134,301	115,074	100,387	94,475

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
<b>Southwestern District—</b>					
Burlington-Rock Island	343				

## Items About Banks, Trust Companies

In addition to the limited banking facilities which Manufacturers Trust Co. of New York made available to Navy Yard personnel when it established its first office in the Brooklyn Navy Yard several weeks ago, the bank is now offering special checking accounts, commercial checking accounts and special interest accounts. The Manufacturers Trust Co. now has three offices in the Yard. One is located near the Sands Street gate, another near the Cumberland Street gate and the third near the Clymer Street gate. Additional offices are expected to be opened in the near future so as to provide adequate banking facilities for the tens of thousands of Navy Yard employees as well as the Navy personnel stationed in the Yard. Previous reference to the branch appeared in these columns Aug. 26, page 844.

Charles V. A. Walsh, who retired as an Assistant Secretary of the Irving Trust Co., New York City, in 1938, after 50 years in banking, died on Sept. 9 at his home in Madison, N. J. He was 71 years old. Mr. Walsh started his banking career with the American Exchange National Bank in 1889, and when that institution merged with the Irving in 1926 he became an Assistant Secretary of the consolidated bank.

At the regular meeting of the Board of Directors of The National City Bank of New York held on Sept. 14, C. Theodore Gardner was appointed an Assistant Cashier.

A final sale of the remaining assets of the former First National Bank & Trust Co. of Yonkers, N. Y., was held on Sept. 10 in the office of the Federal Bank Receiver William Oosterhuis. The book value was \$651,253. Advice to the New York "Times" stated: "Assets consisted largely of promissory notes. They were bought by Fred C. Ehnes of Newark, N. J., for \$8,300. J. Allen Rhodes was the auctioneer. In addition to the \$651,253 worth of assets, 20,000 shares of common stock of United Piece Dye Works, owned by the bank receivership, were auctioned off separately and were bought for \$6,300 by Fred Strauss of New York City."

Perry E. Wurst, Executive Vice-President of the Manufacturers and Traders Trust Co., Buffalo, N. Y., died on Sept. 5 at the age of 65.

At his death he was also Treasurer and Director of the Healey Petroleum Co. of Bradford, Pa.; Vice-President and a Director of the American Extract Co. and Vice-President, Secretary and a Director of the Taber Pump Co.

In addition, he was a Director of the American Hide and Leather Co. of Boston, the Buffalo Cement Co., the Abstract Title and Mortgage Co., the Manufacturers and Traders Safe Deposit Co., the Bank of Corfu, the Western New York and Pennsylvania Railroad Co., the Jefferson County Gas Co. of Bradford and the Ward Pecos Petroleum Co.

Mr. Wurst served several terms as a member of the State Banking Board.

Elliott C. McDougal, former President and Chairman of the Board of the Marine Trust Co., Buffalo, N. Y., and previously President of the Bank of Buffalo, died in a Buffalo hospital on Sept. 7 at the age of 84.

Mr. McDougal had retired from active banking in 1928, the 50th anniversary of his entry into the banking business. He began his career as a messenger with the old Marine National Bank in 1878 and in the following year became connected with the Bank of Buffalo, an association which continued throughout 41 years. Mr.

McDougal had served as President of the Bank of Buffalo for 24 years, and when the institution was merged with the Marine Trust Co. in 1920 he was elected President of the new institution. The Buffalo Trust Co. and the Marine bank merged in 1925 with Mr. McDougal becoming Chairman of the Board of the combined organization.

G. Edward Prouty, Boston financier, died on Sept. 7 at his home in Littleton, Mass., at the age of 58. Mr. Prouty entered the stock brokerage business in 1907, after being graduated from Massachusetts Institute of Technology. For the next 18 years he was associated with the Boston and New York Stock Exchange firm of Hayden, Stone & Co. He resigned in 1926 to become an officer of A. B. Conant & Co., but subsequently devoted his time to his own investments. He was a Director of the Concord (Mass.) National Bank.

The First National Bank of Philadelphia on Sept. 7 opened its new main office in the building acquired from Drexel & Co. at the corner of 15th and Walnut Streets. The growth of the First National forced the bank to find additional space and it is believed the new quarters will provide adequate facilities for many years to come. The location at 315 Chestnut Street, which has been the main office of the bank for 78 years, will henceforth be known as the downtown office.

The First National Bank of Philadelphia was the first National Bank in the United States, having been chartered on June 20, 1863. The bank was opened for business July 11, 1863, and recently completed its 80th year of continual public service, in every one of which a dividend has been paid to shareholders.

As of June 30, 1943, the First National Bank had total assets of \$167,896,506 and total deposits of \$157,083,408. Its capital is listed at \$3,111,000 and surplus at \$4,000,000, while undivided profits are reported at \$2,294,354. Harry C. Carr is President of the institution.

