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## The Financial Situation

It is evident enough that all the official anti-complacency propaganda has not very greatly dampened the popular hope of a fairly early conclusion of hostilities, or at least a cessation of the fighting in Europe. Such being the case it is hardly strange that, as many things indicate, much attention is being given by the rank and file to the post-war situation. Various surveys and reports make it clear that the question of employment is uppermost in the minds of most men and women who are looking ahead to the day when the pressure of armament production will have passed. In these circumstances the politicians—and a good many others for that matter—are naturally formulating programs designed to supply jobs when the war is over.

### Strange Misunderstandings

No one in his right mind would, of course, condemn a frank recognition that demobilization of men and machines and the reconversion not only of industry but of our whole mode of life to peacetime living will inevitably necessitate many readjustments and considerable confusion and uncertainty at least for a time. Neither is there any reason to doubt the wisdom of making such plans as are in the nature of the case feasible to meet the situation which at least in broad outline can be readily foreseen. What is disturbing to thoughtful observers is the approach employed by a great many of the planners. By far the larger number of the programs that have been made public, and much the greater part of the reasoning by which they are defended, appear to carry implicit in them some profound misunderstandings of our system of free enterprise, and, for that matter, of any system of enterprise.

Much would be gained if somehow we could rid ourselves of the notion that any system of enterprise of economics, whether capitalistic or socialistic, whether free or totalitarian, exists for the purpose of providing work for men and women to do. How simple life would be, and how different from anything man has ever known, if the facts corresponded to such a notion! Very little thought is necessary, however, to convince any man with an open mind that the fact is very different. Work, after all, is but a means  
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## Survival Of Private Enterprise Requires Sound Fiscal Policies

### First National Bank Of Boston Calls New Philosophy Of Debt Greatest Threat To Solvency

Declaring that "the number one problem for the post-war period is the adoption of sound fiscal policies," the First National Bank of Boston points out in its Sept. 30 "New England Letter" that "this question of fiscal policy has an important bearing not only on the reconversion period; but particularly on the period beyond, after industry has fulfilled the pent-up demand and is forced to operate under its own steam." "In fact,"

says the bank, "the post-war tax policy may largely shape the destiny of this country."

Urging a complete and thorough overhauling of the tax structure," the bank states that it is highly important that the taxes levied "should not seriously interfere with nor obstruct the workings of the economic machine." It also calls the new philosophy of debt and spending "the greatest threat to our solvency and private enterprise."

The bank's "Letter" states, in part:

The number one problem for the post-war period is the adoption of sound fiscal policies. This should be the starting point of post-war planning. Unless we have a clear conception of what

Federal expenditures will be and the type of tax policies that will be adopted, we cannot proceed very far with the blueprints of the future. This question of fiscal policy has an important bearing not only on the reconversion period, but particularly on the period beyond, after industry has fulfilled the pent-up demand and is forced to operate under its own steam. In fact, the post-war tax policy may largely shape the destiny of this country.

The issues are so vital and so far-reaching that they call for a most intelligent appraisal and understanding of the factors that make our economy tick. When taxes absorbed but a small proportion of our national income, it  
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## Government Should Get Out Of Active Industry After The War, Secretary Jones Declares

### Expresses Conviction That People Desire To Maintain Principle Of Free Enterprise

"When the war is over, Government should get out of active industry as soon as it can, without too much unnecessary loss," said Jesse H. Jones, Secretary of Commerce, at a dinner tendered in his honor on Sept. 30 by the New York Board of Trade, commemorating its 70th anniversary, and the first anniversary of the Board's Latin-American Section. "And," added Secretary Jones, "business will do well to recognize the tax payers' investments when negotiating for government-owned plants, properties and supplies, and not expect too many bargains."

Mr. Jones, whose remarks dealt with "Post War Problems," observed that "since Pearl Harbor we have met the demands of total war. We have seen all our forces mobilized. We have seen warfare on a gigantic global scale. We have seen brilliant world military strategy."

"We have also," he said, "seen the stupendous victory won by private enterprise," and, he declared, "the achievements of American industry have made possible the conquering march of our armed forces."

Continuing, Secretary Jones said:

"These achievements represent the ingenuity, the efforts and the patriotism of a people nurtured in the philosophy of free enterprise and trained in the school of private business.

"This magnificent contribution by private industry shows what we can do when forced into war and what we can do in returning to peace.

"But we must prepare. We must find new jobs, new markets, new outlets for the vital energies of our people. Our post-war planning must taken into account other countries, with particular consideration for those which have been overrun by the enemy. It must include the reconstruction of their enterprise as well as their people.

We must literally bind the wounds of a war-torn world.

"By this I do not mean that we in the United States can shoulder the whole load. But we must so plan as to give our own people work, and, in cooperation with the other United Nations, be of every possible assistance to the people of those countries which have suffered most.

"To be able to help others we must first be strong ourselves.

"This is the challenge that industry and Government will face in the post-war period. Private initiative alone cannot do it. In many instances Government must continue to have a hand in business. It must make investments and take risks where private capital cannot afford to, just as Government had to take the risks and do most of the financing for expansion of our industrial facilities to meet the demands of war.

"Many of our war plants can be converted to the production of

peacetime requirements, and to avoid monopolies and too much concentration, local people should have the first call on such plants. A substantial amount of our excess plant facilities and supplies can very properly be used in other countries.

"Obviously, what to do about Government-owned facilities and supplies will be a matter for the President and the Congress to determine. The solution will not be an easy one, and those of us in administrative positions, aided by business and industry, must present plans, suggestions, and ideas that will be helpful to them in making their decisions. The future of our economy will depend, in substantial measure, on how the post-war world is organized.

"Personally, I have stated, and here repeat, that I have no fear but that Government will deal fairly with industry, because I am convinced that our people want to maintain the principle of free enterprise which is the foundation upon which our economy has been built. . . .

"If we are to judge by the results of polls, by expressions in Congress, by the editorial opinion throughout the country, the public view has shifted radically in the last three years in favor of  
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## From Washington Ahead Of The News

By CARLISLE BARGERON

It wasn't until after the last war that this country became thoroughly disillusioned and a wave of reaction and cynicism set in. This writer has never had much doubt that we would have the same experience this time. But a danger, a real one, and one that is of serious concern in the Administration, is that this time it will set in before we win the war and thus endanger the winning of the war.

This is so because the so-called

Four Freedoms—their application—are coming up for a full airing. And when they come up for this airing, all of the backstage manipulations that have been going on will be revealed, the conflicting ideologies and alien cross currents operating in this country will be defined, and the resultant wrenching of souls amongst us is likely to leave us thoroughly dry of sentiment, ideals or confidence in anybody or anything. We may come to the "Oh nuts!" attitude now instead of after the war. And this can certainly lead to no good; it might be disastrous, indeed.

There has been a steady clamor for the meeting between us, Great Britain and Russia. Well, the meeting is coming up, first between the respective foreign office heads and then maybe, between Roosevelt, Churchill and Stalin. There has been a steady clamor against Cordell Hull. Now, it will become fully known what it was all about. From the standpoint of winning the war, it would have been much better had we been kept in ignorance until we had succeeded.

The situation, briefly, as we have touched upon it before, is that Stalin wants certain additional territory. He wants part of Po-

land; he wants part of Finland; part of Rumania; he wants Yugoslavia and Bulgaria "brought within his orbit"; of course, he wants Estonia, Lithuania and Latvia, etc. Eastern Europe, generally, would be communized.

The Four Freedoms would give self-determination to these people. Our State Department has been trying, in its dealings with "refugee" governments and Russia, to adhere to the Four Freedoms formula. In so doing it is being accused of being anti-Russia; indeed, of being downright Fascist; Cordell Hull is accused of wanting to set up "buffer" States against Russia. Except for the grab-offs which Stalin made early, the States are already set up. They are there. To all intents and purposes, Stalin wants to erase them as States. Not to be for this is to be anti-Russia.

The most brutal case is that of Poland. Our nation was as much responsible as Britain and France for making Poland resist Hitler's demands which precipitated the war. It was when Hitler invaded Poland that Britain and France declared war, though that was about all they were able to do.

Now, notwithstanding all this,  
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## Recognize Railroad Maintenance, Renewal Work as Operating Expense, Fletcher Suggests

Railroads should be permitted to place themselves in position to do after the war the maintenance and repair work which cannot be done now because of inability to get materials and labor, R. V. Fletcher, of Washington, D. C., Vice-President of the Association of American Railroads, declared on Oct. 5 in an address before the Financial Section of the American Life Convention at Chicago, Ill.

This can be accomplished, Mr. Fletcher said, by an amendment to the Internal Revenue Code which would recognize as an operating expense the cost of the maintenance and renewal work which normally would be done now but which must be postponed because of war conditions.

"As the law stands now," the speaker explained, "in the case of many railroads, in order to lay aside a dollar for a rainy day, they must set aside \$5.26, the average of \$4.26 representing the amount of taxes."

Mr. Fletcher estimated that the difference between what the railroads would normally spend on their roadways alone with traffic at present levels and what they actually will be able to spend, is approximately \$250,000,000 a year. He said that there is no way of making an estimate at this time as to how much should have been spent on equipment, but, he added, "we know that the amount is large."

"This deferred maintenance will have to be made up at some time and in some way," Mr. Fletcher said. "It may be that a goodly portion of whatever cash reserves may be on hand when the Axis powers collapse must be used to restore the plant to prime condition."

Besides the necessity for accumulating funds to bring existing facilities back to normal, Mr. Fletcher stated, the railroads will require money to improve their equipment and their services. For example, he said, the railroads will want to build freight cars of lightweight metals and alloys, which will add to their capacity without decreasing their strength.

Contending that the railroads will also need sufficient funds after the war "to serve as a shock absorber as the character of traffic undergoes a radical transformation," Mr. Fletcher continued:

"The railroads are likely to find themselves at the close of the war with an increased wage scale. In the lull in industrial activity that will likely follow the cessation of hostilities, railroads will find their traffic sensibly diminished, while it will take time to adjust their expenses."

In discussing the role which the railroads will play in the post-war period, Mr. Fletcher maintained that the present struggle "should convince the country that railroads are absolutely essential to success in war and to prosperity in time of peace" and that "no other form of transport can take its place."

"To me it is a source of some gratification," Mr. Fletcher went on, "that I am connected with a transportation industry that receives no subsidies from government and asks for none. It stands alone in this respect. By reason of the fact that its competitors, other than pipelines, are heavily subsidized, it has been thought by many that railroads cannot hold their own in the competitive struggle that will follow the coming of peace. Certain it is that the simplest considerations of justice and fairness demand equality in respect to this matter of subsidies."

Mr. Fletcher pointed out that the railroads prefer to have this equality brought about by the withdrawal of all subsidies so that "there may be a fair fight on equal terms, if the policy of uncontrolled competition is to prevail." He held that "under such conditions, where each contestant is free to use all his weapons, the railroads need not fear the outcome."

"On the other hand," Mr. Fletcher concluded, "if saner counsels are heeded and transportation companies are permitted to function, with the right to move the traffic by any method of transportation which the shipper desires, the railroads may well hope to take a leading role. They have experience, prestige, a large measure of public confidence and a demonstrated ability to handle the traffic of the country efficiently and cheaply."

## Charges Food Subsidy To Cost \$1.6 Billion

The Republican Congressional Food Study Committee charged on Oct. 1 that the OPA's plan to roll back the cost of living 2.3% by \$100,000,000 in subsidy payments on seven food items would actually cost the Government \$1,600,000,000.

Chester Bowles, OPA General Manager, announced the roll-back subsidy proposal on Sept. 13, as was noted in our issue of Sept. 16, page 1123.

Pointing out that the proposal, still awaiting the go-ahead signal from the White House, would pay subsidies on apples, oranges, onions, potatoes, lard, vegetable oils and peanut butter, Washington advices Oct. 1 to the New York "Journal-American," continued:

Representative Thomas Jenkins (Rep., Ohio), Chairman of the GOP Food Study Committee in the House, charged today that Bowles' figures were "inaccurate." It will cost the Government, Jenkins said, \$1,600,000,000 to carry the roll-back subsidy plan to completion.

"The figures put out by the various government authorities are notoriously inaccurate," Mr. Jenkins declared. "It is impossible to apply any accepted statistical principles to Mr. Bowles' announcement that an overall reduction of 2.3% in the cost of living would result to the consuming public through rolling back prices of the seven commodities he mentioned."

"If the entire estimated 1943 production of those items were subsidized as he proposes, the aggregate cost would be approximately \$525,000,000, and not \$100,000,000, as Bowles stated."

## Predicts Russia Will Keep Promises

Joseph E. Davies, former American Ambassador to Moscow, predicted on Oct. 2 that Russia will continue to cooperate with her Allies. Mr. Davies made this assertion upon his arrival in Mexico City for a vacation, according to the Associated Press, which further reported:

"Russia will not break her promises with England or the other United Nations," Mr. Davies said. "The word of the Soviet Government is as good as that of any other of the nations fighting Germany."

"Russia will not impose nor try to impose her political, social or economic doctrines in Europe or in the rest of the world after the war. Russia does not have territorial ambitions. Stalin wants others to respect his doctrines and he will respect those of others."

Russia also will keep on fighting until Germany and her allies are defeated, Mr. Davies asserted, adding: "Japan has treaties with Russia, but I believe the Japanese will break them at their conveni-

## Britain's "Pay-As-You-Go" Tax

By DONALD TYERMAN\*

Britain's pay-as-you-go income tax for the wage earners, the late Sir Kingsley Wood's legacy to Parliament and the taxpayer, has had a good reception. The scheme is notably ingenious. The present weekly deductions on yearly tax, in equal weekly installments are based on the preceding year's earnings and bear no relation in short or long term to the level or fluctuations in present earnings.

Deferred collection means that when workers' earnings decline, the tax becomes a relatively heavy debt which might lead to default when overtime and high earnings slacken. Also, workers leaving employment after the war, mainly women, would be tax debtors after earnings cease. By a new tax scheme there will be no debt for weekly wage earners. Says the Government White Paper, explaining the scheme, "Tax deducted from earnings in any financial year will represent a liability for that year, measured by the actual earnings of that year; and deduction of tax week by week will keep pace with accruing liability."

The scheme to come into force next April, beginning the financial year 1944-45, bases the weekly tax payment on the same week's earnings with allowance every week on proportion of exemptions and reliefs. Employers will be provided with simple ready-reckoners to make tax deductions from wages; the tax tables are based on complicated calculations to cover all conceivable cases, but are simple and automatic for the employer to apply. The amount of tax deducted each week will be the tax due on the total wages

received in the tax year, less the tax paid in previous weeks.

The cumulative process is two-way. If earnings cease for sickness or other reasons, tax liability does not accumulate, but reliefs do and on return to work there may be a refund of tax overpayment in relation to reliefs. Marriage or increase in family may have the same effect by increasing reliefs in relation to tax liability. One criticism is that accumulated tax overpayment because of suspension of earnings owing to sickness could more usefully be refunded during sickness instead of on return to work. One suggestion is that the scheme would well be worked in with the Beveridge scheme of state payments to assure a minimum family income in work sickness, accident or unemployment.

The chief tendency of the criticisms so far is not of the scheme itself, but its scope. As at present proposed, it applies only to weekly wage earners. It is also being advanced from several quarters that salary earners and others who are also faced with heavy tax debts when earnings fall or cease, might well be included.

\*Mr. Tyerman is Assistant Editor of the London "Economist."

## The State Of Trade

Reports from most of the heavy industries the past week continued to reflect high operating levels, especially as concerns electric power production and steel output. Retail trade continues to show exceptional activity despite its lack of stocks.

Another new peak in electric power production was shown in the Edison Electric Institute report on output for the week ended Sept. 25, the aggregate being 4,359,610,000 kilowatt-hours. This compared with 4,358,512,000 kwh. the previous week, an increase of 17.2% over the year ago total of 3,720,254,000.

Pacific Coast demand for current ran 26.5% ahead of 1942 and in the South 20% more electricity was used than last year. Consolidated Edison Co. of New York reported system output of 213,100,000 kwh. in the week ended Sept. 26, up 31.5% over the year-ago total of 162,100,000.

Loading of revenue freight for the week ended Sept. 25 totaled 907,311 cars, according to the Association of American Railroads. This was an increase of 4,545 cars from the preceding week this year, 9,884 cars more than the corresponding week in 1942 and 12,483 cars under the same period two years ago. This total was 116.69% of average loadings for the corresponding week of the 10 preceding years.

Average weekly production of ingots by steel mills in the month just ended was perhaps the highest on record, the trade magazine "Iron Age" stated. New steel orders during what it describes as a sensational month, were said to have exceeded shipments and backlogs were reaching unprecedented heights. In some cases mills are booked up on sheets until next June, the publication said, and new military projects must somehow be wedged into producers' books.

The industry's current all-out drive for more production is all the more impressive in the light of manpower shortages and flash strikes it was pointed out. Like other industries, the main problem in steel now was said to be the necessity for straightening out promptly the manpower muddle.

ence. Japan considers Russia its natural enemy. Russia wants peace, but does not flee from war."

Fervent hopes for the success of the national scrap campaign, started Oct. 1, were reported being expressed throughout the steel industry.

Steel operations in the United States this week are at 100.8% of rated capacity, unchanged from last week's record high, according to the American Iron & Steel Institute. The current rate is equal to output of 1,756,900 net tons weekly, the same as a week ago. For the week beginning Oct. 5, last year, production was 1,686,700 tons.

Civil engineering construction in continental U. S. totals \$50,722,000 for the week. This—not including construction by military combat engineers, American contracts outside the country and shipbuilding—is 29% below the preceding week and 75% under the corresponding 1942 week, according to "Engineering News-Record."

Private construction for the week is 81% higher than a week ago and 88% above a year ago. Public, however, declined 46% from last week and is 83% below last year as both State and municipal construction and Federal volume are lower. Current construction brings 1943 volume to \$2,488,373,000, an average of \$63,804,000 for each of the 39 weeks of the period.

Retail turnover last week was 9 to 11% higher than during the corresponding period last year, according to Dun & Bradstreet, Inc. Sales increased especially in lines of the better quality. Inadequacy of stocks and continued slow deliveries kept the increase from being higher, retailers said.

The Federal Reserve Board reported that department store sales last week were 2% higher than during the corresponding week a year ago. Department store sales in New York City in the week ended Oct. 2 were 11% smaller than in the comparative 1942

## Senators Discussing U. S. Post-War Policy

Possible drafts of a post-war foreign policy declaration were discussed informally by the senate Foreign Relations Committee on Sept. 30 and Senator Nye (Rep., N. D.) told reporters that the 15 members present seemed to have "fifteen different views on the matter." A subcommittee headed by Sen. Connally (Dem., Tex.) decided on Sept. 29 to draft its own version of a resolution in place of the House-approved Fulbright measure. This was reported in Associated Press, Washington advices of Sept. 30, which further stated:

"There were predictions that it would be sent to the floor before the Christmas holidays. This action was regarded in some quarters as a reversal of the previous trend toward delay in Senate debate on the controversial question, but some members said that committee approval of a resolution would not necessarily be followed immediately by consideration in the Senate.

"Senator Connally said that he had not changed his stand that debate might be inopportune at this time. Senator Barkley of Kentucky, the Democratic leader, replied negatively when asked if White House pressure had been exerted on the committee to obtain control.

"Subcommittee action is expected to be delayed until Senator La Follette (Prog., Wis.), who is ill in Madison, Wis., can return to Washington. Senator La Follette represents on the subcommittee a group of Senators who have been opposed to any foreign policy statement until the war is farther along.

"A possible adjournment of Congress by Nov. 15, understood to be under discussion by leaders, also may complicate any move for early Senate debate. Some legislators have said that if it becomes apparent that the House Ways and Means Committee cannot complete work on a tax bill in time for its consideration before the Christmas holidays, there will be a concerted move for Congress to go home in November.

"There was evidence, however, that some Senators are becoming restive about disposing of the foreign policy issue. Senator Taft (Rep., Ohio) not a Committee member, told reporters that he thought a month should be sufficient time for the Committee to draft a resolution and bring it to the Senate floor.

"Senator Hatch (Dem., N. M.), one of the authors of the pending proposal to organize the United Nations formally for post-war preservation of peace, said that he and others of like views were willing to wait a reasonable time for the Foreign Relations Committee to act."

week, according to a preliminary estimate issued by the New York Federal Reserve Bank. In the previous week ended Sept. 25, sales of this group of stores increased 8% over the comparative 1942 week.