The Tradesmen's National Bank of Conshohocken, Pa., announced on Sept. 10 plans to go into voluntary liquidation. A stockholders' meeting is scheduled for Oct. 11, at which a definite decision will be made for liquidating the 61-year-old institution.

J. R. Wood, Chairman and President of the bank, according to advices to the Philadelphia "Inquirer," explained that the "move to liquidate is entirely voluntary and was taken solely because we believe it to be in interest of community, depositors and shareholders. It is felt interest of community can best be served by having one large banking institution which can operate more economically."

The First National Bank, only other bank in Conshohocken, has offered through its President, Donald P. Horsey, to assist with liquidation and has invited officers of Tradesmen's to become members of First National Bank.

Henry Stauffer King, founder and former President of the Security Storage & Trust Co. and former Vice-President of the Hopkins Place Savings Bank, died on Sept. 6 at his home in Baltimore. He was 93 years old. The following regarding Mr. King's career was reported in the Baltimore "Sun" of Sept. 7:

"In 1894 he organized the Security Storage & Trust Co., later becoming its President and retaining that post until his retirement from business in 1927.

"He was a member of the original incorporators of the Hopkins Place Savings Bank, serving for

a time as Vice-President, and was a member of its board until his death.

"He was a Director of the Title Guarantee & Trust Co., the Mortgage Guarantee Co., the original Equitable Trust Co. and the Mount Royal Improvement Association, and also was one of the incorporators of the old Guardian Trust Co., now the Maryland Trust Co."

Potter Palmer, member of one of Chicago's pioneer families and a Director of the First National Bank of Chicago, died on Sept. 3 at Santa Barbara, Calif. Mr. Palmer, who was 67 years old, was also President of the Chicago Art Institute.

Reginald McKenna, Chairman of the Midland Bank, Ltd., London, since 1919, died in London on Sept. 6 at the age of 80. Mr. McKenna had been a prominent political figure in England before he went into the banking business. He was First Lord of the Admiralty from 1908 to 1911, Home Secretary from 1911 to 1915 and Chancellor of the Exchequer in 1915-16.

The directors of the Midland Bank Ltd. of London recently announced that the Right Hon. The Earl Peel has been elected to a seat at their board and at the board of the Midland Bank Executor & Trustee Co. Ltd.

The First National Bank of Chicago declared on Sept. 10 an extra dividend of 50 cents a share in addition to regular quarterly dividend of \$2.50 per share, payable Oct. 1 to stock of record Sept. 18. The bank also declared a special dividend of stock of the Uptown National Bank of Chicago, at the rate of one share of Uptown stock for each 25 shares of First National Bank stock. Reporting this, Chicago advices to the "Wall Street Journal" of Sept. 11 added:

"First National shareholders who own less than 25 shares will be paid the sum of \$1.60 in cash in lieu of fractional shares of Uptown Bank stock.

"The First National Bank owns 11,800 shares of \$25 par Uptown National Bank stock out of a total of 12,000 shares outstanding.

"To provide the cash payments in lieu of fractional shares of Uptown stock, First National Bank has arranged with A. G. Becker & Co. to purchase such Uptown shares as shall remain as a result of non-distribution of fractional shares at a price of \$40 per share.

"The Uptown Bank has not paid dividends to date, but it is expected that dividends will be inaugurated on or about Jan. 1, 1944, at the annual rate of \$2 per share, by the declaration of a semi-annual dividend of \$1 per share, according to Edward E. Brown, President of the First National Bank."

## Dismisses Charges Against Publisher

The charges against Ralph B. Chandler, publisher, were dismissed on Sept. 14 by Probate Judge Norville R. Leigh Jr. Mr. Chandler was convicted of contempt of court for publishing an editorial criticizing the decision of a Mobile jurist, said United Press advices on Sept. 14 from Mobile, Ala., from which we also quote.

In upholding what he termed "the constitutional liberty of the press," Judge Leigh ruled that "after a Judge or Court has rendered final judgment, anyone may criticize such final judgment as he pleases, subject only to criminal prosecution and civil suit if his criticism is slanderous or libelous."

## WLB Rules Federal Power Supersede States' In Wartime

The War Labor Board rules on Aug. 28 that during wartime the powers of the President and Congress supersede acts of State Legislatures in labor relations matters.

The opinion was written by Wayne L. Morse, public member of the Board, in a case involving the J. Grenebaum Tanning Co. of Milwaukee and the Wisconsin Employment Peace Act.

In Associated Press Washington advices, the ruling was described as follows:

"The WLB directed the company to grant a standard voluntary maintenance of membership clause and voluntary check-off to the International Fur and Leather Workers Union of America and Canada, Local 260, CIO.