Retail sales in August were placed by the Department of Commerce at \$4,915,000,000, virtually unchanged from July. This was 7% higher than in August, 1942. For the first eight months of this year sales were 11% higher than in the same period of 1942.

The Department's seasonally adjusted index declined from 163 in July to 161 in August, with the 1935-39 average representing 100. The durables index rose 4% to 96 and the non-durables index 1% to 182.

## Value Of 'B' And 'C' Gas Coupons Cut— 'A' Coupons Lified To Two Gallons In East

The Office of Price Administration has set a uniform value of two gallons each on all "A," "B" and "C" gasoline ration coupons from the Rocky Mountains to the Atlantic Ocean, except for "A" coupons in the Midwest and Southwest which retain their three-gallon value, Associated Press dispatches from Washington state. The changes became effective at midnight Sept. 30. The dispatches further go on to say:

OPA said the above would "bring gasoline consumption into line with available supplies" and achieve "virtual equalization" of mileage rations throughout the entire area of shortage.

The effect of the move is to increase the "A" card ration in the Northeastern shortage area from 1½ to 2 gallons a week while reducing the "B" and "C" rations in that gasoline-starved region from 2½ to 2 gallons each.

In the Southeast—North Carolina, South Carolina, Georgia and Florida—"B" and "C" rations are cut from 3 to 2 gallons, while "A" card rations had moved up from 1½ to 2 gallons.

In the 17 East Coast States the "A" coupon continues to have a face value of 3 gallons, but the weekly ration is increased by shortening the period during which coupons are valid. Thus, existing A-6 coupons expire Nov. 8 instead of Nov. 22, while the A-8 coupons in the next book, now being distributed by ration boards, will become valid Nov. 9, good for three gallons each through Feb. 8. A-7 coupons were removed from the books before they were distributed in the East.

Although the "A" ration in the Midwest and Southwest remains at 3 gallons a week, 1 gallon must be used for occupational driving before the motorist is entitled to supplemental "B" or "C" rations, OPA stipulated. This restriction does not apply on the East Coast. The effect, OPA said, is to allow 2 gallons a week for family or "unrestricted" driving for motorists in all parts of the country

except the Pacific Coast and the Rocky Mountain States.

The sweeping redistribution of gasoline supplies was based on new allocations of petroleum for the entire region east of the Rocky Mountains, announced by Secretary of Interior Ickes, head of the Petroleum Administration for War.

The East Coast, under Ickes' allotments, will get 379,000 barrels a day, but only 350,000 barrels of this will go to trucks, busses and passenger automobiles. This compares with 342,000 barrels for civilian highway use under the previous allocation, or a net increase of 8,000 barrels daily.

The Middle West will receive 467,000 barrels a day, compared with a previous allocation of 480,000 barrels, while the Southwest will get 145,000 barrels daily, compared with 140,000 previously. Out of the new totals, however, is taken the amount needed for farm and industrial use. This subtraction was not made when the previous allocations were announced—thus accounting for the apparent increase in the allotment for the Southwest.

"This is all the gasoline that there is for civilian use in this period after making provision for the present large and future increasing needs of the military," Ickes said. "The allocations include amounts which the Office of Defense Transportation has determined to be adequate to protect essential civilian uses and to represent parity distribution of supplies as between areas."

## Dewey Says Future Social Advances Should Be Financed With Savings From Better Management

The social advances of the future must be financed "out of the savings achieved by better management," Gov. Thomas E. Dewey declared on Oct. 3 in a speech at Carnegie Hall, New York City, opening the 1943 campaign of the merged New York and Brooklyn Federations of Jewish Charities.

As reported, the New York "Times" of Oct. 4 said the Governor's remarks follow:

"We must always remember two things about these [social] obligations of government," he said. "First, they must necessarily be financed out of the revenue drawn from all our people. Second, government can fulfill its responsibilities in this field only as it remains within the bounds of sound fiscal operations."

"I have said in the past, and I cannot repeat too often, that the outstanding problem of government today is this: How can we maintain and expand the services of government without bankrupting both the State and the nation?"

"To that there is only one answer. We must finance the advances of the future out of the savings achieved by better management. In the achievement of that better management we must look, I think, to increasing cooperation between the social agencies of government and those of private enterprise. Each must, in its own field, supplement the other. Neither should compete with the other."

The Governor, in paying tribute to the voluntary effort represented in the drive, said:

"One of the oldest expressions of the primary obligations of citizenship in a free republic is the friendly concern of one man for the welfare of his neighbor. This tradition is rooted in our human sense of pity, in that quick, instinctive reaching out of the hand to those who suffer. More importantly, however, it is rooted in our basic American political faith.

For we hold that every human being has a right to the decencies and the opportunities of life. And this is all an inseparable part of that deep religious faith in which we see our fellow-men in terms of brotherhood under the fatherhood of God.

"A world which has suffered as much as our world has will never be the same again. It does not follow, however, that it will necessarily be a better world than the one we have known. With its exhaustion, brutality, poverty and starved peoples, it will, for some time, be a worse world. But, if we will it enough to labor for it, we can make it a better one."

"But this can only be with our earnest effort and cooperation. The desire for whole-souled cooperation is and must be a fundamental feature of our relations with other nations and other peoples. Exactly the same is true of our own State and nation. We, too, will bear heavy scars, both spiritually and physically. Only by a determined continuance of our unity and high purpose can we build a better world at home. In this work our social agencies, and the voluntary enterprise which has built them, will find new and larger fields of usefulness than ever before."

Governor Dewey predicted a "new, intensified interest" in welfare activities after the war, with ample room for voluntary agencies, declaring:

"The lifeblood of America lies in what may be expected of the

private citizen as a private citizen, and in what the private citizen expects of himself. We must say it and say it again. The society, which was completely abandoned all private enterprise, whether it be in business, education, or social service, cannot any longer claim to be a free society. The fellow over whose head the Government must, in all matters, hold a protective umbrella is a frightened man, not a free man. It is the frightened man who is the source and raw material for regimentation and totalitarianism."

The Governor reviewed at length present-day social welfare activities, both under State and Federal laws, and was critical of the efforts in behalf of the physically and mentally handicapped, saying:

"Self-maintenance is a more difficult achievement for people who are victims of physical and mental misfortune. But with our extensive educational and social services—including those operated by voluntary agencies, such as those in the Federation, we have the forces for much more success with individuals than we have shown to date. I am convinced that we have not yet made even a respectable start on a pooling of resources and technical information in the field of rehabilitation. Our medical services, our educational services, our social services, are zealously and conscientiously pursuing their own ways. We may hope, I believe, that they will learn to work together in an ever more productive relationship."

"The State of New York is investing a considerable sum of money for the protection of young people. To the State Government falls principally the task of retraining and correction. From local efforts on up through the State efforts, our system of dealing with youth is a confusion of disconnected and overlapping functions of social agencies, courts, schools and correctional institutions."

The Governor then said that he had a four-point social welfare program, on which he hoped to start next year, outlined as follows:

1. Bring related activities, such as unemployment, workmen's compensation, public welfare, employment and rehabilitation services into an effective working team.
2. Simplify our administrative machinery.
3. Develop a more skilled corps of public servants to manage these services, selected and retained on the basis of merit.
4. Provide, through competent research, geared in with our industrial planning, sufficient foresight in social affairs so that we will meet changing conditions, not through the wasteful devices of "emergency" programs and agencies, but through the orderly use of flexible, permanent Government machinery.

## OPA Names Newsprint Advisory Group

The Office of Price Administration has named a newsprint industry advisory committee of six representative newsprint manufacturers. The Committee representing more than 80% of the United States newsprint capacity, will consult with OPA on industry matters relating to newsprint price control. Those appointed are J. D. Zellerbach, President, Crown-Zellerbach Co., San Francisco; E. L. Kurth, President Southland Paper Mills, Lufkin, Texas; J. L. Hobson, Treasurer St. Croix Paper Co., Boston; Samuel Pruyn, Sales Manager Finch, Pruyn Co., Glens Falls, N. Y., and C. B. Stanwood, Assistant Manager of Manufacturing, Great Northern Paper Co., Boston.

## Items About Banks, Trust Companies

The statement of the Chase National Bank of New York for Sept. 30, 1943, shows deposits of \$4,412,999,000, the largest deposit figure yet reported by the bank, which compares with \$4,193,352,000 on June 30, 1943, and \$3,628,466,000 on Sept. 30, 1942. Total resources, also at a new peak, amounted to \$4,740,069,000, compared with \$4,482,603,000 three months ago, and \$3,899,956,000 a year ago; cash in the bank's vaults and on deposit with the Federal Reserve Bank and other banks, \$833,533,000, compared with \$943,768,000 and \$945,679,000 on the respective dates; investments in United States Government securities, \$2,756,435,000, compared with \$2,548,664,000 and \$1,796,736,000; loans and discounts, \$894,755,000, compared with \$717,909,000 and \$808,540,000. The capital of the bank on Sept. 30, 1943, was unchanged at \$100,270,000, but the surplus on that date was \$121,730,000, compared with \$100,270,000 on June 30, 1943 and a like figure on Sept.

30, 1942, reflecting the increase of \$21,460,000 authorized by the Board of Directors on Sept. 22, 1943. The undivided profits account, after being credited with \$8,000,000 from the reserve for contingencies and after giving effect to the increase in surplus, amounted on Sept. 30 to \$43,306,000, compared with \$49,842,000 on June 30, 1943 and \$44,109,000 on Sept. 30 a year ago. Combined surplus and undivided profits on Sept. 30, 1943 was \$14,924,000 larger than on June 30, 1943 and \$20,657,000 larger than on Sept. 30, 1942.

Comparative earnings are shown in the following tabulation:

	Earnings Per Share for Nine Months Ending Sept. 30	1943	1942
Net current operating earnings	.....	\$1.56	\$1.00
Net profits on securities	.....	.72	.21

Net earns. per share \$2.28 \$1.21  
(Continued on page 1436)

## Honest Farm Product Ceilings Urged By Waters To Control Possible Land Price Inflation

None of the three principal methods now being proposed to control possible price inflation in farm lands will work, S. M. Waters of Minneapolis, Chairman of the Farm Loan Committee of the Mortgage Bankers Association of America, and former President of the organization, declared in Chicago on Sept. 27. Mr. Waters added that the logical solution is honest price control of farm products since they in the end actually govern the price of farm lands. The MBA Farm Loan Committee held its regular meeting following the Association's 30th annual meeting which closed on Sept. 25.

"Any system of 'permits to buy' farms would involve vast machinery very expensive to operate," Mr. Waters said in reporting the Committee's conclusions. "It would tend to perpetuate itself long after the need had disappeared. It would be politically dangerous and work untold injustices. No county official or committee could possibly administer such a system in fairness."

He said he did not believe the second proposed method offered any more hope since any system to predetermine farm land valuations on a nation-wide scale would take years to complete and be out of date before it had been in operation a year. "It would put an unbearable burden on the appraisal division of the Federal Land Bank System," he added.

The third method proposes an excessive special tax on profits from the sale of farm lands and would deprive farmers of one of the few incentives for farming as a business occupation, he said.

Stating that if a fair price ceiling on farm products cannot be fixed and maintained, Mr. Waters said he saw "no possibility for preventing a substantial rise in land prices during these years of high farm return and probably a substantial drop when farm commodity prices fall. There is a parallel in English equity law, *damnum absque injuria*, or 'there are many evils for which there is no practical remedy'."

Mr. Waters said that members of the MBA Farm Loan Committee are not as concerned about the land inflation threat as some are because of the fact that farm lands move slowly even in boom times and only a small percentage of farms change owners every year.

Farmers who purchase land on credit at high prices, investors in farm mortgages and country banks which extend open or chattel credit are most affected by a land boom collapse and are more aware of its possible dangers than anyone else, he pointed out.

"Yet in spite of this, I am sure it is safe to assume that all of these groups would determinedly oppose any measure for control of farm land price inflation which

would include 'permits to buy' land, a system of predetermined farm land valuation or an excessive special tax on profits from sales," he said.

## Better Banker-Farmer Relations Discussed

Prompted by widespread recognition of the necessity for good relationships between banking and agriculture, the New York State Bankers Association has issued a new brochure, "Better Farmer-Banker Relations, A Manual for Agricultural Key Bankers."

The manual, designed as a "bible" or handbook for agricultural bankers, covers every phase of banker-farmer activity and briefly summarizes the aims, methods and policies of the principal branches of the State Extension Service, the Federal "action" agencies, and the farm organizations. It lists various sources of information on farm topics, and makes practical suggestions for improving relationships between bankers and farmers within a community.

"The key banker," the booklet says, "is the connecting link between the State Association's Committee on Agriculture and all active agricultural organizations in the county. Much of the effectiveness of the program of the committee depends upon the strength of this connecting link." The booklet adds:

"The job of the key banker is primarily one of leadership, demanding imagination and initiative. The aims of the key banker encompass achieving the fullest cooperation of agriculture and banking for the solution of common problems and bringing about the maximum development of every potential human and material resource to that end. Not the least of the rewards of the key banker will be the satisfaction he will attain from working with leaders of agriculture and banking in an effort to preserve and to further the system of free enterprise upon which our nation is founded."

The manual, which is of pocket size, contains 24 pages and sells for 50 cents. Copies may be obtained from the New York State Bankers Association, 33 Liberty Street, New York 5, New York.

## Competitive Bidding In Rail Securities

Equitable Life Files Brief With ICC Opposing Procedure  
—Controversy Involves Public Interest, Not Contest  
Between Private Parties

Preparatory to starting oral hearings on the controversy over mandatory competitive bidding for the sale of railroad securities, the Interstate Commerce Commission has requested every one who filed briefs on the question to make copies available to all interested parties. In addition, the Commission has asked that rebuttal or reply briefs be filed with it by Oct. 8, after which it will set a date for oral hearings. The Commission disclosed that 23 briefs were filed as a result of its request of July 31 for opinions on competitive bidding in the sale of securities issued under Section 20(a) of the Interstate Commerce Act. Of the briefs filed 16 were against and 7 were in favor of such bidding. The present issue was raised by Halsey, Stuart & Co., Inc., and Otis & Co., who contended that some railroad bond issues have been sold to "favored" New York bankers regardless of the bids of other investment houses.

Among those filing briefs opposed to the competitive rule of rail securities, other than equipment trusts, is The Equitable Life Assurance Society of the United States. The latter, in making its submission, emphasized at the outset, first, that this controversy involves the public interest and not merely a contest between groups of private parties and, second, that in determining where the public interest lies as to this matter, the Commission should give serious consideration to the interest of investors, as distinguished from the competing interests of those whose primary concern is with the marketing of railroad securities to the public.

The brief on behalf of the Equitable states:

Viewed from the standpoint of the investor, whether individual or institutional, large or small, it is in our judgment highly desirable that there be an agency such as the investment banker to occupy some continuing relationship to the railroads for the purpose of advising and assisting them in the preparation, issuance and marketing of their security issues. While investment bankers have made errors of judgment in the past, we are of the opinion that they have also rendered valuable services to the railroads, with much resulting benefit to investors. We think that the interests both of railroads and their investing public will be better served if railroads are encouraged to continue to seek experienced financial counsel and advice as to all of the problems involved in the issuance of their securities, rather than left to determine the details of their security issues for themselves and then to put the results of their determination upon the auction block.

The proponents of competitive bidding have placed great emphasis upon the matter of price as a justification for requiring it by rule of the Commission. They seem to argue that competitive bidding is desirable because it will enable the railroads to obtain the highest possible prices for their securities, an end which they apparently think to be highly desirable in itself. From the investor's standpoint we are disposed to question the soundness of this conclusion. In our view it is not in the public interest that any railroad obtain the highest possible price from the bankers purchasing its securities, if the effect of obtaining that price is either to limit the distribution of its securities to the public or to make that portion of the public which has bought such securities from the bankers feel that it has paid an exorbitant price for them.

The problem involved in this securities pricing matter is somewhat similar to that which an industrial corporation faces when it is deciding whether to refinance its outstanding debt with new se-

curities bearing a lower coupon rate. There are undoubtedly many cases in which such refinancing could be done with some immediate financial advantage to the corporation, but most managements weigh very carefully the results to be expected from such action, realizing that from a long-term point of view it is essential for the welfare of the corporation, which may have to borrow in the future, to have a group of potential investors satisfied that they have been dealt with reasonably in the past and not imposed upon for the temporary benefit of the borrower.

It has a bad effect on the investing public to learn either that all of an issue has not been sold or that some substantial part of it has been sold at prices substantially lower than they have paid for their purchases. From the standpoint of the public interest, we believe that the investor's satisfaction with an investment in a railroad's securities from the standpoint of reasonableness of price paid and yield obtained is far more important than the effect upon the railroad's credit of the amounts of money involved in these pricing disputes, particularly in view of the control which the Commission exercises over proposed prices for railroad securities.

As an investor in other fields in which competitive bidding is required by rule we have had frequent occasion in recent years to see that it does not always produce satisfactory results from the standpoint of the investors. In this connection we refer to the Central Illinois Public Service Co. offering of first 3½s, 1971, series A, in October, 1941. This issue of \$38,000,000 was offered publicly at 107 after competitive bidding. Within 60 days after the original offering the price of the bonds broke approximately six points. After the syndicate was closed the Equitable bought \$9,000,000 in principal amount of the bonds at an average price of 102¼, or 4¾ points below the original offering price, and some of our bonds were purchased at prices as low as 100¼. We could cite a number of other illustrations both in the public utility field and also in the field of equipment trust issues. While such a situation presents some few investors with an investment opportunity, it creates a spirit of dissatisfaction and resentment on the part of smaller investors, a feeling of having been imposed upon, which we think is highly undesirable from the standpoint of the industry, and also of the public interest. If we wish to preserve the small investor as a factor in private enterprise it is just as important to have him feel that he has not bought at too high a price as it is to have him feel satisfied that he has not been imposed upon as to any other feature of the transaction.

Because in our experience competitive bidding seems to result in pricing which is detrimental to the interests of the investing public more frequently than pricing evolved through privately negotiated sales, we respectfully urge Interstate Commerce Commission not to adopt any rule requiring competitive bidding for railroad securities, other than equipment trusts. The adoption of such a rule would run counter to the purpose behind all previous legislation and regulation pertaining to the issuance of such securities,

## Leon Fraser To Head 1944 Red Cross Fund

As an ever-expanding United Nations war front increased demand upon every part of the world for new and additional Red Cross services, Norman H. Davis, Chairman of the American Red Cross, announced on September 14 that Leon Fraser, President of the First National Bank of the City of New York, with the approval of President Roosevelt, has accepted the chairmanship of the 1944 Red Cross War Fund, to be held next March. Chairman Davis, in announcing the acceptance, pointed out that American Red Cross services, both to the armed forces and to civilians, have been carried to every corner of the globe during 1943. Far greater demands are expected in 1944, he said, as the United Nations carry the war to continental Europe and deeper into the Far East. In his announcement Mr. Fraser also said:

"I am very happy to have this opportunity to join in serving the Red Cross. While the sums of money involved will be large in terms of mere dollars, I am confident that because of the splendid and efficient world-wide work of the Red Cross, the American people will, as heretofore, give their full support in providing for its indispensable financial needs. The national goal for our March campaign will be determined on the basis of our international, national and local needs for one year from March 1944 and will be announced as soon as our budgetary studies are completed."

"Mr. Leon Fraser has a vast understanding of the tremendous burden upon the American Red Cross in wartime," Chairman Davis declared. "As a soldier in the first World War he witnessed the work of the Red Cross among the boys in the A. E. F., and as a representative of the War Reparations Commission in Europe after the last war he saw the continuing work of our organization. Mr. Fraser served as general chairman of the Greater New York 1941 Red Cross War Fund."

Enlisting as an army private in 1917, Mr. Fraser won eventual promotion to Major Judge Advocate and later was named first assistant Judge Advocate in the Service of Supply of the American Expeditionary Force. While in France he was awarded the Distinguished Service Medal, and was made Grand Officer of the French Legion of Honor.

Returning to the United States he was named Associate-Director of the Bureau of War Risk Insurance in 1920, and later was appointed executive officer and Acting-Director of the U. S. Veterans Bureau. In 1924 he served as advisor to the American Delegation to the London Prime Ministers Conference; and was general counsel to the Dawes Plan, and Paris representative of the Agent General for Reparations Payments from 1924-27. He was president, and chairman of the Board, of the Bank for International Settlements, Basel, Switzerland, from 1933 to 1935.

## Canada-Chile Trade Pact

A trade treaty between Canada and Chile was signed in Ottawa on Sept. 29 by Prime Minister W. L. Mackenzie King and Commerce Minister James Mackinnon, on behalf of Canada, and Dr. Joaquin Fernandez, the Chilean Minister of Foreign Affairs, and Dr. Eduardo Grove, Chilean Minister to Canada.

namely, the protection of the small investor.

[Digests of other briefs filed with the Commission in the matter of competitive bidding were given in "Chronicle" of Sept. 23, 1943, page 1228.]

## Senators After Inspection Abroad Ask Safeguards For U. S. Oil And Air Interests

Three members of a Senate military inspection committee, who recently returned to Washington after a 40,000-mile tour of world battlefronts, gave a press conference on Sept. 29 at which they expressed fears regarding the United States' interests in post-war aviation and petroleum reserves.

Reporting on their trip were Senators Russell (Dem., Ga.), Mead (Dem., N. Y.) and Brewster (Rep., Me.). The other members of the inspection group were Senators Chandler (Dem., Ky.) and Lodge (Rep., Mass.).

Associated Press advices from Washington Sept. 30, as given in the New York "Sun," reported as follows regarding the views of the Senators:

There were indications that the committee members feel that American diplomacy and economic activity are falling far behind that of the British.

The gist of their complaint, it was said, is that British post-war policies already are functioning in a practical way while American representatives are at a loss to know what this nation's attitude will be on many important world questions when the fighting is over.

As a result the committee members were said to have found that the British stand to reap post-war benefits from many American lend-lease contributions to other countries.

Some indication of this repressed irritation at British activities was given by Senator Russell when he told a press conference yesterday that the news of American military activities was being played down by British news services and the British radio.

Similarly, Senator Brewster said that he thought the time had come to obtain more oil from the Brit-

ish holdings in the Persian Gulf area instead of continuing the heavy drain on American supplies.

"I am told that the British refinery at Abadan, Iran, which they say is the largest in the world, could increase its output 40%," Senator Brewster said. "I hope that we can get a greater proportion of our oil there instead of drawing so heavily on our diminishing supplies."

"If that goes on and we have another war in 10 or 15 years, we may have to go out with a tin dipper and ask somebody for oil."

Senator Brewster said that the British have had representatives of Cabinet rank in intimate touch with their military leaders in North Africa and the Middle East. He said the American diplomatic front is "undergoing some strengthening that is encouraging," but added that the situation in India is mixed up.

Senator Brewster and Senator Mead said that the Truman War Investigating Committee would be called upon to look into the formation of a policy for the use by American commercial planes of United States-built airports outside the Western Hemisphere which will revert to foreign countries six months after the war ends.

Senator Brewster asserted that present arrangements "leave us holding the bag."

## Churchill Says War Effort Cannot Be Eased As War May See Sixth Year

Prime Minister Churchill told a national conference of 6,000 women in London on Sept. 28 that Great Britain must be prepared to maintain its present peak war production "through the fifth year of war, or the sixth year, or, if need be, forever—until we have achieved our purpose."

The Prime Minister warned against apathy or a slackening of the pace of the war effort, adding that it is the enemy's hope that the democracies will weary and in this way bring about a negotiated peace.

Mr. Churchill's address follows, in part:

"We are engaged in total war. We are engaged in a struggle for life. Although you cannot say that peril as imminent as in 1940 or during the year when we were all alone faces us, nevertheless if this war is so handled that unity from national effort were diminished, that its pace and vigor so slackened that we fell apart, that apathy overtook us, and if this were typical throughout the forces of the United Nations, then, indeed, another danger, perhaps not so catastrophic in its aspect but none the less deadly in its character, would march upon us.

"War would languish; our soldiers would find themselves short of munitions and services just at the time when their action is growing on an even larger scale—all this would occur.

"And the enemy. What is their hope? Their hope is that we will weary; their hope is that the democracies will faint later on the long road; that now, in the fifth year of the war, there will be doubts, despondencies and slackness. They then hope that out of this they will be able to consolidate their forces in their central fortress of Europe, their remote home islands in Japan, and extract from our weariness and from any divisions which might appear among us the means of making terms to enable them to repair their losses, regather their forces and open upon the world, perhaps within another decade, a war even more terrible than that through which we are now passing.

"Therefore, the idea of a total war, of fighting for life, must continually be in your minds."

## War Adv. Group Named

At a meeting held in New York City on Sept. 28, the Board of Directors of the Advertising Federation of America approved the appointment made by Federation President, Joe M. Dawson, of the following War Advertising Committee:

Chairman, Willard D. Egolf, Washington, D. C., AFA Vice-President and Vice-Chairman, Council on Advertising Clubs; Vice-Chairman, Gardner Cowles, Jr., Des Moines, Iowa, AFA Director and former Director of Domestic Operations of the Office of War Information; Vice-Chairman (representing the International Affiliation of Sales and Advertising Clubs), Eric Zimmerman, Greensburg, Pa., Secretary-Treasurer of the International Affiliation; members, Robert Fuller, Springfield, Mass., former President of the Springfield Club and now Chairman of its War Advertising Committee; Robert Dundas, Houston, Texas, Chairman War Advertising Committee of the Houston Club; George C. McNutt, Peoria, Ill., President of the Peoria Club; Paul A. Kelly, Columbus, Ohio, former President of the Columbus Club and now Chairman of its War Advertising Committee; Sally Woodward, Minneapolis, Minn., AFA Vice-President and Chairman, Council on Women's Advertising Clubs; Forbes McKay, Birmingham, Ala., AFA Vice-President and Chairman, Council on Advertising Clubs; Paul H. Bolton, War Effort Films, Washington, D. C.

## The Financial Situation

(Continued from first page)

to an end. That end is the creation of the goods and services which mankind must have or wants badly enough to work for. Now the production and distribution of these goods and services with a maximum of efficiency is the goal toward which all faces should be turned. This task begins with a determination of what goods and what services and in what proportions the people of the world want—a fact all too often overlooked by those who reason from the immense productiveness of wartime to the conclusion that similar methods and similar techniques of overall control would serve a correspondingly useful purpose in peacetime.

### Respective Responsibilities

Precisely why it should be supposed, as is apparently quite generally believed, that certain elements or groups of the population usually called "business" or sometimes "employers", should somehow be under an obligation to undertake to decide what people want and to employ others, usually termed "labor", to produce the articles selected, is certainly far from clear. It appears to be taken for granted that employers must always remain employers, and a wage earner must always remain a wage earner. Not a little of the current discussion of post-war employment appears to imply a belief in some sort of inner compulsion which will drive an employer, whatever comes, to remain in business and continue to hire help—or at the least that his desire to stay in business is so great that he will go to any length, including, inconsistently enough, becoming hopelessly insolvent, before he will take the simple step of closing his doors and joining that other large group demanding "jobs" as a "right."

The fact that even if he were so foolish as to pursue such a course he would, upon becoming bankrupt be obliged to cease giving employment, appears to have been wholly overlooked. But why should Mr. Brown, Mr. Smith, and Mr. Jones, having undertaken to "go into business for themselves," be under any obligation to remain in business for themselves when they conclude there is no longer any advantage to them in doing so? Why have they not as much right as Mr. Ross, Mr. Jackson, and Mr. Thomas, who have always looked to someone else to give them work, to cease being employers and seek a job from some one else? Yet the Messrs. Brown, Smith and Jones taken collectively are what is termed "business." This matter of "going into business"

or remaining in business is wholly voluntary and is a result, first, of the energy and initiative of those who enter it and, second, of a belief on their part that they can do better for themselves by doing so than they could if they worked for someone else. They can, as a matter of fact, actually do better by themselves in this way in any event only if they succeed in forming an accurate judgment of what people really want and in making it or doing it for an amount the people can and will pay for it. Obviously no one will "go into business for himself" (and thus provide jobs) unless he thinks he will improve his position by doing so, and to threaten those who are in business with extinction unless they proceed in a way to bring extinction upon themselves is to accomplish nothing.

### What Of The Job-Seeker?

But what of Mr. Ross, Mr. Jackson, and Mr. Thomas, who remain as employees? Have they no obligation to look after their own welfare? Are they somehow set apart with the right to expect some one else to provide them with wages even in circumstances in which they either do not or can not earn them? Are they under no obligation, at least to themselves, if they elect to remain wage or salary earners, to give in terms of their labor the full equivalent of the wages received? Are not the masses of men and women constituting the membership of the labor unions of the country fully as responsible for seeing to it that conditions are such that their employers are able to continue to employ them as are the employers—at least so far as factors within the control of such unions are concerned? By what possible line of reasoning could it be maintained that management is at fault if it fails to provide full employment for men who insist upon ridiculously expensive "feather-bedding" practices, for example?

### Who Would Benefit?

What of this threat that is held over the head of business generally that if it "fails" to provide full employment it will not long survive after the war? What will take its place? Mankind must feed, clothe, and shelter itself, and it is not likely to be satisfied with any state of affairs which provides nothing more. It must organize itself in some way to get these things done. Does any one in his right mind suppose for a moment that more of the right things will be produced and distributed if the more energetic and the abler individuals are in effect prevented from undertaking

## Meredith Cites FHA Insured Loans As 'Attractive' Investment Outlet

L. Douglas Meredith, Vice-President and Treasurer of the National Life Insurance Company of Montpelier, Vt., addressing the American Life Convention in Chicago on Oct. 4, had for his subject "How the Mortgage Market Looks to Us." His topic was viewed as of timely interest, since investment, always one of the important phases of the life insurance business, assumes new and somewhat obscure problems because the war has eliminated or reduced many of the ordinary types of investments; at the same time it is noted that new security issues other than governments now come into the market only in very small volume.

Mr. Meredith reviewed other types of investments such as corporate and municipal issues, stocks, preferred and common, and refinanced loans, and came to the discussion of Federal Housing Administration insured loans as a type of investment offering "a most attractive outlet for the investment of funds at this time."

The company for which Mr. Meredith spoke, the National Life, has been conspicuous in the FHA field. He pointed out that the company began the purchase of FHA loans in 1935, and to Sept. 30 of this year had purchased \$142,218,000, and had on the books at that date \$105,354,000, and said: "Our experience with these

loans has been surprisingly successful. Out of 25,102 loans purchased we had completed foreclosure on fifty-two Section 203 loans, for which we received \$131,088 of cash and \$180,100 of debentures, and on four Section 207 loans, on which we received \$113 and \$3,056,800 debentures."

Although increased demand for the loans has forced the rate of return downward, Mr. Meredith said he knew of no investment of comparable quality offering an equal return. He described the abundance of collateral, including the property itself, the credit strength of the borrower (analyzed by the FHA and presumably by the purchaser) and the backing of the guarantee of the United States Government on the debentures. The loans, he stated, provide for complete liquidation during their lives, and in case the schedule is not followed and de-

these necessary tasks? It is conceivable that the state could itself undertake it all and possibly assure a more even distribution of what is produced—provided it had the full support of the rank and file. It is scarcely imaginable that under such an arrangement nearly so much of the really desired things would be produced for distribution. Hence virtually no one—except a few politicians perhaps—would stand to gain

from such a change. Very few would find conditions tolerable for a moment.

And who could bring about these revolutionary changes that are darkly threatened? Why, of course, no one but ourselves. Why should we go around threatening ourselves with what we are likely to do in this or that event? It would be a good thing if we stopped to think these matters through a little more carefully.

## Et Tu, Brute!

"Business will do well to recognize the taxpayers' investments, when negotiating for Government-owned plants, properties and supplies, and not expect too many bargains. . . .

"In addition to the billions spent by the War and Navy Departments, and the Maritime Commission in building facilities and equipment for war purposes, the Reconstruction Finance Corporation, through its subsidiary, Defense Plant Corporation, has authorized more than \$9,000,000,000 for the construction, equipment or expansion of 1,753 plants throughout the country for the production of war supplies.

"These include 534 plants for the manufacture of airplanes, airplane engines and parts; 84 plants for the production and fabrication of aluminum, 35 plants for the production of aviation gasoline and related products, 116 plants for the manufacture of machine tools, 40 plants for the production and fabrication of magnesium, 60 plants for the mining and production of minerals and metal products; 75 plants for the manufacture of ordnance equipment, 98 plants for the manufacture of radio and other scientific equipment, 65 plants for the construction of ships, ship engines and parts; 164 plants for the production of iron, steel and related products; 60 plants for synthetic rubber and the chemicals and materials necessary to its manufacture, 14 plants for the manufacture of jewel bearings and diamond dies, 43 for the production of hemp and rope fiber. We have built six pipelines for the transportation of petroleum products. . . .

"In many instances Government must continue to have a hand in business (after the war). It must make investments and take risks where private capital cannot afford to, just as Government had to take the risks and do most of the financing for expansion of our industrial facilities to meet the demands of war."—Jesse H. Jones.

These are certainly not very heartening words from the supposed "friend of business" in the President's cabinet!

ventures are acquired the debentures have themselves a ready market.

He observed that States vary in foreclosure costs, and it has been the policy of the National Life to purchase in states where those costs were low. He spoke of the diversification which could be achieved in buying FHA loans—diversification not only by states but also by cities and by occupation of mortgagors. Such diversification obviously tended to reduce the likelihood of a high rate of default. The investment under Title VI loans in so-called defense areas provides, he noted, a direct assistance to the war effort.

"The Federal Housing Administration," he said, "without doubt occupies a position of honor among Federal agencies created within the past decade. The Act which gave it birth was carefully conceived and it placed upon the statute books the ideas of many persons of eminence who had long considered the housing problem for which FHA was designed to care."

He praised the efficient management which the FHA administration had achieved. He believed that the FHA was a distinct aid to the maintenance of private enterprise as well as a social contribution. He asked:

"What better formula has yet been devised to aid the continuation of capitalistic and democratic freedom of enterprise?"

The American Life Convention, before which Mr. Meredith spoke, is a large organization of insurance executives from all parts of the United States, the financial section was also addressed by W. A. Patterson, President of United Airlines, and F. W. Hubbell, President of the Equitable Life of Des Moines, Iowa.

## Belgium And Holland Agree On Post-War Currency Stabilization

The Belgian and Netherlands governments-in-exile in London announced on Sept. 23 they had agreed on a post-war monetary stabilization plan. Associated Press accounts from London reporting this, added:

"Under the plan each Government will place at the other's disposal their respective currencies and will establish a stable rate of exchange between the currencies.

"Aneta, official Netherlands and Netherlands Indies news agency, said the agreement was announced jointly by the Belgian Ministry of Information and the Netherlands Government Information Bureau. The text of the announcement follows:

"The Belgian and Netherlands Governments have for some time been engaged in negotiations regarding a financial agreement, which they believe will have a favorable influence on the development of trade in the post-war period. These negotiations are now on the point of being concluded.

"Realizing that restrictions on the use of foreign currencies constitute one of the greatest obstacles to international trade, both governments have agreed to put at each other's disposal the respective currencies needed for their mutual relations.

"Appreciating the importance of monetary stabilization, both governments have agreed upon a stable rate of exchange between their respective currencies.

"The agreement between the Belgian and Netherlands Governments is the first concrete step toward the realization of the international monetary plan, now being prepared in Washington, to which both governments are favorably inclined.

"Both governments hope that they will thus make a real contribution toward international cooperation and the development of a good neighbor policy."

## Survival Of Private Enterprise Dependent Upon Sound Post-War Fiscal Policies

(Continued from first page)

was not of much significance if mistakes were made in fiscal policies. But when taxes are so steep that the Government becomes the senior partner in business and takes the lion's share of the earnings, then it is highly important that the taxes levied should not seriously interfere with nor obstruct the workings of the economic machine.

To carry the post-war burden of a possible \$300,000,000,000 or more Federal debt and a Federal budget of at least \$20,000,000,000, our productive forces must be in good working order.

It should be realized that industry is passing through the most trying period in our history. Emerging from a decade of depression, it was called upon virtually overnight to transform to war. When hostilities are over, its task will be to return to peacetime operations. Then for years to come it will be called upon to provide a high level of employment.

Faced with these conditions, it should be obvious that our tax policies can no longer be determined by political considerations any more than we can operate our military affairs on such a basis.

Heavy taxes have been imposed upon industry since the 1930's, with the present normal rate of corporation tax about twice that on individual income. This is unsound in principle and destructive in practice. It disregards the fundamental fact that industry represents an aggregation of units engaged in the production and distribution of goods, and is the chief source of income and employment. As a noted authority on taxation has said: "Taxing the business concern as such is like taxing the pipe line instead of that which flows through it." Since our American system centers around business, it is highly important that no steps be taken that will chill the initiative and enterprise which have been responsible for our great economic progress.

Some of the social reformers advocate discriminatory taxation against large corporations on the theory that they are a menace. But this is not in accordance with facts. The development of bigness was not a deliberate policy on the part of corporations, but was largely the natural outcome of economic progress. Size is determined largely by the fundamental factors within an industry, such as the character of the raw material, amount of capital needed, degree of risk involved, nature of demand for product, and the like. In response to these requirements we find large-scale operations in railroads, public utilities, insurance, banking, the automobile industry, chemicals, coal, petroleum, rubber, steel, sugar refining and similar lines. The chief advantages of large-scale operations are that they provide economies in the purchase and sale of materials, make possible the use of labor-saving devices and the utilization of by-products, and because of their position they command the best of talent in management. In other words, the size of an industry is in general determined by economic factors, and it is along this line that our economic system has been established. To unscramble big business by punitive and discriminatory taxation would result in the disintegration of our economic system. The yardstick to be applied to business should not be size, but rather its contribution to the general living standards. On that basis, large corporations have played a major role. There will always be a place for small, efficient organizations, but in some lines large-scale operations are imperative. Any arbitrary reduction in the size of

private enterprise by taxation is likely to be followed by an increase in Governmental bureaucracy with its attendant waste, extravagance, and high cost to consumers.

A complete and thorough overhauling of our tax structure is one of the most important tasks in our preparation for the post-war period. While there will be a considerable difference of opinion as to the specific changes that should be made, taxes should be on an equitable basis and should not be a hampering influence upon business enterprise. A tax provision should be made at once to enable corporations to create cash reserves for the reconversion of plant, and rehabilitation and expansion after the war. This is important not only from the standpoint of arranging for corporations to maintain their solvency, but also that they may be in position to provide employment for the many millions that will be released from the armed forces and the war industries.

It should be realized that war profits of many concerns may be largely illusory and may disappear with post-war adjustments. Following a prosperous period after the First World War, a large number of firms were on the brink of ruin in 1920-21 because of the sharp decline in inventory values. So a substantial cushion should be provided for such a contingency. After the close of the war the normal tax on corporations should be reduced gradually to a maximum of around 20%. Only through reasonable taxes can industry regain its vitality and be able to perform under its own power.

If the high tax rate of even the pre-war period had been in effect four or five decades ago, it would have seriously checked the growth of practically all of our present large industries. In consequence, it would have prevented the development of the modern mass production methods that have provided us with such an abundance and variety of goods at relatively low prices. Nor would we have been able to turn out war goods on anywhere near the prodigious scale that has been achieved.

For more than a decade, the tax on income in the upper brackets has been so high that the net return on investment has been only about as much as can be obtained from tax-exempt securities. There is no incentive, therefore, to take risks or to embark upon new ventures. Prior to the 1930s, savings of this group constituted a most important source of new capital funds. In order to induce these savings to flow again into productive channels, taxes on this type of income after the war should be substantially reduced.

Taxes in the post-war period will inevitably be high because of the large interest charges on the Federal debt and the heavy outlays for military purposes. But all non-essential items should be cut to the bone. If we are to maintain national solvency after the war we must eliminate waste and extravagance, reduce Governmental bureaus and commissions, and abandon the philosophy of spending our way to good times. Common sense should tell us that we cannot continue after the war to pile up deficits for future generations to pay. A conscientious and determined effort should be made, therefore, to balance the budget when the emergency is over.

The greatest threat to our solvency and private enterprise is the new philosophy of debt and spending. In effect, it is that we need not worry about the debt since we owe it to one another, and that tax payments are not a strain on our economy, but repre-

sent merely a transfer of money within the community. In consequence, according to the advocates of this theory, the Government should embark upon a huge spending program after the war in order to sustain purchasing power and employment. This spending theory rests upon the assumption that this country has reached a mature economy and that there are no incentives for private enterprise to embark upon new ventures. Under the circumstances, therefore, the proponents hold that the Government should collect the savings of the country through taxes and then distribute this money through the spending channels. This is a pernicious, dangerous and fallacious doctrine, since it opens wide the door for pressure groups and commits the nation to chronic deficits. It would make the Federal Government not only the senior partner of business, but the initiator and director of our economic affairs. If such a theory is adopted as the basis of our national fiscal policy, we would proceed on the road of creeping collectivism, and in the course of time our private enterprise and democratic form of Government would be engulfed by totalitarianism.