"The company objected on the grounds that the Board did not have authority to grant maintenance of membership under the Wisconsin act and under the provisions of the War Labor Board Disputes Act, which reads in part that 'the Board shall conform to the provisions of the National Labor Relations Act.'"

Mr. Morse, Dean of the University of Oregon Law School, said that the Board was fully aware that its decisions must not invade the province of State sovereignty, but added:

"No law of a State which is aimed at inserting conditions in a collective bargaining contract between an employer and the bargaining agent of the employees can be said to supersede any order of the War Labor Board regulating relations between employer and employee in time of war when the power to issue that regulation flows from the war powers of the United States."

The Wisconsin act provides that an agreement for union security is invalid unless "three-fourths or more of the employees in such collective bargaining unit shall have voted affirmatively by secret ballot 'in favor of the union security clause."

"It should be noted, however, that the instant case does not involve a dispute between the State of Wisconsin and State employees," Mr. Morse said.

"The War Labor Board's ruling upon maintenance of membership does not invade the province of the sovereignty of the State of Wisconsin. Rather, its ruling constitutes an exercise of war power over private contracts which power supplants that of the State in time of war."

Asserting that the safety of the nation demands that the war power of the United States be regarded as supreme in cases of this type, Mr. Morse added:

"The Supreme Court made it clear that if a State act purports to work a forfeiture of the rights granted by the National Labor Relations Act, such portion of the State act is a nullity."

The Board, in its directive order, denied a general wage increase of 7½ cents an hour demanded by the union. It ordered the parties to start negotiating immediately to eliminate any intraplant wage inequalities which may exist, and if the parties fail to reach an agreement within 30 days either party may refer the matter back to the Board for final decision.

## Gen. Chiang Elected President Of China

Generalissimo Chiang Kai-shek was elected President of the National Government of China at a meeting of the Kuomintang's Central Executive Committee in Chungking on Sept. 13. The announcement was made by Mr. Chu Cheng, President of the Judicial Yuan, who presided over the election meeting, and was greeted with long applause. The Chinese News Service in New York, in making this known, said:

"According to the Organic Law of the National Government, the President of the National Government shall be the head of the

Republic of China in foreign relations and Commander-in-Chief of the land, naval and air forces.

"Dr. Sun Fo, Mr. Chu Cheng, Mr. Tai Chi-tao, Mr. Yu Yu-jen, Dr. H. H. Kung, Mr. Yeh Chu-tsang, Mr. Chin Cheng, Dr. Chu Chia-hua and Mr. Liu Shang-ching were elected State Councilors of the National Government.

"Generalissimo Chiang Kai-shek and Dr. H. H. Kung were reappointed President and Vice-President of the Executive Yuan; Dr. Sun Fo and Mr. Yeh Chu-tsang, President and Vice-President of the Legislative Yuan; Mr. Chu Cheng and Mr. Chin Cheng, President and Vice-President of the Judicial Yuan; Mr. Yu Yu-jen and Mr. Liu Shang-ching, President and Vice-President of the Control Yuan, and Mr. Tai Chi-tao and Dr. Chu Chia-hua, President and Vice-President of the Examination Yuan."

## F. C. Crawford Warns Of War Output Lag

American industry is not producing what is needed to win the war, Frederick C. Crawford, President of the National Association of Manufacturers, warned on Sept. 11 in a radio address. Pointing out that American industry had pledged to deliver \$65,000,000,000 worth of war material, Mr. Crawford said this "promise" would not be fulfilled unless monthly production is increased by \$250,000,000 over each preceding month until the end of the year.

In the New York "Journal-American" of Sept. 12, Mr. Crawford's remarks were further reported:

Mr. Crawford revealed hitherto secret figures, stating that industry has "promised the General Staff more than we have been giving them."

"We have promised them \$65,000,000,000 worth of war materials this year, twice as much as last year."

In his address, entitled "What Is Wrong With War Production?" Crawford frankly told the nation that:

"Aircraft production must be stepped up 45% over what we've been turning out; merchant ship output must be increased 25%. So, too, through all the other categories of equipment."

Mr. Crawford listed four factors which he said are hampering the war effort. They are:

"There is too much individual inefficiency and failure to do the fullest possible day's work.

"There is altogether too much labor turnover—too much jumping from job to job for higher wages.

"There is an alarming rate of absenteeism in war industries.

"There are altogether too many—and I say that one is too many—strikes and slowdowns."

Mr. Crawford said he was not "trying to pass the buck to labor," but that management, too, "has got to do a better job, and Government has got to do a better job than it has been doing."

Problems confronting insufficient war production, Mr. Crawford said, cannot be solved "in front office or by act of Congress." He continued:

"We want to solve these difficulties the American way. They can be solved only by a change in the heart and conscience of every one of us. Each of us, through self-discipline, must answer for and to himself."