Our principal task in laying the groundwork for the post-war period is to face the future with courage and faith, adopt sound policies as we go along, and restore the freedom of production so that we can carry the heavy load inherited from the war and provide for a high level of employment.

## From Washington

(Continued from first page)

notwithstanding the solemnly pronounced Four Freedoms as the joint Anglo-American goal, Britain is said to be more realistic than we, to realize that conditions have changed and to be in the mood to bargain with Russia, even at the expense of Poland.

This writer frankly is not concerned with what satisfactory arrangements are arrived at by those charged with the job.

But what sort of a picture is it all going to make, as it gradually unfolds before the American people? We had expected the unfolding after the war. The result then would have made us sick at the stomach as we were the last time, but now apparently all of the sordidness is going to be thrown on the screen for us in the next few weeks.

It is going to provide a field day for the ideologists. The stubborn Hull is going to make a stubborn fight for the Four Freedoms formula. He is going to try with all of his might and main to convince Stalin that his greatest security lies in a concert of nations against aggressors; contending that what Stalin wants, instead of giving this security, will insure a series of Balkan wars. But he won't receive support from our ideologists. He will be dubbed anti-Russia and pro-Fascist. The President, after having been decidedly cool towards the Fulbright resolution expressing our "interest in world affairs," or something of the sort, is said now to want the Senate to pass it as a means of help to Hull in his arguments.

So far as the industry of contending about foreign affairs is concerned, the bottom completely dropped out of it a few weeks ago with members of Congress saying the public is pronouncedly uninterested. It looks now however, as though it will enjoy a tremendous comeback.

And in its comeback, with the national hatreds and greeds to be threshed out now, instead of after the war, the public is likely to become very much interested, but with no advantage to the promoters of the business, or to the conduct of the war. Very likely, Willkie will press into the picture

## Government Should Get Out Of Active Industry After War, Secretary Jones Declares

(Continued from first page)

political and military collaboration with other nations for the preservation of peace. Whether public opinion has shifted in the same sense, in the direction of post-war international collaboration in the economic field, is not so clear. Yet it is apparent that political and military arrangements cannot preserve peace if we have economic warfare.

"Therefore, the good neighbor policy which, with the approval of the President, Secretary Hull has been developing these past 10 years, will become of increasing importance. . . .

"The war has emphasized that the nations of the Western Hemisphere should develop their trade relations and further cement the ties that now bind them together.

"In doing this we cannot expect our neighbors to deal with us if we do not attempt to meet and anticipate their needs. We must supply them with what they want—not just what we want to sell them. And we must be prepared to develop markets for them in this country.

"That is the way in which American business can back up our Government in the furtherance of the good neighbor policy.

"The opportunities which will open with the coming of peace are almost inconceivable.

"There are few enterprises which will not face tremendous demands. Take our own country alone. We need new houses, new roads, new automobiles, household appliances, furniture, refrigerators, gas and electrical appliances, et cetera. These constitute just a few of the items which will be needed in vast quantities. If we save our war bonds as a nest egg, we will be able to buy the many

things we have been denied during the war.

"We shall have a healthy infant industry coming to maturity in airplane travel and shipping.

"There is probably not a state, county or municipality that will not need to extend or repair its facilities—schools, streets, waterworks, sewerage, fire protection, et cetera.

"Railroads and bus lines will need to repair and replace their equipment.

"Then there will be the reconstruction problems in the countries that have been overrun. And people in the farthest outposts have learned that there are new things to be had that will improve their standards of living.

"The United States will be called upon to supply goods and services for many parts of the world. Business and government will cooperate in this great task. The Department of Commerce, established to foster and promote the trade and commerce of our country, will be available to business. It will represent business in government. In my opinion, we have nothing to fear in an economic sense if we carry into the future the confidence and courage with which we have always met any situation."

The dinner was held in New York at the Waldorf-Astoria. Floyd N. Dull, President of the Board of Trade, presided. Besides Secretary Jones the other speakers were Mayor F. H. LaGuardia, Percy C. Magnus, Chairman of the Board of Trade, and John B. Glenn, toastmaster, Chairman of the Latin-American section. At the dinner Secretary Jones was awarded a testimonial plaque for his years of distinguished public service.

## Extension Of Savings Bank Life Insurance Urged By C. B. Plantz Of N. Y. Savings Bank

Speaking before the Tri-State Conference on Savings Bank Life Insurance at Lenox, Mass., on Sept. 28, C. B. Plantz, Vice-President of the New York Savings Bank, advocated an extension of the service of Savings Bank Life Insurance in New York State through a removal of the present \$3,000 limitation. "There is no longer any logical reason why any person in New York State should be limited as to the amount of Savings Bank Life

Insurance which he can purchase," said Mr. Plantz. He went on to say: "Savings Bank Life Insurance has now been in operation nearly five years in New York and it has been demonstrated that this system of 'over-the-counter' life insurance through a reduction of selling expenses does provide life insurance at substantial savings in cost. The present limit was imposed at the time the bill was passed and may have been justified at that time because of the fact that an appropriation of state funds was made to get the system started. At the present time, however, through an amendment to the original law, Savings Bank Life Insurance operates on its own just as does any other life insurance organization and there would seem to be no more reason for a limitation on the amount of Savings Bank Life Insurance than there is for a limitation of the amount which may be issued by life insurance companies doing business in the State of New York."

"I believe," Mr. Plantz added, "that it is in the public interest that the limitation on Savings Bank Life Insurance be removed. The removal of the present limitation would not only permit of the benefits of this form of insurance

to demand if Britain intends to "free" India and her colonial possessions; indeed, if the Dutch intend to give democracy to the Malaysians. It is going to be an awful mess.

to be more widely extended to all classes of people, but should also result in even lower costs to buyers of small amounts of insurance in the Savings Bank Life Insurance System."

"The basic purpose of life insurance is to replace lost income. How far will \$3,000 go today in supporting the widow and children, in the event of the death of the breadwinner, even on the most modest standards of living?"

"In these days of rising prices and threat of inflation, it is doubly important that the Savings Bank Life Insurance System be permitted the widest possible scope both in view of the fact that it reduces the cost of a necessity of life and the fact that life insurance dollars are anti-inflation dollars."

## LeCron Quits Food Post

James D. LeCron, Director of the Food Supply Division of the Office of Coordinator of Inter-American Affairs, has resigned because of what he termed "interference, obstruction, delay and unintelligent dictation" by State Department officials; it was announced on Sept. 3.

Mr. LeCron, a close personal friend of Vice-President Wallace, told Nelson Rockefeller, the Coordinator, in a letter of resignation that the State Department was making it impossible to carry out needed projects.

## Senators Returning From Foreign Tour Urge Clearer Post-War Policy

The United States ought to enunciate a broad post-war foreign policy now for the rest of the world's guidance, it was asserted on Oct. 1 by three Senators who recently returned from an inspection of world battlefronts.

Senators Mead (Dem., N. Y.), Russell (Dem., Ga.) and Lodge (Rep., Mass.), told of finding widespread confusion about American policies not only among foreigners, but among American representatives as well, according to Associated Press Washington advices of Oct. 1, which further said:

"A declaration by Congress of foreign policy would have a very wholesome effect upon our activities in parts of the world in which we have vital interests," Senator Mead told a reporter.

Senator Russell said that while he believed a definite foreign policy should be established, he did not think Congress could attempt to fill in the details at this time.

Senator Lodge said talks with Americans in the field convinced him there were two general impressions abroad—that many people expect gifts and favors that the United States is not in a position to grant and that others greatly fear a post-war expansion of American foreign trade and aviation.

### N. Y. Factory Payrolls Higher In August

The New York State Department of Labor announced on Sept. 16 that seasonal expansion in the apparel industry and increased activity in war plants resulted in an advance of more than 2% in total factory payrolls in the State from July to August. There was very little change in total employment during the month although the clothing industry showed an increase of 3.7%. The Department's advices further said:

"The index of factory employment compiled by the New York State Department of Labor was 159.8 for August, an increase of 0.2% from July and 9.2% from August, 1942. The corresponding payroll index was 290.8 which represents an advance of 2.5% from July and 26.6% from August a year ago. These indices are based on the average of 1935-1939 as 100. Average weekly earnings were \$45.24 this month compared with \$44.05 in July and \$38.90 a year ago. Preliminary tabulations covering reports from 2,855 manufacturing firms throughout the State are the basis for the above statements. The collection, tabulation and analysis of these reports are made by the Division of Statistics and Information.

"Practically every branch of the women's apparel industry enjoyed seasonal increases in employment and payrolls in August; this was especially true of dress and millinery shops. Women's coat, suit and skirt houses were busier than in July although some of them had passed their peak of fall production. Blouse and lingerie firms added more workers in August and manufacturers of children's and infants' wear did likewise.

"Employment dropped sharply in factories making men's shirts, pajamas and neckwear; there was a small increase in the production of men's work clothing and little change among tailoring firms. Curtailed activity was reported by furriers and manufacturers of miscellaneous accessories. Shoe, glove and handbag manufacturing dropped off. Employment declined in every branch of the textile group and payrolls decreased almost 1% for the group as a whole.

"Among the food products industries, employment was lower in ice cream and soft drink factories as well as in breweries and canneries. It increased among meat packing, confectionery and coffee grinding plants. Payrolls advanced 1.6% for the food group.

Other industries which showed employment losses were tobacco, rubber and leather.

"War industries as a group reported fewer employees in August and higher payrolls. A strike at a large steel mill affected the employment and payroll figures for that industry.

"In New York City factory employment increased 2% during the month and payrolls advanced 5%. Compared with August a year ago, the increases were 7% and 29% for employment and payrolls respectively. Seasonal gains in the clothing industries were even more pronounced in the City than in the State as a whole. Employment increased 5.4% for the apparel group and payrolls were 14% higher. With the exception of rubber and stone, clay and glass, payrolls increased in all the major industrial groups although employment dropped in many. Losses in plants manufacturing insulating materials were largely responsible for decreased employment and payrolls in the stone, clay and glass group.

"In the metals and machinery group, which comprises most of the war industries, employment was 1.6% above the July figure and payrolls were 1.8% higher. Shipbuilding and manufacturing of electrical and communication equipment increased while aircraft plants in the metropolitan area had fewer employees and smaller payrolls.

#### Upstate Districts

"Payrolls were higher in all of the upstate industrial areas except the Kingston - Newburgh-Poughkeepsie district, where the drop was less than one-half of 1%. With the exception of Rochester and Syracuse, employment decreased in all of the upstate areas."

### Nat'l Bank Assets Up Loans Show Decline

The total assets of national banks on June 30 of this year amounted to nearly \$59,000,000,000, it was announced by Comptroller of the Currency Preston Delano on Sept. 13. Returns from the call covered the 5,066 active national banks in the United States and possessions. The assets reported were greater by \$4,000,000,000 than those reported by the 5,087 national banks on Dec. 31, 1942, the date of the previous call, and an increase of \$14,000,000,000 over the amount reported by the 5,107 active banks on June 30, 1942.

The Comptroller's announcement further said:

"The deposits of the national banks on June 30, 1943, were nearly \$55,000,000,000, an increase since December, 1942 of \$4,000,000,000, and an increase since June 30 last year of \$14,000,000,000. Included in the current deposit figures are demand and time deposits of individuals, partnerships and corporations of \$30,518,000,000 and \$8,971,000,000, respectively, United States Government deposits, including war loan accounts, of \$4,582,000,000, deposits of States and political subdivisions of \$2,900,000,000, postal savings of \$7,000,000, deposits of banks of \$7,156,000,000, and certified and cashiers' checks, cash letters of credit and travelers' checks outstanding of \$634,000,000.

"Loans and discounts were \$9,190,000,000, a decrease of \$1,010,000,000, or 10%, since December last, and a decrease of \$1,711,000,000, or nearly 16%, since June 30 a year ago.

Investments in United States Government obligations, direct and guaranteed, of \$30,190,000,000, showed an increase of \$6,365,000,000, or nearly 27%, since December 1942, and an increase of \$15,261,000,000, or more than 102%, since June of last year. The direct and indirect obligations held on June 30, 1943, were \$28,515,000,000 and \$1,675,000,000, respectively. Other bonds, stocks and securities held of \$3,538,000,000, which included obligations of States and political subdivisions of \$2,026,000,000, decreased \$119,000,000 since December and \$176,000,000 since June of last year.

"Cash of \$807,000,000, balances with other banks, including cash items in process of collection, of \$6,567,000,000, and reserves with Federal Reserve banks of \$7,853,000,000, a total of \$15,227,000,000, decreased \$1,023,000,000 since December but showed an increase of \$911,000,000 over the amount reported in June last year.

"The unimpaired capital stock of the banks on June 30, 1943, was \$1,498,000,000 including \$137,000,000 of preferred stock. Surplus of \$1,475,000,000, undivided profits of \$584,000,000, and reserves of \$268,000,000, a total of \$2,327,000,000, increased \$93,000,000 and \$155,000,000 in the six and 12 month periods, respectively.

"The percentage of loans and discounts to total deposits on June 30, 1943, was 16.78, in comparison with 20.14 on Dec. 31, 1942, and 26.81 on June 30, 1942."

### Colt And Brown Named N. Y. Reserve Directors

S. Sloan Colt, President of the Bankers Trust Co., New York City, and Donaldson Brown, Vice-President of General Motors, have been recommended for nomination and election to three-year terms on the board of the Federal Reserve Bank of New York, according to an announcement on Sept. 24 by a committee on nominations for Federal Reserve directors, representing member banks in New York, New Jersey and Connecticut.

Mr. Colt, whose banking career began with the Farmers' Loan & Trust Co. in 1914, was National Chairman of the American Red Cross War Fund Committee in 1942 and is a past President of the New York State Bankers Association. He was recommended to succeed Leon Fraser, President of the First National Bank, New York City, on the board as a representative of Group One, comprising banks with capital and surplus of \$10,000,000 and over. Mr. Brown, who is also a director of E. I. du Pont de Nemours and Company and a member of its finance committee, was recommended to succeed himself. He has been the Class "B" director, representing business and industry, since Jan. 1, 1941. The post for which Mr. Colt was recommended is a Class "A" directorship. Class "A" directors are nominated from the banking profession. The board election will be conducted by mail in the next few weeks and the new directors will take office Jan. 1, 1944.

The nominating committee was composed of Chairman John E. Bierwirth, President, New York Trust Co., New York City; Charles H. Diefendorf, President, Marine Trust Co., Buffalo; Elmer B. Milliman, President, Central Trust Co., Rochester; M. M. Parrish, President, Cambridge Valley National Bank, Cambridge; Robert G. Cowan, President, National Newark and Essex Banking Co., Newark, N. J.; Charles E. Blackford, President, Peoples Trust Co. of Bergen County, Hackensack, N. J.; and Lewis A. Shea, President, First National Bank & Trust Co., Bridgeport, Conn.

The New York Reserve Bank on Sept. 27 invited member banks

## States Urged To Amend Insurance Laws To Permit Investing In Unencumbered Real Estate

Present laws which force life insurance companies to invest principally in debts ought to be investigated to determine if they should be relaxed or perhaps eventually abolished, Walter H. Rolapp, Vice-President of the Pacific Mutual Life Insurance Co., Los Angeles, told the mortgage men at their conference in Chicago on Sept. 23. "A most stabilizing factor for the real estate market would be for all states to amend their insurance laws as New York has done authorizing insurance companies to invest up to 10% of their assets in unencumbered real estate. It would create a highly desirable investment outlet," he suggested.

Mr. Rolapp stated that the future of mortgage lending is complicated in some degree because each state has its own requirements for making a mortgage loan, there are no uniform mechanic's lien laws, foreclosure laws or uniform building codes. He also suggested the possibility of introducing something entirely new in mortgage banking—a plan whereby the borrower pay not a fixed sum as interest but a percentage of his income each month until the mortgage, plus interest, is paid off. In a period of high earnings borrowers would pay more, and in depression would pay less. It would, he explained, "eliminate the fixed feature in favor of adjustment through a percentage of income arrangement." Many of the most successful chain store leases are being negotiated on that basis and California built its major highways on that principle, he said.

He warned "that something must be done to expand our national income to help carry the load of national debt."

### Stettinius Sworn In As Under Secretary

Edward R. Stettinius Jr. was sworn in as Under Secretary of State on Oct. 4 in a ceremony witnessed by Secretary of State Cordell Hull and other officials of the State Department. Later in the day Mr. Hull presented Mr. Stettinius at his press conference, expressing pleasure at the new association. The new Under Secretary responded with a pledge that he would do everything in his power to justify the faith and confidence Mr. Hull placed in him.

The Senate had unanimously approved on Sept. 30 President Roosevelt's nomination of Mr. Stettinius to succeed Sumner Welles, resigned. The nomination had been formally submitted on Sept. 28 and the Senate Foreign Relations Committee confirmed it on Sept. 30. Ordinarily, the Senate would not have considered the nomination until the next day (Oct. 1) but Senator Connally (Dem., Tex.) Chairman of the Foreign Relations group, urged prompt action "because of the present posture of international relations and the probable absence from the country of the Secretary of State at an early date." Secretary Hull is expected soon to go abroad to attend the meeting of American-British-Russian foreign ministers. Senator McNary (Rep., Ore.), minority leader, at first objected to consideration of the nomination, in view of the rules of the Senate and to "protect" Senators who were absent, but later yielded to the plea of Senator Barkley (Dem., Ky.) majority leader.

The appointment of Mr. Stettinius, who had been Lend-Lease Administrator for over two years, was reported in these columns Sept. 30, page 1327.

in Group I to nominate candidates for these directorships by Oct. 28. The election will be held from Nov. 1 to Nov. 16.

### August Truck Freight Volume 7.1% Over '42

The volume of freight transported by motor carriers in August increased 1.4% over July and held 7.1% over August, 1942, according to reports compiled and released on Sept. 27 by the American Trucking Associations, Inc.

Comparable reports were received by ATA from 215 motor carriers in 41 States. The reporting carriers transported an aggregate of 1,708,843 tons in August, as against 1,685,344 tons in July, and 1,595,951 tons in August, 1942.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1933-1940 as representing 100, was 191.35.

Almost 81½% of all tonnage transported in the month was transported by carriers of general freight. The volume in this category increased 1.4% over July and 6.9% over August of last year.

Transporters of petroleum products, accounting for a little more than 8% of the total tonnage reported, increased 3.3% over July, and 25.3% over August, 1942.

Haulers of iron and steel products reported slightly more than 3½% of the total tonnage. The volume of these commodities showed virtually no change as compared with July, but decreased 6.1% under August of last year.

Almost 7% of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, coke, bricks, building materials, cement and household goods. Tonnage in this class showed a slight increase of 0.1% over July, but decreased 1.1% under August, 1942.

### Report Russia Objects To Foreign Ministers Meeting In London

Russia has rejected the American suggestion that the forthcoming meeting of United States, British and Soviet foreign ministers be held in London instead of Moscow, it was learned authoritatively on Oct. 2, said Kingsbury Smith, International News Service Staff correspondent in Washington.

According to this account, appearing in the New York "Journal-American" of Oct. 2, Secretary of State Cordell Hull is now expected to go to Moscow to attend the conference, which probably will meet about the middle of this month.

The State Department had suggested the meeting be held in London in order to spare Secretary Hull the long air trip to Russia.

### Morton Joins WPB Advisory Group

Appointment of A. N. Morton, Vice-President in charge of production for Mack Manufacturing Corp., as a member of the Advisory Committee for the automotive, farm, and tractor liquid-cooled gasoline engine industry, has been announced by the War Production Board from Washington. Mr. Morton was appointed production chief of the manufacturing interests of Mack Trucks, Inc., in February and became Vice-President and Director of Mack Manufacturing Corp. in September.

## Treasury Officials Considering International Bank—In Effect World-Wide RFC

### Would Be Financed By Participating Nations

A post-war international bank which in effect would be a world-wide Reconstruction Finance Corporation is under consideration by Treasury officials, said United Press advices from Washington on Sept. 28, which went on to say:

"Dr. Harry D. White, author of the American post-war monetary stabilization plan, acknowledged tonight that such a bank was under consideration, but he said it had not reached the state of discussion with other nations. The bank would be designed primarily to finance production of raw materials throughout the world and would be financed by the participating nations on a plan similar to that proposed for the American stabilization fund."

Such a plan, it may be noted here, was advocated in an article by Congressman Charles S. Dewey, which appeared on the first page of the "Chronicle" of June 24, 1943.

## Wiggins Appoints ABA Commission On Country Bank Problems

Creation of a nationally representative Commission on Country Bank Operations, composed of country bankers from 17 States, has been announced by A. L. M. Wiggins, President of the American Bankers Association.

The commission, which will function under the chairmanship of Kenneth J. McDonald, President of the Iowa Trust & Savings Bank at Estherville, Iowa, will have for its responsibility the interests of country banks. It will study their problems of management and operation, and competition, their opportunities for the extension of their services, their needs for promotional material and other assistance, and will make such suggestions and recommendations as will help them to solve their problems and strengthen their position.

The new commission will not supplant other commissions and committees devoted to the interests of the country banks, such as the Agricultural Commission, Food-for-Freedom Committee, and the Federal Legislative Committee, and its Subcommittee on Agricultural Credit, but will supplement the activities of these groups.

The Commission on Country Bank Operations will hold its first meeting in Chicago, Oct. 11-12.

The members are:

K. J. McDonald, President, Iowa Trust & Savings Bank, Estherville, Iowa, Chairman.

R. A. Bezoier, Vice President and Cashier, First National Bank, Rochester, Minn.

T. E. Burch, President, Security State Bank, Wewoka, Okla.

R. L. Eberhardt, Executive Vice-President, Stockton Savings & Loan Bank, Stockton, Cal.

Glenn L. Emmons, President, First State Bank, Gallup, New Mexico.

Howard Hambleton, Vice-President, Citizens National Bank, Waxahachie, Texas.

B. M. Harris, President, Yellowstone Bank, Columbus, Mont.

Clyde D. Harris, President, First National Bank, Cape Girardeau, Mo.

John B. Sloan, President of the County Bank, Greenwood, S. C.

C. C. Neumann, Executive Vice-President, Farmers & Merchants National Bank, Oakland, Neb.

Claude F. Pack, President, Home State Bank, Kansas City, Kan.

Eddie Pacot, Executive Vice-President, Stockmen's Bank, Gillette, Wyoming.

William C. Rempfer, Cashier, First National Bank, Parkston, So. Dak.

S. N. Schafer, President, First

## Powers Heads Bank Auditors & Comptrollers

Hugh E. Powers, Cashier of the Lincoln Bank & Trust Co. of Louisville, Ky., was elevated to the presidency of the National Association of Bank Auditors and Comptrollers at the annual meeting held Sept. 24, in the Book-Cadillac Hotel, Detroit. Mr. Powers succeeds Ottmar A. Waldow, Comptroller of the National Bank of Detroit, who now automatically becomes a member of the Advisory Board for a period of four years.

Other National Officers of the Association who were elevated to new positions are, John C. Shea, Auditor of the Whitney National Bank, New Orleans, La., advanced to the First Vice-Presidency. He was Second Vice-President. Ben N. Jenkins, Auditor of the First National Bank and Trust Co., Oklahoma City, Okla., becomes Second Vice-President, moving up from Secretary. Arthur R. Burt, Comptroller of the First National Bank, Baltimore, Md., moves from Treasurer to Secretary, and Mills B. Lane, Jr., First Vice-President of the Citizens and Southern National Bank, Atlanta, Ga., is the newly elected Treasurer.

## Steel Payrolls Reach New Peak In July

Monthly payrolls of the steel industry climbed to a new peak during July, reaching a total of \$142,769,000, more than \$5,000,000 above the previous peak of \$137,404,000 paid out in May of this year, it is revealed in a report released on September 8 by the American Iron and Steel Institute, which adds:

"In June of this year payrolls amounted to \$136,217,000 while in July a year ago \$120,671,000 were distributed in payrolls by steel companies.

"Employment in the industry continued to decline during July, the total number of employees on the payrolls during the month being reported at 627,000, compared with 631,000 in June and 655,000 in July 1942.

"Wage-earning employees of the industry earned an average of 115.5 cents per hour in July, the highest average hourly earnings on record. By comparison, 112.7 cents per hour was earned in June of this year and 102.7 in July of last year.

"Wage earners worked an average of 43.5 hours per week in July as against 43.3 hours per week in June and 38.4 hours per week in July 1942."

## Dr. Fisher Leaves ABA For State Dept. Post

Dr. Ernest M. Fisher, director of research in mortgage and real estate finance for the American Bankers Association, has been appointed to the staff of the Office of Foreign Economic Coordination of the Dept. of State and will be on leave of absence from the Association while carrying out the duties of the office to which he has been appointed. Dr. Fisher will be Chairman of an area committee which will deal with the rehabilitation of the Low Countries, including Holland, Belgium and Luxembourg.

He has been a member of the staff of the A.B.A. since January 1940, when he was appointed a Deputy Manager of the Association. He also has been Secretary of its Savings Division. From 1934 until 1940, he was director of the Division of Economics and Statistics of the Federal Housing Administration in Washington.

While on leave of absence from the ABA Dr. Fisher will reside in Washington.

## London Criticism Of Currency Report Of ABA Economic Policy Committee

Termining the post-war currency report of the Economic Policy Commission of the American Bankers Association "the Bourbon plan," The London Financial News stated in a leading editorial on Sept. 18 that the American bankers are asking for the restoration of precisely the conditions that brought on the boom of 1929 and the subsequent collapse, with the banking crisis in 1932 and 1933. A cablegram from London to the "New York Times" reporting this, further indicated as follows the criticisms contained in the editorial.

Admitting that the comment is based only on extracts and summaries of the American plan, the publication asks, how it is possible for "well-informed, thoughtful people to be so blinded to the realities by their belief in hard money at all costs?"

The report's alleged assertion that an ideal state of affairs could be reached by eliminating all forms of government intervention and "obstacles to initiative and enterprise" and by ending "deficit financing" makes "one rub his eyes to make sure he is not dreaming," the editorial says.

Such a policy would mean large numbers of unemployed, a delay in the reconstruction of war-torn countries, a decline in production and a drain on the Treasury, which would have to fund maturing war debts at exorbitant rates, according to the editorial.

"Few things are more certain than the determination of a majority of the electorate in this and other countries not to tolerate a government which would sacrifice their prosperity to the canons of financial orthodoxy," it continues. "The public may be right or wrong, but any government which followed the American bankers' hard money lead would be defeated in the first general election."

## Business Failures In August Are Higher

Business Failures in August were larger in number than in July, but the amount involved was lower, the August number and amount were lower than in August 1942. Business insolvencies in August, according to Dun & Bradstreet, Inc., totaled 227 and involved \$2,905,000 liabilities, as compared with 203 involving \$3,595,000 in July, 1943 and with 698 involving \$6,781,000 in August 1942.

Increases in the number of failures in August from July took place in all the groups into which the report is divided with the exceptions of the manufacturing and wholesale groups. When the amount of liabilities involved is considered only the Wholesale and Retail groups recorded totals larger than in July.

Manufacturing failures last month amounted to 33, involving \$913,000 liabilities, compared with 43 in July with \$2,017,000 liabilities. Wholesale failures increased to 28 from 19 in July and liabilities involved from \$202,000 to \$435,000. In the retail trade section insolvencies were up to 120 in August from 98 in July and liabilities rose to \$786,000 in August from \$429,000 in July. Construction failures numbered 31 with \$477,000 liabilities in August which compares with 22 with \$647,000 liabilities in July. Commercial service failures dropped to 15 in August from 20 in July and liabilities involved from \$300,000 in July to \$294,000 in August.

When the country is divided into Federal Reserve districts it is seen that the Boston, New York, Philadelphia, Richmond and San Francisco Reserve districts had more failures in August than in July and the Cleveland and Dallas Reserve districts has no change in their status, while all the remaining districts had fewer failures in August than in July. It is worthy of note that the Atlanta, Kansas City and Dallas

Reserve districts did not report any failures in August. When the amount of liabilities involved is considered all districts, except the Philadelphia, Chicago, St. Louis, Dallas and San Francisco Districts had smaller amounts of liabilities involved in August than in July.

## May Credit To War Loan Deposit Account

In connection with the Third War Loan Drive, Allan Sproul, President of the Federal Reserve Bank of New York, on Sept. 15 notified those banks and trust companies in the Second (New York) Federal Reserve District qualified to act as special depositories of public moneys that the Treasury Department has approved a procedure to permit greater use of their War Loan Deposit Accounts. Under the plan, any qualified banking institution may endorse any check payable to the order of the Treasurer of the United States, or to the order of the Reserve Bank as fiscal agent of the United States, received by such depository in connection with a subscription for United States Government securities and credit the proceeds of such check to its War Loan Deposit Account in payment for the securities.

## Retirement System Trustees Elected

Charles Diehl, Executive Vice-President of the Empire City Savings Bank, New York City, has been reelected a Trustee of The Savings Banks Retirement System by the participating banks of Group IV of The Savings Banks Association of the State of New York. Mr. Diehl served the system for several years as a member of the Investment Committee and, since January 1 of this year, has been Vice-Chairman and a member of the Executive Committee.

Jacob H. Strong, President of the Rhinebeck Savings Bank, Rhinebeck, N. Y., was elected a Trustee by the participating banks of Group III of The Savings Banks Association of the State of New York. He succeeds Frank L. Gardner, President of the Poughkeepsie Savings Bank, Poughkeepsie, N. Y., who was a Trustee since the inception of the System in May 1941 and a member of the Association's Committee on Organization of the Retirement System. Both Trustees were elected to serve for a term of three years commencing Oct. 1, 1943.

## Sweden's Nat'l Debt Now Over Nine Billion Kronor

Sweden's national debt increased by 285,000,000 kronor (about \$71,250,000 at par) during August, thereby for the first time exceeding 9,000,000,000 kronor, to a total of 9,125,000,000 kronor (about \$2,281,250,000 at par), compared with 2,500,000,000 kronor (about \$625,000,000) in 1939. Practically the whole debt is placed domestically. The bulk of it, or 6,702,000,000 kronor (about \$1,678,000,000), is funded, and of this amount 4,625,000,000 kronor (about \$1,156,250,000) is represented by bond-loans subscribed to by the people during the war. The floating debt is 2,423,000,000 kronor (about \$605,750,000), and the per capita debt is 1,400 kronor (about \$350).

## Urges Higher Taxes To Prevent Inflation

Economists specializing in taxation problems believe America is headed for a tremendous price inflation very soon unless taxes are raised considerably; Dr. Harold Hotelling, Professor of Economics at Columbia University, declared on Sept. 30. They believe that even the adoption of the proposed 30% withholding rate will not be enough to prevent economic chaos, he said, it was reported in the New York "World-Telegram" of Sept. 30, from which we also quote:

"Despite the hardships of taxation, they are preferable to inflation such as Germany experienced in 1923, when 500,000,000,000 marks might buy a postage stamp," Dr. Hotelling explained. "Congress so far has been completely avoiding the issue and has spent half a year playing around with the Ruml plan instead of raising tax rates.

"Since it is impossible to avoid the cost of war and the government's expenses are far beyond its revenue, we can expect serious inflation followed by depression unless a new system of taxation which will be extended into the post-war period is adopted."

Dr. Hotelling advocated that in working out plans for higher taxes the loopholes should be filled up, particularly in the larger income brackets. "We need to strengthen the Federal estate tax, and the exemption from death duties should be pushed down from the \$60,000 level to \$10,000 or less," he said.

Economists, he added, favor a graduated spendings tax whereby the government issues some free coupons and more can be purchased. They oppose a sales tax as uneconomic, and contend that spending should be kept to a minimum. More bonds should be purchased, in addition to those acquired during the big bond drives, he said. Congress will have to begin planning now for a system for redeeming bonds in a way which will not disturb post-war price levels, he added.

## Revenue Collector Resigns

President Roosevelt accepted on Sept. 29 the resignation of Joseph T. Higgins as Collector of Internal Revenue for the Third New York District. Mr. Higgins, who has held the post since January, 1935, resigned to become the Democratic candidate for Justice of the City Court, New York City. James W. Johnson, Chief Assistant in the Collector's office, has been sworn in as Acting Collector.

In accepting Mr. Higgins' resignation, the President wrote:

"Your fine loyalty and zeal in the public interest has been outstanding and I must take this opportunity to express my appreciation of the way you have conducted that office."

## President Asks Home Rule For Puerto Rico

President Roosevelt transmitted to Congress on Sept. 28 a report embodying a bill proposing that the people of Puerto Rico "be given an opportunity for the free exercise of the powers of local self-government in all three branches of government—executive, legislative and judicial."

In his special message, the President asserted that "it has long been the policy of the Government of the United States progressively to reinforce the machinery of self-government in its territories and island possessions," adding that "there is no question of the Puerto Ricans' ability now to administer their own internal affairs and to assume the attendant responsibility."

The report forwarded to Congress by Mr. Roosevelt, was made to Secretary Ickes, said a Washington dispatch to the New York "Times," by a group consisting of an equal number of Puerto Ricans and Continental United States residents as the result of a study of insular problems in the summer. The legislation was submitted by the Committee as a possible guide for congressional action on the recommendation.

The committee's report recommended that the Puerto Rican people elect their own Governor and that he, in turn, appoint all departmental heads, subject to confirmation of the Puerto Rican Senate.

With respect to the proposed legislation, the President's message stated:

"There would be reserved to the President the power to veto only such measures passed by the Legislature as were beyond the proper field of local self-government. There would be a United States Commissioner General in Puerto Rico upon whom would devolve the responsibility for the execution of the laws of the United States, and for the coordination and supervision of the activities of Federal civilian agencies, and their correlation with the activities of insular agencies. He would also have authority to require reports of all activities of the insular government for transmittal to the President through the Secretary of the Interior. The fiscal relationship of the insular government to the Federal Government would not be altered, nor would the ultimate power of Congress to legislate for the territory. The people of the island would, however, be given assurance of the intention of Congress to obtain the concurrence of the people of the island before imposing upon them any further changes in the organic act . . .

"As to the future, it is not proposed that the political development of Puerto Rico be left to chance. On the contrary, it is recommended by the committee that a continuing joint advisory council, under the chairmanship of the Secretary of the Interior, be appointed to conduct continuing economic and political studies of all the elements of the Puerto Rican situation and of American necessities, to guide us for the future. This council must report at least once during the life of each Congress.

"In addition to the Secretary of the Interior, the council would consist of the Governor of Puerto Rico and the Commissioner General, who shall serve ex officio, and also four persons to be appointed by the President of the United States, and five persons to be appointed by the Governor of Puerto Rico."

In concluding his message, the President declared:

"The government of Puerto Rico should not be static; it should be changed and developed as conditions warrant. It is equally important that the economic situation of the Puerto Ricans should be improved. I am confident that with patience and cooperation both these objectives can be attained."

A day or two prior to the submission of the President's message to Congress, a report by Gov. Rexford Guy Tugwell of Puerto

Rico was released in Washington in which it was contended that the United States, while extending the good neighbor policy to all the rest of Latin America, had no policy at all toward Puerto Rico, but kept its people in "humiliating suspense, by implication neither fit to govern themselves nor to become part of the United States." This is learned from Associated Press accounts, which also stated in part:

"His report, prepared in February for the Chavez Committee of the Senate which investigated social and economic conditions in the island, was released by the Interior Department."

He said the United States must prepare Puerto Rico for greater political freedom in accordance "with the professions of Americans with respect to subject peoples" and must grant economic assistance, so that the island can be industrialized.

The question of Puerto Rico's ultimate status must be deferred, he said, because "the United States has not prepared the way for the honest settlement of this issue."

His 31-page report was a defense and explanation of his two-year administration.

The suggestion that Puerto Rico be permitted to elect its own Governor came from Mr. Tugwell more than a year ago and was reiterated in the report. He said the United States should inaugurate a deliberate policy of assistance and after a few years permit the electorate to express itself.

Mr. Tugwell did not specifically advocate Statehood for the island but asserted that delay in granting "the characteristic freedoms" of Statehood was now "notable and requires excuse."

## New Locomotives On Order Increased

Class I railroads on Sept. 1, 1943, as reported to the Car Service Division, had 28,433 new freight cars on order, the Association of American Railroads announced on Sept. 22. Of this total there were 5,551 plain box, 2,825 automobile box, 3,833 gondolas, 14,165 hoppers, 300 refrigerators, 200 stock, and 1,559 flat cars. On Sept. 1, last year, the roads had a total of 35,063 cars on order.

Locomotives on order on Sept. 1, this year totaled 1,038 which included 461 steam, four electric, and 573 Diesel locomotives. On Sept. 1, 1942, they had 861 locomotives on order which included 323 steam and 538 electric and Diesel.

Class I railroads put 15,744 new freight cars in service in the first eight months of 1943, compared with 53,695 in the same period last year. Those installed in the eight months of 1943 included 6,783 hopper, 6,257 gondola, 1,830 flat, 135 automobile box, 688 plain box, one refrigerator, three stock, and 47 miscellaneous freight cars.

The railroads also put 408 new locomotives in service in the first eight months this year, of which 264 were steam, 14 electric, and 130 Diesel. New locomotives installed in the same period last year totaled 514, of which 207 were steam and 307 were electric and Diesel.

The ODT also reported 48 new locomotives on order on Sept. 1, and 16 new locomotives installed in the first eight months of this year by other than Class I carriers. This brings the total of new locomotives on order on Sept. 1 to 1,086 and the number installed during the first eight months to 424.

## Truck Delivery Restrictions Extended

Joseph B. Eastman, Director of Defense Transportation, on Sept. 15, ordered restrictions on all wholesale and retail motor truck deliveries in the Nation. These are the same as those which have been in effect in the 12 Eastern States and the District of Columbia since last spring and will become effective at 12:01 a.m. on Oct. 11. This action was taken in Amendment 3B to General Order 17.

The restrictions include:

1. A prohibition against the retail delivery of packages which weigh five pounds or less or measure 60 inches or less in length and girth combined.

2. Limitations upon the frequency of retail and wholesale deliveries of certain commodities.

3. A prohibition against Sunday retail deliveries except of ice, milk or cream, and all Sunday wholesale deliveries except of ice.

In addition to the restrictions imposed, the order requires all delivery truck operators to eliminate all duplicating or overlapping routes. This does not mean, however, that no operator may duplicate the routes of another. The requirement is that no carrier operate over a delivery route which duplicates or overlaps another of his own routes.

The order permits Sunday retail delivery of dairy products other than from milk or cream provided that the other products (butter, cheese, etc.) are delivered in combination with milk and cream. This also applies to fruit or vegetable juices and eggs delivered in combination with fresh milk or cream.

The prohibition against the retail delivery of small packages does not apply to deliveries of milk or cream, or the other products which may be delivered in combination with milk or cream, or to a number of other products. These include: bakery products, fresh or frozen fruits or vegetables, meat or poultry, fish or shell fish, medical supplies, dry-cleaned, dyed or altered garments, parts and supplies for repairs, or property sold on mail or phone order.

Under the order, limits on retail milk deliveries will apply to all horse-drawn vehicles as well as trucks.

Extension of the delivery controls to the remainder of the country was endorsed by Fred M. Vinson, Director of Economic Stabilization, who said there were "compelling reasons" for the action.

## Living Costs Down In 48 Industrial Cities

The cost of living for wage earners and lower-salaried clerical workers in August declined in 48 of 69 industrial cities surveyed by the National Industrial Conference Board. Living costs were higher in 18 of the cities, and remained unchanged in three of them.

The Board's announcement further said:

"The largest decline, 1.8%, occurred in Flint, Mich., and there was a decline of 1.0% or more in six other cities. The largest increase, 1.5%, occurred in Bridgeport, Conn. For the United States as a whole, the cost of living declined 0.3%.

"Living costs were higher this August than in August, 1942, in all cities for which comparable figures are available. Macon, Ga., recorded the largest increase during the 12-month period with an advance of 8.2%. The smallest was shown in New Haven, Conn., where it rose only 2.1%. The cost of living for the United States as a whole stands 4.8% higher than a year ago, and 19.5% above January, 1941."

## Record Great Lakes Iron Ore Movement

In a determined effort to wipe out the deficit which the late opening of navigation caused in the Great Lakes iron ore movement, the carriers in August moved 13,976,707 gross (long) tons of ore from upper to lower Lake ports, setting a new all-time record for the second successive month, Joseph B. Eastman, Director of the Office of Defense Transportation, reported on September 3.

Mr. Eastman further added: "The heavy run brought the season's cumulative total to 51,323,852 tons as of August 30, only 76,000 tons, 0.1% behind the cumulative schedule which must be maintained in order to meet the season's total of 86,500,000 tons.

"With only foggy weather preventing the carriers from exceeding the 14,000,000-ton mark in their movement of ore along the route to mills which produce the steel required for the Nation's war machine, the Lake carriers topped the month's quota by some 27,000 tons a week."

## Women Controlling Election Says Hanley

The election of any candidate today is in the hands of the women, State Senator Joe R. Hanley, Republican candidate for Lieutenant Governor, told a party rally at the Mineola (Long Island) Fairgrounds on Sept. 25. This is learned from Mineola advices to the New York "World Telegram," which quoted Mr. Hanley as saying:

"The women of Nassau, the women of our State, must and will play an increasingly important role in elections during wartime. With so many of our young men of voting age now in military service women are becoming a more dominant factor in elections here at home."

He added that the women "can, if they wish, elect or defeat any candidate they choose" and said he was sure the women had complete confidence in the present State administration.

## Aug. Cotton Consumption

Under date of Sept. 14, 1943, the Census Bureau at Washington issued its report showing cotton consumed in the United States, cotton on hand, active cotton spindles for the month of August.

In the month of August, 1943, cotton consumed amounted to 842,260 bales of lint and 108,166 bales of linters, as compared with 839,705 bales of lint and 107,334 bales of linters in July, 1943, and 924,915 bales of lint and 122,741 bales of linters in August, 1942.

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

There were 1,928,808 bales of lint and 456,335 bales of linters on hand in consuming establishments on Aug. 31, 1943, which compares with 2,117,343 bales of lint and 465,369 bales of linters on July 31, 1943 and with 1,925,118 bales of lint and 353,088 bales of linters on Aug. 31, 1942.

On hand in public storage and at compressors on Aug. 31, 1943, there were 8,026,903 bales of lint and 44,430 bales of linters, compared with 7,704,181 bales of lint and 57,197 bales of linters on July 31, 1943 and with 7,539,501 bales of lint and 85,293 bales of linters on Aug. 31, 1942.

There were 22,632,776 cotton spindles active during August, 1943, which compares with 22,654,790 active cotton spindles during July, 1943 and with 23,000,994 active cotton spindles during August, 1942.

## ABA Trust Conference To Be Held In Chicago

Discussions on current and post-war trust problems will feature the program for the Mid-Continent Wartime Trust Conference to be held in Chicago on Oct. 14 and 15. This conference will be held under the auspices of the Trust Division of the American Bankers Association and the Corporate Fiduciaries Association of Chicago will act as host. The conference territory includes bankers from the following States: Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Texas and Wisconsin.

Henry A. Theis, President of the ABA Trust Division and Vice-President of the Guaranty Trust Co. of New York, has announced that the program will include four sessions with a discussion after each topic.

## September 1 Cotton Report

A United States cotton crop for 1943 of 11,679,000 bales of 500 pounds gross weight is forecast by the Crop Reporting Board of the United States Department of Agriculture, based upon information as of September 1. This is a decrease of 879,000 bales or 7% from the forecast as of August 1, and compares with 12,824,000 bales produced in 1942 and the 10-year (1932-41) average of 12,474,000 bales. The lint yield per harvested acre is now indicated at 258.7 pounds. This yield, although somewhat above average for the past ten years, is 13.8 pounds below the record yield of 272.5 pounds produced in 1942. Acreage abandonment, estimated at 1.5% of the acreage in cultivation on July 1, leaves 21,672,000 acres remaining for harvest.

The September prospect declined materially from the all-time record U. S. average yield which was indicated on August 1. Dry hot weather which prevailed over a large part of the Cotton Belt during most of July had reduced the early threat of damage from boll weevils, and was almost ideal for the development of the cotton crop. Continued dry and hot weather throughout the month of August maintained the crop prospect in the eastern part of the Cotton Belt, but resulted in considerable deterioration in the western portion. The most severe losses in prospective production were in Texas where the present forecast is 375,000 bales below a month ago. Arkansas is down 200,000 bales, Oklahoma 125,000, Mississippi 120,000, and Tennessee 45,000. In Louisiana the crop was sufficiently advanced to escape much damage from the drought.

The report of the Bureau of the Census shows ginnings to September 1 at 1,784,629 running bales from the crop of 1943, compared with 739,005 for 1942, and 505,720 for 1941.

## Dodds Sees Search For Security Post-War Problem

The chief post-war problem facing the United States is the possibility that over-emphasis may be placed on security in domestic economy while underestimating its importance in foreign affairs, Dr. Harold W. Dodds, President of Princeton University, declared on Sept. 29, according to the New York "Sun" of Sept. 30.

The search for security will result in new methods of curbing unemployment and will increase national production of most merchandise, Dr. Dodds told the 76 members of the 1944 class who were graduated at the university's third commencement exercise of the year.

## Michigan Group Of Smaller War Plants Corp. Resigns, Scoring Organization

The seven members of the Michigan Regional Division of the Smaller War Plants Corp. resigned on Sept. 29, and in a resolution asserted that "five months of diligent effort, substantial expense and use of much manpower has failed to produce results beneficial to the war effort."

The resolution, drawn at a special meeting of the Board of Governors of the Michigan Regional Division in Detroit, asserted that small industry has not benefited "in any way commensurate with" the effort expended.

Associated Press Detroit advises, reporting this action, further stated:

"There is as yet no indication," it added, "of a properly organized effort toward the establishment of a sound and practical form of decentralized organization or the development of adequate major policies of a type and character that will permit this regional organization effectively to promote and assist the war effort or assist small industry in the light of the contingencies that lie ahead."

The resolution asserted that the duties of the regional division "appeared to be to carry out requests received from Washington that the members contact their Congressmen and the press, commending the efforts of the SWPC, and obtaining favorable publicity for the SWPC; that the principal tasks of the regional office appear to be the compiling of statistics, having industry complete questionnaires, obtaining letters of commendation for use by the Washington office, and preparing figures inferring results exceedingly favorable to SWPC."

Members of the Board signing the resolution were Wendell W. Anderson, Chairman; Chester A. Cahn, F. A. Grandy, Willis H. Hall, John L. Lovett, Frank Rising and Joseph F. Verhelle.

## Foreign Traders To Convene In New York

Problems of post-war reconstruction will be the main theme of the 30th National Foreign Trade Convention, which meets in the Hotel Pennsylvania, New York, on Oct. 25-27 inclusive, the preliminary program of which has been issued by the National Foreign Trade Council. The advance registrations to date, the Council states, far exceed those of any previous year, an indication of the growing interest taken by American foreign traders in the measures to be taken to reorganize the dislocated channels of international trade and commerce in conformity with the general principles agreed to by the signatories of the Atlantic Charter and the Mutual Aid Agreement.

The program of the Convention includes the major issues occupying the minds of those engaged in a study of post-war planning: International trade and commerce, monetary policy and exchange stabilization, transportation and insurance, lend-lease, inter-American relations, American foreign property losses in war areas, rehabilitation and reconstruction in territories occupied by the Allies, foreign trade education, etc.

The opening session on October 25 will be addressed by the Chairman, W. A. Mitchell, Vice-President, J. P. Morgan and Co., Inc., New York; Eugene P. Thomas, Chairman of the National Foreign Trade Council; William L. Clayton, Assistant Secretary, Department of Commerce; John E. Otterson, Chairman, American Maritime Council, New York; Brooke Claxton, Parliamentary Assistant to the Prime Minister of Canada.

Of particular interest and importance is the program of the Bankers' Luncheon, and the Banking Session that follows, on Oct. 25. Monetary policy and exchange stabilization will be the leading topic, with Dr. Harry D. White, Director of Monetary Research, Treasury Department, and author

President, National Council of American Importers, Inc.; J. D. Fletcher, Vice-President, Caterpillar Tractor Co., Peoria, Ill.

The Wartime Export Forum, October 26, and the Industrial Group Sessions on October 27, will deal generally with current and post-war problems. A large number of Government officials will attend the Convention and will participate in the proceedings.

In his message to the delegates to the Convention, accompanying the preliminary program of the Convention, Eugene P. Thomas, Chairman of the National Foreign Trade Council, says:

"The momentous issues which are being decided on many battlefronts, and which are shaping the future destinies of this and other nations, are rapidly materializing through the dramatic change in Allied military fortunes which is bringing us closer to victory. Already, the task of relief and rehabilitation has begun in the wake of the retreating enemy, in which United States economic and financial interest are deeply involved. It is of the highest importance, therefore, to voice at this time the views of American industrialists and business men on the policies they conceive to be essential toward the ultimate coordination of domestic and international reconstruction planning."

## More Coal Mines Released By Gov't

Secretary of the Interior Harold L. Ickes on Sept. 14, announced the release by the Coal Mines Administration of 167 more mines belonging to 100 companies, under provisions of the Smith-Connally Act.

Termination of Government possession and control over these mines brought to a total of 854 the number of coal mines returned to private possession since Aug. 21. Of these, 39 are anthracite mines and the remainder are bituminous. They are located in approximately 25 States.

The mines released to date have an estimated annual production of 216,113,394 tons, or more than 32% of this year's production requirements of 665,000,000 tons of anthracite and bituminous coal.

Also the properties of 153 companies whose mining activities have been abandoned were released by the Coal Mines Administration. It was confirmed by the survey of productive efficiency that 136 of the companies had ceased coal mining activities prior to the time the Government took possession, and that 17 others had quit business since that time. (The mines of these 153 companies are not included in the cumulative total of returned mines listed above.)

Mines still in possession and control of the Coal Mines Administration now total 2,524 belonging to 1,953 companies.

Secretary Ickes said these remaining mines will be returned in accordance with the provisions of the War Labor Disputes Act. This law provides that the Government must release mines from its control and possession as soon as practicable, but in any event not more than 60 days after the restoration of the productive efficiency prevailing prior to taking possession of the mines.

## Sir Kingsley Wood Dies

Sir Kingsley Wood, Chancellor of the Exchequer in the British Cabinet, died in London on Sept. 21. He was 62 years old. Sir Kingsley had served as Chancellor of the Exchequer since May, 1940 under Prime Minister Churchill. He previously had served as Lord Privy Seal and Air Minister and had led the movement which resulted in the establishment of the Ministry of Health.

## Consumer Credit Outstanding Down In August

The Board of Governors of the Federal Reserve System announced on Sept. 30 that consumer credit outstanding at the end of August is estimated at \$4,745,000,000, representing a decline of \$100,000,000 during the month. This decline is smaller than that of July, reflecting a less rapid rate of decline in instalment sale credit and a comparatively small decrease in charge-account indebtedness. The Board's announcement further stated:

"Instalment sale credit decreased about 4% in August compared with the monthly rate of 6% that prevailed during the late spring and early summer. At the end of August instalment sale credit amounted to about \$800,000,000 or approximately two-fifths of the amount outstanding a year ago.

"Instalment loans outstanding declined during August at about the same rate as in the preceding month.

"The amount outstanding on charge accounts, which customarily shows little change from July to August, declined by about 2% during the month and continued somewhat below the year ago level.

CONSUMER CREDIT OUTSTANDING  
(Short-term credit. In millions of dollars. Figures estimated)

	Aug. 31, 1943	July 31, 1943	Aug. 31, 1942	Inc. or Dec. from
Total consumer credit	4,745	—100	—1,974	
Instalment sale credit:				
Automotive	190	—6	—684	
Other	615	—27	—543	
Instalment loans	1,089	—29	—62	
Charge accounts	1,198	—24	—34	
Single-payment loans	976	—19	—126	

\*Includes service credit not shown separately. †Includes repair and modernization loans.

## Rail Wage Decision

A railroad emergency board appointed to investigate the wage dispute of more than 300,000 train and engine service employees, it was announced on Sept. 28, denied the demands of these employees for an increase of 30% or \$3 per day in wage rates but recommended an increase, retroactive to April 1, 1943, of 4½%, equal to 32 cents in the basic daily rates, or 4 cents per hour. This recommendation is now before the Economic Stabilization Director for final determination.

The recommended increase was limited to the application of the Little Steel formula. The board stated that the employees had made out a strong case for a wage increase "to correct gross inequities and to aid in the effective prosecution of the war," but under the limitations of the Stabilization Program its recommendation was restricted to an increase permissible under the Little Steel formula. One member of the board dissented on the ground that the authority of the board was not so limited, and he recommended an increase of 7½%, or 6¼¢ per hour.

The parties to the dispute included virtually all of the railroads of the country and their operating employees — engineers, conductors, firemen and trainmen engaged in both road and yard service. The unions involved were the Brotherhood of Locomotive Engineers, the Brotherhood of Locomotive Firemen and Enginemen, the Order of Railway Conductors, the Brotherhood of Railroad Trainmen, and the Switchmen's Union of North America.

Their demands for a 30% wage increase or a minimum increase of \$3 per basic day were served on the railroads Jan. 25, 1943. Conferences between the carriers and the organizations were fruitless, as were attempts of the National Mediation Board to bring the parties together. As a result, on May 31, 1943, Chairman William M. Leiserson of the National Railway Labor Panel appointed a special board composed of Walter P. Stacy, Chief Justice of the Supreme Court of North Carolina, chairman; I. L. Sharfman, professor of economics at the University of Michigan, and Frank M.

Swacker, attorney, New York City.

Since January 1941 the train and engine and yard service employees, as a group, have received an increase of approximately 10.5% on the basis of average straight-time hourly earnings, as of that date, of 89.9 cents. The proposed increase of 4½% of the base rate will give effect to the full 15% increase of the Little Steel formula.

Mr. Swacker in his dissenting opinion stated that he concurred in the board's report in all respects except that in his view it was the duty of the board to go beyond the Little Steel formula in this case and recommend an increase of 7½% in the basic wage rates of these employees. He stated that the evidence showed in fact an inequity arising since January 1941 of not less than 16% but that a moderate estimate of the gross inequity is 7½%. He based his dissenting view of the authority of the board on a broader interpretation of the order and memorandum opinion of the Economic Stabilization Director, on the Stabilization Act of Oct. 2, 1942, and on the view that the case of the operating employees, like various cases decided by the National War Labor Board and approved by the Stabilization Director, is a "rare and unusual case."

In two other cases before the board, involving requests upon the Atlanta, Birmingham and Coast Railroad for the payment of standard wage rates to train and engine service employees and to train dispatchers, the board denied the requests.

"This," an Associated Press dispatch adds, "is the second major railroad wage controversy. The demand of the 1,100,000 non-operating employees are still unsettled. An emergency board recommended a raise of 8 cents an hour for them last May. Stabilization Director Fred M. Vinson set it aside in June and proposed instead a graduated scale of increases.

"The 15 non-operating unions opposed the veto of Director Vinson, signed contracts with the railroads for the 8 cents and appealed to President Roosevelt to approve them. The 8-cent hourly increase would cost about \$204,000,000 a year."

The recommendation announced on Sept. 28, it was estimated, would add approximately \$30,000,000 to the railroads' annual wage bill.

## Cotton Spinning For Aug.

The Bureau of the Census announced on Sept. 20 that according to preliminary figures, 23,403,030 cotton spinning spindles were in place in the United States on Aug. 31, 1943 of which 22,632,776 were operated at some time during the month, compared with 22,654,790 for July, 22,777,328 for June, 22,788,058 for May, 22,893,630 for April, 22,925,194 for March, and 23,000,994 for August, 1942. The aggregate number of active spindle hours reported for the month was 10,091,335,224. Based on an activity of 80 hours per week, the cotton spindles in the United States were operated during August, 1943 at 122.5% capacity. This percentage compares, on the same basis, with 120.0 for July, 129.7 for June, 134.1 for May, 133.2 for April, 134.4 for March, and 137.0 for August, 1942. The average number of active spindle hours per spindle in place for the month was 431.

## Proposal For Unified Bank System Criticized By Senator Wiley As Totalitarian

Senator Wiley (Rep., Wis.) criticized on Oct. 1 the recent proposal of Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, for a "unified banking system" coupled with "well-regulated branch banking limited to trade areas."

In his remarks to the Senate, Mr. Wiley said that "all this means that apparently in Mr. Eccles' judgment we should become British-minded in our banking methods or that our State and Federal banking supervisions are no longer functioning effectively together, and that our system of dual banking must be eliminated, with State authority supplanted by a strongly centralized authority." He added that "it cannot be denied that a single centrally controlled national banking system would wipe out one more aspect of our traditionally democratic economy."

The address of Mr. Eccles, referred to by Senator Wiley, was delivered before the recent conference of the National Association of Supervisors of State Banks at Cincinnati and was referred to in these columns Sept. 23, page 1227.

The foregoing criticisms by Senator Wiley are quoted from the "Congressional Record," from which we also take the following further strictures by the Senator: "In every totalitarian country one of the first steps was the taking over of the banking and financial institutions. The control of money and credit has always been a prerequisite for a strong centralized government."

"We base our Government on duality—a Federation of autonomous States. Here the people are sovereign. They have given to the State governments the powers they possess. They can retake those powers. The Federal Constitution provides that all power not specifically delegated to the Central Government shall be reserved to the States."

"I call attention to Marriner Eccles' statement because I do not believe that the National Government should have exclusive power

in the banking field. In other words, the States should not be deprived of their right to charter and supervise banks which are designed to look after local needs.

"Marriner Eccles' idea is just another indication of the thinking of some people who believe that by centralizing more power in Washington, a better job can be done in the hinterland."

"There is no better example of the fallacy of such thinking than in banking itself. The independent country banker has been one of the great stalwart forces of our country. He has been father confessor in connection with all the financial troubles of the community. To him have gone the troubled in spirit and in mind, and they have received aid and assistance. By and large, he has been faithful to his trust."

"Now it is proposed that his bank should simply be a branch institution, not a local home-bred institution, and, of course, the banker would be considered to be out of date, so a manager would come from some distant city. That is what Eccles was talking about."

"I stress this matter at this time because in the opinion of the average American centralization in government has gone too far. I believe that the next nominee for President on the Republican ticket will 'ring the gong' if he emphatically tells the American people that when the war is over he will pledge himself to demobilize department after department to the extent of at least 50%, and in many instances more, and get rid entirely of useless agencies in government."

## Problems Of Work Week Over 40 Hours

Problems of a work week longer than 40 hours were considered by Miss Marion A. Bills, Assistant Secretary of the Aetna Life Insurance Company, in an address delivered Sept. 27 at the 20th annual conference of the Life Office Management Association in Chicago.

In lengthening hours, Miss Bills said, three questions should be considered: (1) how many hours can be worked effectively on clerical jobs without the fatigue factor cutting general efficiency; (2) what is the cost to the company of lengthened hours; and (3) with the lengthening of hours release persons for war work? At the same time it was indicated that surveys taken and careful records of job production covering the period in 1941 when companies were on a shorter hour week, up to the present longer hour week schedule, show that "there would seem to be no fatigue factor which needs to be seriously considered in a moderate lengthening of work hours."

Regarding even longer work weeks, Miss Bills stated: "The great probability is that hours which approach 50, even when clerical work is involved, do produce an undesirable fatigue."

Miss Bills stressed the point that it is extremely doubtful if insurance companies can absorb without a substantial increase in cost ratio the part of the cost represented by the extra half-time pay involved in all hours over 40. This is particularly true of life companies which have no means of raising rates on the 95% or more of their business which is already on their books. Good management, simplification of systems, etc., can result in increased efficiency but "the increased cost of the longer work week probably cannot be reduced to less than the extra half-time paid over 40 hours and it will probably exceed this somewhat."

"The third consideration in lengthening hours, the most important one, since it is the end toward which all the rest are working, is: can manpower be released?" Miss Bills continued. "It was the general opinion of Hartford companies that few, if any, persons could be released at the time hours were lengthened, but they did believe that there might be restricted replacements, and this is exactly what happened."

Miss Bills further pointed out that with so many insurance company employees in Hartford working from 12 to 20 hours a week on "victory shifts" in local factories, an increase to a 48-hour week would probably force these people to reduce the time they spent in factories and "even were we to release the number of people proportioned to the time increase, the actual benefit to war industries would by no means be the full amount."

## Hill Gets WPB Post

The War Production Board announced on Sept. 6 the appointment of A. C. Hill, Jr. as Deputy Vice-Chairman for Civilian Requirements. Mr. Hill had served for some time as assistant to WPB Chairman Donald M. Nelson but lately has been associated with the Office of Civilian Requirements, headed by Arthur D. Whiteside.

Francisco, but not take passengers between those points, and the same thing would apply to air routes using Africa, he said.

Answering a question, he said he thought that Mr. Churchill shared his idea about a free air and that the whole thing had been under study a long while. The talks have been informal, he added, and the stage has not been reached to talk about individual airports.

## Wallace Declares 'Common Man' Talks Were Intended To Stimulate Thinking For Lasting Peace

Vice-President Wallace, asked to explain the reason behind his many speeches about the "common man," said on Oct. 1 that he is trying to stimulate thinking that will make a lasting peace through giving the common man everywhere a better living which would include better wages, food and housing.

In reporting the interview, Associated Press Washington advises as given in the New York "Sun,"

"I have felt," he said in an interview, "that a great many things were apt to be passed up too long if we are going to end wars. For that reason I have made these speeches. They needed to be made and I will continue to make them. There are millions of folks in this country who feel the way I do."

Asked if he thought his talks were having any effect, Mr. Wallace said:

"Yes. I have been pleased by the reaction seen in the mail I receive and the folks I have met in different cities. There has been a good reaction in foreign countries, too, principally in England and Latin America."

He said he believes that the "so-called right wing trend in this country has aroused Latin American fears of a revival of dollar diplomacy" and that it is important "to the future" to put these fears of Yankee imperialism at rest.

A modern democracy must respect the "individuality and potentialities of the common man," he said in his book-lined Senate office, "but those potentialities haven't yet been realized in any country."

There has been criticism of the Vice-President for his thinking and utterances, ranking from something like "star-gazer" to descriptions less complimentary, but of his critics he said:

"I have always felt they were valuable. They have been to me. By arousing discussion, they give you a power to get across your ideas that sometimes you may not possess yourself." But criticism is valuable only so long as it is fair, he said, expressing resentment against distortions of his words and thinking.

Mr. Wallace pointed out that his speeches have fallen into two categories, foreign and domestic post-war goals, with most recent emphasis on how they are to affect this country.

He emphasized that "post-war full employment of labor, technology and natural resources in the service of the common man" had been and would continue to be the essence of the speeches. But thinking of that post-war life in the United States without thinking also of how it should be in the rest of the world he continued, would be unbalanced thinking, because only better living conditions for all men can assure lasting peace.

## FHA Head Says No New Housing Financing Plans Are Needed In Post-War Period

Those who are busy advocating new methods of financing housing have overlooked the fact that the Federal Housing Administration is ready to resume its insurance activities at a moment's notice, Abner H. Ferguson, FHA Commissioner, told the meeting of the Mortgage Bankers Association at Chicago on Sept. 23. Participating with Mr. Ferguson in a conference on post-war mortgage planning, were B. C. Bovard, FHA General Counsel, and representatives of commercial banking, savings banking, life insurance companies, mortgage banking and the Federal Home Loan Bank System. Morgan L. Fitch, Chicago, President of the Illinois Association of Real Estate Boards, conducted the program.

"FHA needs no new legislation to go into immediate action in the small home field the moment wartime restrictions are lifted. There is still about \$500,000,000 of unused insurance authorization outstanding under Title II of the National Housing Act. This would be sufficient to finance at least 100,000 houses. And the law authorizes the President to make available an additional \$1,000,000,000 of authorization if and when it becomes necessary," Mr. Ferguson explained.

He drew an optimistic picture of the difference between conditions we are likely to encounter after this war and the end of the depression. Mortgage money was scarce then and it will be plentiful after the war. He said FHA would continue to adhere to its scientific methods of appraising and insuring of home loans because only "through such sound operations can FHA successfully aid in the battle against such inflationary tendencies as over-valuation and poor construction which might easily develop in the very active residential construction market that is anticipated."

As an example of the influence wartime construction may have on post-war building, Mr. Ferguson said the structures themselves are good and well-located but there is some question of the heating, bath and kitchen facilities which have been used. He said there is some doubt of their market acceptance after the war. He also observed that the question of rental housing, like the question

of urban rehabilitation, still remains to be solved after the war.

## U. S. War Casualties Total 105,205

The Office of War Information announced on Sept. 17 that casualties of the United States armed forces from the outbreak of the war to date total 105,205. The announcement says:

"This total, based on War and Navy Department reports, includes: Dead, 20,104; wounded, 28,226; missing, 32,905; prisoners of war, 23,970."

"The War Department report (as of Sept. 17) shows Army casualties totaling 75,714. Of this number 9,899 were killed, 23,026 wounded. There were 22,971 missing, 19,818 prisoners of war. Of the wounded, 9,946 have returned to active duty or have been released from hospitals. The casualties include 12,506 Philippine Scouts; of these, 481 were killed, 743 wounded and the remainder are assumed to be prisoners of war."

"The Navy Department report (as of Sept. 17) shows casualties totaling 29,491, made up of 10,205 dead; 5,200 wounded; 9,934 missing; 4,152 prisoners of war. These were divided as follows:

NAVY	
Dead	8,002
Wounded	2,652
Missing	9,116
Prisoners of War	2,226
Total	21,996
MARINE CORPS	
Dead	2,021
Wounded	2,526
Missing	650
Prisoners of War	1,925
Total	7,122
COAST GUARD	
Dead	182
Wounded	27
Missing	158
Prisoners of War	1
Total	368

## Free Use Of Airports In Post-War Era Envisioned By President Roosevelt

The question of post-war aviation has been under study by the Government for some time, President Roosevelt told his press conference on Oct. 1, adding that both he and Prime Minister Churchill of Great Britain are in agreement concerning freedom of the air. Mr. Roosevelt also said that some conversations on aviation also have taken place among other Government and Allied officials.

His views as reported in Associated Press Washington advices Oct. 1 were given as follows in the New York "Sun":

He expressed the view that what he termed internal aviation ought to be owned by the individual countries and added that commercial and passenger routes in general should be in private hands. There might be some exceptions, he said, in instances where it is desirable to extend a line to some area into which a private concern could not go profitably. Then, he suggested, a governmental line or perhaps a United Nations line, might be operated with a loss.

The President's discussion of aviation was touched off by a reporter, who noted that Senators just back from a world inspection trip had manifested considerable concern as to our ability to use present air bases after the war. The reporter said that some Senators thought that within six months after we were out of the war we would be out of the air centers, too.

Mr. Roosevelt replied that there were no more assurances on that point than that his questioner and himself would be alive after the war. The point was raised that perhaps the United States would run into objections if it attempted to exercise sovereignty over airfields it has established in foreign lands. The President inquired how we would like it if another nation told us they wanted sovereignty over airports they were using in

American territory.

"By a free air, do you mean free use of airports that are being built?" a reporter inquired. Mr. Roosevelt said he thought so, but that ownership of airports was unimportant.

He hinted at a possibility that American airlines might have to be subsidized after the war to meet foreign competition, but he said that was a detail and that he did not know what would be done. He recalled, however, that it had been necessary to grant disguised subsidies in the form of mail contracts to American shipping lines to enable them to compete with foreign lines.

Another solution, he said, would be the raising of living standards in foreign countries, so that their wages and operating costs would be more nearly in line with ours. On the question of domestic control over internal aviation, the President cited two examples:

Suppose a Canadian line is established to the Bahamas or to Puerto Rico, he said. There is no reason in the world why it should not be allowed, or why Canadian planes should not be allowed to refuel in this country, but they should not be permitted, he said, to pick up passengers in Buffalo and take them to Miami, as that would be internal transportation.

Or if a British line should be set up to Australia and New Zealand, he said, it ought to be able to refuel in New York and San

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES (Based on Average Yields) Table with columns for 1943 Daily Averages, U.S. Govt. Bonds, Corporate by Ratings (Aaa, Aa, A, Baa), and Corporate by Groups (R. R., P. U., Indus.).

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices) Table with columns for 1943 Daily Averages, U.S. Govt. Bonds, Corporate by Ratings (Aaa, Aa, A, Baa), and Corporate by Groups (R. R., P. U., Indus.).

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

National Fertilizer Association Commodity Price Average Declines Fractionally

The wholesale commodity price index, compiled by the National Fertilizer Association and made public on Oct. 4, registered its first decline in 12 weeks. This index, in the week ended Oct. 2, declined to 135.8 from 135.9 in the preceding week.

A slight fractional decline in the general level of the wholesale commodity price index was due largely to a decrease in the total farm products group. Although cotton and grains moved into higher ground, a sharp reduction in the livestock group was sufficient to cause a decrease for the group as a whole.

quotations for eggs and potatoes. A slight decline in wool more than offset a rise in cotton, causing the textiles group to decline fractionally. All other group indexes remained unchanged.

During the week price changes in the index were evenly balanced with 8 price series advancing and 8 declining; in the preceding week there were 8 advances and 6 declines; and in the second preceding week there were 10 advances and 3 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Table showing Weekly Wholesale Commodity Price Index with columns for Each Group Bears to Total Index, Group, Latest Week, Preceding Week, Month Ago, and Year Ago.

\*Indexes on 1926-1928 base were Oct. 2, 1943, 105.8; Sept. 25, 105.9, and Oct. 3, 1942, 101.4.

Electric Output For Week Ended Oct. 2, 1943, Shows 18.4% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Oct. 2, 1943, was approximately 4,359,003 kwh., compared with 3,682,794,000 kwh. in the corresponding week last year, an increase of 18.4%.

PERCENTAGE INCREASE OVER PREVIOUS YEAR Week Ended Table with columns for Major Geographical Divisions (New England, Middle Atlantic, etc.) and Total United States.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours) Table with columns for Week Ended, 1943, 1942, and % Change over 1942.

Steel Operations Continue At All-Time High—Plate & Sheet Orders Grow Mills Into 1944

"Highlights of steel markets this week include intensification of the jam surrounding flat-rolled steel and widespread appraisal of the electric furnace alloy steel problem," "The Iron Age" states in its issue of Oct. 7, further going on to say: "There were also such developments as the freezing of more mill schedules by the WPB and the announcement that one company is processing brass slabs upon its steel-rolling mills."

Meanwhile, steel ingot production this week remained at the 100% mark, all-time tonnage peak. "Because of the great volume of orders for sheets, plates and other flat-rolled steel, WPB will permit steel companies to accept more plate and sheet tonnage than they had been permitted previously to book under CMP regulations. Obviously, the current tight situation will prevent the rolling of all the added tonnage and the result may be a carryover of orders into 1944."

"Up to last week practically all plate mills and continuous sheet units had received record-breaking directives for production. The amount of outstanding tonnage which was being offered to mills but which could not be fitted into schedules was somewhere near 200,000 tons."

"Tin plate has been cut back to make room for more plates, while sheet requirements for overseas container plants have been slashed sharply (one project alone was reduced from 75,000 tons to 15,000 tons for fourth quarter). Probably Lend-Lease tonnages will be cut during first quarter, and some help will be received early next year when new plate mills start operating. However, a critical situation faces certain consumers, notably those producing steel shipping drums, in the next three months. Inquiries are being received for sheets for the amplified amphibian truck program, which will be difficult to schedule."

4, unchanged from last week's record high, and compares with 100.3% one month ago and 98.6% one year ago. The operating rate for the week beginning Oct. 4, 1943, is equivalent to 1,756,900 tons of steel ingots and castings, compared to 1,756,900 tons one week ago and 1,686,700 tons one month ago.

"Steel," of Cleveland, in its summary of the iron and steel markets, on Oct. 4, stated in part as follows:

"Sheets and plates continue to lead demand, with deliveries becoming more extended, particularly on sheets, as more continuous mill capacity is converted to plate production."

"Substantial tonnage still overhangs the market for last quarter, including plate tonnage for the Maritime Commission, still unspecified, though this is taken into account in appraising the situation. Trade leaders believe much of this will be worked in for fourth quarter, partly through directives and in part by new capacity. However, most new plate mill capacity, estimated at about 130,000 tons monthly, is not expected to be in production until early next year."

"While considerable, plate tonnage approved for fourth quarter but not yet scheduled is not so impressive as to percentage. According to some trade estimates it may not run more than 3% of probable production in the current period. In sheets the percentage may be 6 to 7%, based on the much lighter sheet output as compared with plates. Cutbacks in some items and closer scrutiny of inventories may also facilitate adjustments."

"Shipbuilding, including plates for hulls and plates and sheets for subassemblies, continues the largest user. Producers also are faced by large demands for drums and a heavy tonnage is expected to come out shortly for the recently announced truck and trailer program. So much drum stock tonnage has been placed that the question arises whether there is sufficient fabricating capacity to utilize it. Shipyard demand will be accelerated early next year when production of Victory ships starts at several yards in the East."

"Tin plate restriction for fourth quarter, estimated at about 10%, to divert tonnage to sheet production, is more easily handled than last year when the cut came too late to average production among the remaining months. This resulted in almost complete idleness in December."

"A program for about 9,000 domestic freight cars is understood to have been set tentatively for first quarter. Placing of car orders is proceeding for that delivery, including 1,500 for the Central of New Jersey. An inquiry for 800 cars for the Missouri Pacific is before the trade."

"Bookings of fabricated structural steel in August totaled 43,951 tons, compared with 80,605 tons in the corresponding month last year. August fabricated shipments were 51,511 tons, compared with 173,899 tons in August, 1942."

Moody's Daily Commodity Index

Table showing Moody's Daily Commodity Index with columns for Tuesday, Wednesday, Thursday, Friday, Saturday, Monday, Tuesday, and Two weeks ago, Month ago, Year ago, 1942 High, Low, 1943 High, Low.

## Daily Average Crude Oil Production For Week Ended Sept. 25, 1943 Decreased 31,350 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Sept. 25, 1943 was 4,344,400 barrels, a decrease of 31,350 barrels from the preceding week and 207,700 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of September, 1943. The current figure, however, is 435,350 barrels per day more than produced during the week ended Sept. 26, 1942. Daily output for the four weeks ended Sept. 25, 1943 averaged 4,327,400 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 4,156,000 barrels of crude oil daily and produced 12,206,000 gallons of gasoline; 1,437,000 barrels of kerosene; 4,608,000 barrels of distillate fuel oil, and 8,560,000 barrels of residual fuel oil during the week ended Sept. 25, 1943; and had in storage at the end of that week 70,024,000 barrels of gasoline; 11,666,000 barrels of kerosene; 40,328,000 barrels of distillate fuel, and 67,645,000 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. 25, 1943	Change from Previous Week	4 Weeks Ended Sept. 25, 1943	Week Ended Sept. 26, 1942
Oklahoma	347,000	358,000	325,250	+ 2,100	326,200	368,550
Kansas	300,000	290,000	129,150	- 750	286,700	296,900
Nebraska	2,000		1,800		1,800	3,300
Panhandle Texas			104,000		103,350	84,950
North Texas			140,600		140,550	137,950
West Texas			333,500		325,050	217,100
East Central Texas			131,200	+ 500	130,550	86,450
East Texas			380,000		379,050	362,400
Southwest Texas			263,550		260,400	165,300
Coastal Texas			485,300		483,200	326,200
<b>Total Texas</b>	<b>1,909,000</b>	<b>1,946,153</b>	<b>1,838,150</b>	<b>+ 500</b>	<b>1,822,150</b>	<b>1,380,350</b>
North Louisiana			81,500	- 850	82,050	98,500
Coastal Louisiana			278,500		277,250	231,550
<b>Total Louisiana</b>	<b>375,000</b>	<b>399,000</b>	<b>360,000</b>	<b>- 850</b>	<b>359,300</b>	<b>330,050</b>
Arkansas	80,100	80,052	76,300	- 1,050	76,750	73,000
Mississippi	50,000		48,850		49,600	73,400
Illinois	222,800		215,450	- 1,850	217,900	262,350
Indiana	13,800		14,400	- 550	14,100	16,750
Eastern—						
(Not incl. Ill., Ind. and Ky.)	86,600		75,200	- 1,150	76,000	83,550
Kentucky	25,500		24,650	- 2,850	23,850	11,900
Michigan	60,100		56,400	- 2,200	57,400	63,000
Wyoming	98,800		102,950	+ 1,400	99,350	94,950
Montana	23,300		21,750	+ 450	21,450	21,700
Colorado	6,500		7,050	- 450	7,050	6,600
New Mexico	116,600	116,600	109,350		107,200	97,900
<b>Total East of Calif.</b>	<b>3,717,100</b>		<b>3,573,700</b>	<b>-14,250</b>	<b>3,546,800</b>	<b>3,184,250</b>
California	835,000	835,000	770,700	-17,100	780,600	724,800
<b>Total United States</b>	<b>4,552,100</b>		<b>4,344,400</b>	<b>-31,350</b>	<b>4,327,400</b>	<b>3,909,050</b>

\*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. 23, 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. 25, 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	Production			Stocks of Gas Oil and Distillate Fuel	Stocks of Residual Fuel Oil
			Crude	Gasoline	Gasoline		
	Rate	% Op.	Blended	Finished	Unfinished		
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana—Arkansas and Inland Texas	2,444	88.7	2,060	84.3	5,778	30,534	18,723
Appalachian—							
District No. 1	130	83.9	102	78.5	294	1,508	817
District No. 2	47	87.2	56	119.1	166	810	63
Ind., Ill., Ky.	824	85.2	717	87.0	2,644	13,594	5,944
Okl., Kans., Mo.	416	80.1	350	84.1	1,273	6,203	2,264
Rocky Mountain—							
District No. 3	8	26.9	8	100.0	25	64	24
District No. 4	339	57.7	104	74.8	326	1,184	421
California	817	89.9	759	92.9	1,700	16,127	12,072
<b>Tot. U. S. B. of M. basis Sept. 25, 1943</b>	<b>4,825</b>	<b>86.4</b>	<b>4,156</b>	<b>86.1</b>	<b>12,206</b>	<b>70,024</b>	<b>40,328</b>
<b>Tot. U. S. B. of M. basis Sept. 18, 1943</b>	<b>4,825</b>	<b>86.4</b>	<b>4,209</b>	<b>87.2</b>	<b>12,736</b>	<b>71,299</b>	<b>40,299</b>
<b>U. S. Bur. of Mines basis Sept. 26, 1942</b>			<b>3,834</b>		<b>11,001</b>	<b>78,474</b>	<b>45,967</b>

\*At the request of the Petroleum Administration for War, †Finished, 59,841,000 barrels; unfinished, 10,183,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,437,000 barrels of kerosene, 4,608,000 barrels of gas oil and distillate fuel oil and 8,560,000 barrels of residual fuel oil produced during the week ended Sept. 25, 1943, which compares with 1,464,000 barrels, 4,420,000 barrels and 8,524,000 barrels, respectively, in the preceding week, and 1,265,000 barrels, 4,215,000 barrels and 7,094,000 barrels, respectively, in the week ended Sept. 26, 1942. ¶Note—Stocks of kerosene amounted to 11,666,000 barrels at Sept. 25, 1943, against 11,699,000 barrels a week earlier and 12,332,000 barrels a year before.

## Civil Engineering Construction \$50,722,000 For Week

Civil engineering construction in continental U. S. totals \$50,722,000 for the week. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 29% lower than the total for the preceding week, and is 75% lower than in the corresponding 1942 week as reported by "Engineering News-Record" on Sept. 30, which added:

Private construction for the week is 81% higher than a week ago, and 88% above a year ago. Public work, however, declines 46% from last week, and is down 83% compared with last year as both state and municipal construction and federal volume are lower.

The current week's construction brings 1943 volume to \$2,488,373,000, an average of \$63,804,000 for each of the 39 weeks of the period. On the weekly average basis, 1943 construction is 67% below the \$7,835,927,000 for the 40-week period in 1942. Private volume, \$329,590,000, is 30% below a year ago, and public construction, \$2,158,783,000, is down 70% when adjusted for the difference in the number of weeks.

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

	Oct. 1, 1942	Sept. 23, 1943	Sept. 30, 1943
Total U. S. Construction	\$203,321,000	\$71,951,000	\$50,722,000
Private Construction	9,107,000	9,491,000	17,146,000
Public Construction	194,214,000	62,460,000	33,576,000
State and Municipal	10,382,000	8,366,000	3,915,000
Federal	183,832,000	54,094,000	29,661,000

In the classified construction groups, gains over a week ago are in waterworks, sewage, commercial building and large-scale private housing, and unclassified construction. Gains over the 1942 week are in commercial buildings, and earthwork and drainage. Subtotals for the week in each class of construction are: waterworks, \$445,000; sewerage, \$966,000; bridges, \$294,000; industrial buildings, \$530,000; commercial building and large-scale private housing, \$16,257,000; public buildings, \$17,924,000; earthwork and drainage, \$1,207,000; streets and roads, \$3,510,000; and unclassified construction, \$9,589,000.

New capital for construction purposes for the week totals \$6,908,000, and is made up of \$1,378,000 in state and municipal bond sales, and \$5,530,000 in RFC loans for industrial construction.

New construction financing for the 39 weeks of 1943, \$3,037,207,000, is 67% below the \$9,532,568,000 reported for the 40-week period in 1942.

## Non-Ferrous Metals—Supply Of Copper And Actual Consumption About In Balance

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. 30, stated: "Owing to improved shipping conditions, the use of steel for certain shell cases, and a larger return of scrap, the United Nations have now reached 'a rough balance' between supply of copper and actual consumption, according to a report of the Combined Copper Committee made to the Combined Raw Materials Board and the Combined Production and Resources Board, released for publication on Sept. 29. So far as prices were concerned, interest last week centered in quicksilver. The metal was available in New York at lower prices. The Department of Munitions and Supply of Canada reports that the contracts of Canadian producers of cobalt and quicksilver with Metals Reserve Co. are not expected to be renewed." The publication further went on to say in part:

### Copper

Now that copper appears to be moving out of the "most critical" classification of war materials, producers hope that WPB will ease the conservation measures governing some of the more or less essential civilian products.

The Combined Materials Committee pointed out last week that demand as forecast some months ago necessarily took into account possible heavy sinkings of ships carrying ore and copper. The position in this respect has been much improved. Collection of scrap in the United States will exceed previous estimates. The committee emphasized that the balanced position of copper is dependent on maintaining existing and projected production rates.

WPB is taking action to remedy the labor shortages at the brass mills, Donald M. Nelson stated.

Production of copper in the Belgian Congo has increased from 121,000 metric tons in 1939, the latest year officially reported, to nearly 170,000 tons in 1942, according to press reports from England. This would indicate that Katanga has increased operations to the highest rate on record.

### Lead

Sales of common lead during the last week exceeded by about

### Zinc

October allocations of zinc started to come through yesterday. The rush for zinc appears to have diminished in some directions, which the trade believes is due to a more conservative buying program by consumers. In other words, inventories now are being held down to a minimum, notwithstanding warnings from high officials that war production must be maintained at the peak rate for a long time to come. There were no price developments in zinc last week.

### Tin

Substitution of other metals for tin has been made in solders, babbitts, bronzes and bearing metals, Clyde E. Williams, Director of Battelle Memorial Institute, told a group of engineers recently. The main problem left is the tin required for tin cans, he said, and tinplate is now being made by electrolytic deposition, resulting in a substantial saving in consumption of tin.

The price situation in tin was unchanged last week. Straits quality metal for shipment, in cents a pound, was nominally as follows:

	Oct.	Nov.	Dec.
Sept. 23	52.000	52.000	52.000
Sept. 24	52.000	52.000	52.000
Sept. 25	52.000	52.000	52.000
Sept. 27	52.000	52.000	52.000
Sept. 28	52.000	52.000	52.000
Sept. 29	52.000	52.000	52.000

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

### Molybdenum

The Department of Munitions and Supply of Canada reports that molybdenum is now being produced in Canada in "substantial quantities". Before the end of the first half of this year, a large Quebec mine went into production, and its output, when added to that of two smaller properties, which began producing late in 1942, will make a material difference in the over-all supply position. The Metals Controller is exploring the possibility of establishing a roasting plant in Canada for producing molybdic oxide from molybdenite concentrates.

### Quicksilver

Despite recent modification of the conservation order, the position of the market for quicksilver is regarded as uncertain. Offerings are increasing, with some producers anxious to enter into long-term contracts at concessions from the price level now prevailing. There appears to be nervousness as to whether the Metals Reserve will renew its buying program at the end of the year. During the last week prices in New York ranged from \$195@197 per flask, a reduction of \$1.

The Department of Munitions and Supply, Canada, reports that the development of quicksilver production in Canada has been an outstanding achievement of this war. Today, Canada is one of the important producing countries, and sufficient metal is being turned out to allow for exports to Allied countries. A new property is being developed in British Columbia, the Canadian authorities report.

### Silver

The London market for silver was quiet, with the price unchanged at 23½d. an ounce. The New York Official for foreign silver continued last week at 44¼c.

### 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.

## WMC Orders 48-Hour Week In Los Angeles

A 48-hour work week for newspapers, the motion picture industry, privately owned utilities and commercial printers in Los Angeles, Ventura, Orange, Santa Barbara and Riverside Counties in California, was ordered by the War Manpower Commission on Sept. 30, according to a Los Angeles dispatch Sept. 30, to the New York "Times," in which it was also reported.

The only exceptions within these industries are clerical workers, who will be on a 44-hour week, and actors, executives and others in the motion picture field who keep irregular hours.

Between 18,000 and 20,000 utilities workers will go on the 48-hour week schedule as a result of the decision. Scores of thousands more in the other fields likewise will join many who recently went on the longer hours without any application for exemption.

The ruling on the film industry was a review of the Committee's previous action. The Committee overruled an appeal and stood by its decision.

A committee spokesman explained that editorial workers on newspapers, including reporters and photographers, were not considered clerical employees and would go on the longer schedule.

Under the Wages and Hours Act time-and-a-half must be paid in all the industries for work in excess of 40 hours per week.

### Weekly Coal And Coke Production Statistics

The Solid Fuels Administration for War, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Sept. 25, 1943, is estimated at 12,075,000 net tons, compared with 12,050,000 tons in the preceding week and 11,577,000 tons in the corresponding period last year. Total estimated output of soft coal to date exceeded that for the same period in 1942 by 1.8%.

The U. S. Bureau of Mines estimated that the total production of Pennsylvania anthracite for the week ended Sept. 25, 1943, was 1,299,000 tons, an increase of 36,000 tons (2.9%) over the preceding week. When compared with the output in the corresponding week of 1942 there was an increase of 15,000 tons (1.2%). The calendar year to date shows an increase of 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. 25, 1943, showed an increase of 3,100 tons when compared with the output for the week ended Sept. 18, 1943. The quantity of coke from beehive ovens increased 6,400 tons during the same period.

#### ESTIMATED UNITED STATES PRODUCTION OF COAL

	Week Ended			January 1 to Date		
	Sep. 25, 1943	Sep. 18, 1943	Sep. 26, 1942	Sep. 25, 1943	Sep. 26, 1942	Sep. 25, 1937
Bituminous coal and lignite—	12,075	12,050	11,577	432,505	424,791	322,991
Total incl. mine fuel—	2,013	2,008	1,930	1,884	1,884	1,433

\*Revised. †Subject to current adjustment.

#### ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

	Week Ended			Cal. Year to Date		
	Sep. 25, 1943	Sep. 18, 1943	Sep. 26, 1942	Sep. 25, 1943	Sep. 26, 1942	Sep. 28, 1929
Penn. anthracite—	1,299,000	1,263,000	1,284,000	45,023,000	44,998,000	52,254,000
Total incl. coll. fuel—	1,247,000	1,212,000	1,233,000	43,221,000	43,198,000	48,492,000

By-product coke—  
 United States total— 1,250,400 1,247,300 1,210,000 46,594,600 45,648,500  
 Beehive coke—  
 United States total— 171,200 164,800 167,900 5,809,800 6,094,300 5,132,000

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

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

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

State—	Week Ended					Sept. average, 1923
	Sep. 18, 1943	Sep. 11, 1943	Sep. 19, 1942	Sep. 20, 1941	Sep. 18, 1937	
Alabama	382	362	383	341	256	406
Arkansas	5	5	5	5	5	96
Arkansas and Oklahoma	92	84	103	110	63	96
Colorado	161	131	166	157	135	214
Georgia and North Carolina	1	1	1	1	††	††
Illinois	1,525	1,333	1,239	1,107	1,005	1,587
Indiana	565	501	525	480	370	550
Iowa	42	39	48	52	75	117
Kansas and Missouri	147	142	171	149	138	168
Kentucky—Eastern	959	949	953	906	864	713
Kentucky—Western	395	302	277	206	169	248
Maryland	36	32	34	40	32	40
Michigan	4	4	4	3	15	27
Montana (bituminous and lignite)	97	93	78	67	60	68
New Mexico	36	34	36	25	27	56
North and South Dakota (lignite)	45	35	48	33	39	**27
Ohio	693	653	700	644	522	861
Pennsylvania (bituminous)	2,917	2,782	2,898	2,372	2,309	3,585
Tennessee	129	120	147	147	109	119
Texas (bituminous and lignite)	4	4	8	6	21	26
Utah	112	93	118	102	80	103
Virginia	415	409	390	400	298	245
Washington	25	27	33	39	35	58
*West Virginia—Southern	2,210	2,272	2,210	2,091	1,929	1,474
*West Virginia—Northern	956	998	948	821	565	857
Wyoming	186	169	180	155	127	165
†Other Western States	1	1	1	††	1	**4
Total bituminous and lignite	12,050	11,575	11,704	10,459	9,249	11,814
§Pennsylvania anthracite	1,263	1,190	1,265	1,183	794	714
Total all coal	13,313	12,765	12,969	11,642	10,043	12,528

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

### Wholesale Commodity Index Unchanged During Week Ended Sept. 25, Says Labor Dept.

The U. S. Department of Labor announced on Sept. 30 that except for minor fluctuations in agricultural commodities, prices in primary markets were steady during the week ended Sept. 25. The Bureau of Labor Statistics' comprehensive index of nearly 900 price series remained unchanged at 102.9% of the 1926 average. It was 3.5% higher than a year ago.

The Department's announcement further said: "Farm Products and Foods—Average market prices for farm products rose 0.2% during the week, largely because of higher quotations for barley, lambs, cotton, eggs, seeds, apples, and potatoes. Lower prices were reported for oats and wheat, for calves and hogs, and for lemons and wool. The index for farm products is 0.2% below that for the corresponding week of August but more than 15% higher than at this time last year.

"Led by an increase of 2.7% for fresh and dried fruits and vegetables, average prices for foods in primary markets rose 0.4%. Quotations were also higher for rye flour. Markets were lower for cereal products such as oatmeal and pretzels, and for mutton.

"Industrial Commodities—In the building materials group, slightly higher prices for maple flooring and turpentine were offset by lower prices for gum and oak lumber. The indexes for all industrial groups of commodities were unchanged from the mid-September level."

The following notation is made: During the period of rapid changes caused by price controls, materials allocation, and rationing the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (\*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following table shows index numbers for the principal groups

of commodities for the past 3 weeks, for Aug. 28, 1943, and Sept. 26, 1942, and the percentage changes from a week ago, a month ago, and a year ago:

Commodity groups—	(1926=100)													
	9-25			9-18			9-11			8-28			Percentage changes to Sept. 25, 1943 from—	
	1943	1943	1943	1943	1943	1943	1943	1943	1943	1943	1943	1942	1943	1942
All commodities	102.9	102.9	102.8	102.9	99.4	0	0	0	0	0	0	0	0	0
Farm products	123.8	123.6	123.2	124.0	107.3	+0.2	-0.2	+15.4						
Food	104.9	104.5	104.8	105.5	102.0	+0.4	-0.6	+2.8						
Hides and leather products	118.4	118.4	118.4	118.4	118.4	0	0	0						
Textile products	97.0	97.0	97.0	97.0	96.7	0	0	+0.3						
Fuel and lighting materials	81.6	81.6	81.7	81.8	79.6	0	-0.2	+2.5						
Metals and metal products	103.8	103.8	103.8	103.8	103.9	0	0	-0.1						
Building materials	112.5	112.5	112.5	112.1	110.5	0	+0.4	+1.8						
Chemicals and allied products	100.2	100.2	100.2	100.2	96.2	0	0	+4.2						
Housefurnishing goods	104.2	104.2	104.2	104.2	104.1	0	0	+0.1						
Miscellaneous commodities	92.6	92.6	92.6	92.4	88.6	0	+0.2	+4.5						
Raw materials	112.6	112.4	112.2	112.8	101.5	+0.2	-0.2	+10.9						
Semimanufactured articles	92.8	92.8	92.8	92.8	92.8	0	0	0						
Manufactured products	100.1	100.1	100.1	100.0	99.5	0	+0.1	+0.6						
All commodities other than farm products	98.5	98.5	98.5	98.4	97.7	0	+0.1	+0.8						
All commodities other than farm products and foods	97.4	97.4	97.4	97.3	95.7	0	+0.1	+1.8						

### Trading On New York Exchanges

The Securities and Exchange Commission made public on Oct. 2 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 Sept. 18, 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 Sept. 18 (in round-lot transactions) totaled 1,355,340 shares, which amount was 17.30% of the total transactions on the Exchange of 3,917,810 shares. This compares with member trading during the week ended Sept. 11 of 1,260,435 shares, or 17.88% of total trading of 3,526,460 shares. On the New York Curb Exchange, member trading during the week ended Sept. 18 amounted to 264,510 shares, or 14.94% of the total volume on that exchange of 884,920 shares; during the Sept. 11 week trading for the account of Curb members of 235,895 shares was 15.04% of total trading of 784,145 shares.

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

WEEK ENDED SEPT. 18, 1943		Total for week	†Per Cent
A. Total Round-Lot Sales:		81,440	
Short sales		3,836,370	
‡Other sales		3,917,810	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases		388,000	
Short sales		38,160	
‡Other sales		288,160	
Total sales		326,320	9.12
2. Other transactions initiated on the floor—			
Total purchases		207,720	
Short sales		13,500	
‡Other sales		160,550	
Total sales		174,050	4.87
3. Other transactions initiated off the floor—			
Total purchases		121,680	
Short sales		16,480	
‡Other sales		121,090	
Total sales		137,570	3.31
4. Total—		717,400	
Total purchases		68,140	
Short sales		569,800	
‡Other sales		637,940	17.30

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

WEEK ENDED SEPT. 18, 1943		Total for week	†Per Cent
A. Total Round-Lot Sales:		5,245	
Short sales		879,675	
‡Other sales		884,920	
B. Round-Lot Transactions for the Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases		74,035	
Short sales		3,225	
‡Other sales		69,835	
Total sales		73,060	8.31
2. Other transactions initiated on the floor—			
Total purchases		33,975	
Short sales		0	
‡Other sales		20,140	
Total sales		20,140	3.06
3. Other transactions initiated off the floor—			
Total purchases		29,110	
Short sales		5,500	
‡Other sales		34,140	
Total sales		34,190	3.57
4. Total—		137,120	
Total purchases		3,275	
Short sales		124,115	
‡Other sales		127,390	14.94
C. Odd-Lot Transactions for the Account of Specialists—			
Customers' short sales		0	
‡Customers' other sales		42,887	
Total purchases		42,887	
Total sales		25,688	

\*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."

### NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Oct. 2 a summary for the week ended Sept. 25 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. 25, 1943		Total for Week
Odd-Lot Sales by Dealers: (Customers' purchases)		
Number of orders		16,177
Number of shares		457,962
Dollar value		17,496,955
Odd-Lot Purchases by Dealers: (Customers' Sales)		
Number of Orders:		124
Customers' short sales		17,750
Customers' other sales		17,874
Number of Shares:		3,868
Customers' short sales		449,863
Customers' other sales		453,731
Dollar value		14,921,031
Round-Lot Sales by Dealers—		
Number of Shares:		220
Short sales		130,830
Other sales		131,050
Round-Lot Purchases by Dealers—		
Number of shares		137,020

\*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."

### Increase In Oil Price Urged By Pettengill

An immediate increase in the price of crude oil to stimulate search for new fields and insure adequate production for war and essential civilian needs was urged on Sept. 24 by Samuel B. Pettengill, former member of Congress. Tulsa, Okla., advices to the New York "Herald Tribune" reporting this, added:

Mr. Pettengill charged, at a meeting of leading Oklahoma and Texas oil operators, that "bureaucrats in Washington" are chiefly responsible for the oil shortages, but he made an exception of Harold L. Ickes, Petroleum Administrator for the War. Mr. Ickes, he pointed out, has urged a moderate price increase, and "if he courageously fights for his recommendation he will serve his country." The price increase recommended by Mr. Ickes, he added, would raise the cost of gasoline to consumers less than one cent a gallon, or about \$2 a year.

"Why," asked Mr. Pettengill, "must the people living in the greatest petroleum-producing nation in the world go cold this winter for want of fuel oil? Why must farm and factory workers have only one gallon of gasoline where they formerly used six, in a country that produces 60% of the world's oil but has only 6% of the world's people?"

He agreed that there have been legitimate reasons for oil shortage, such as increased war demands and the submarine peril off the east coast, but he contended that "but for bureaucrats" oil supplies would be more adequate.

Mr. Pettengill said the small interests in the petroleum industry are "being squeezed out of the nation's life between rising costs and frozen price ceilings." He added that the "black marketer is thereby given a new field," and warned that if the war should be of long duration needless loss of life will be caused by lack of "adequate oil for military and civilian use."

### Revenue Freight Car Loadings During Week Ended Sept. 25, 1943 Increased 4,545 Cars

Loading of revenue freight for the week ended Sept. 25, 1943, totaled 907,311 cars, the Association of American Railroads announced on Sept. 30. This was an increase above the corresponding week of 1942 of 9,884 cars, or 1.1%, but a decrease below the same week in 1941 of 12,483 cars or 1.4%.

Loading of revenue freight for the week of Sept. 25, increased 4,545 cars, or 0.5% above the preceding week.

Miscellaneous freight loading totaled 402,261 cars, an increase of 2,359 cars above the preceding week, but a decrease of 23,543 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 102,606 cars, an increase of 951 cars above the preceding week, and an increase of 12,741 cars above the corresponding week in 1942.

Coal loading amounted to 179,814 cars, an increase of 656 cars above the preceding week, and an increase of 8,420 cars above the corresponding week in 1942.

Grain and grain products loading totaled 53,214 cars, a decrease of 910 cars below the preceding week, but an increase of 5,266 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of Sept. 25, totaled 37,957 cars, a decrease of 327 cars below the preceding week but an increase of 4,623 cars above the corresponding week in 1942.

Live stock loading amounted to 23,657 cars, an increase of 2,707 cars above the preceding week, and an increase of 3,456 cars above the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of Sept. 25, totaled 18,821 cars, an increase of 2,611 cars above the preceding week, and an increase of 2,806 cars above the corresponding week in 1942.

Forest products loading totaled 43,684 cars, a decrease of 1,947 cars below the preceding week and a decrease of 6,378 cars below the corresponding week in 1942.

Ore loading amounted to 87,147 cars, an increase of 486 cars above the preceding week and an increase of 9,013 cars above the corresponding week in 1942.

Coke loading amounted to 14,928 cars, an increase of 243 cars above the preceding week, and an increase of 909 cars above the corresponding week in 1942.

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

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
4 weeks of March	3,073,426	3,174,781	3,066,011
4 weeks of April	4,136,253	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	3,285,655	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	3,591,350
Week of September 4	901,075	887,960	797,791
Week of September 11	834,671	814,897	914,656
Week of September 18	902,766	903,099	907,669
Week of September 25	907,311	897,427	919,794
Total	31,504,697	32,239,824	31,267,749

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Sept. 25, 1943. During this period 62 roads showed increases when compared with the corresponding week last year.

Railroads	1943			1942			1941		
	Total Revenue Freight Loaded	Total Loads Received from Connections		Total Revenue Freight Loaded	Total Loads Received from Connections		Total Revenue Freight Loaded	Total Loads Received from Connections	
<b>Eastern District—</b>									
Ann Arbor	209	284	649	209	284	649	209	284	649
Bangor & Aroostook	1,217	894	930	1,217	894	930	1,217	894	930
Boston & Maine	7,033	6,318	9,121	7,033	6,318	9,121	7,033	6,318	9,121
Chicago, Indianapolis & Louisville	1,317	1,467	1,697	1,317	1,467	1,697	1,317	1,467	1,697
Central Indiana	28	38	27	28	38	27	28	38	27
Central Vermont	1,089	1,047	1,488	1,089	1,047	1,488	1,089	1,047	1,488
Delaware & Hudson	6,452	6,609	7,839	6,452	6,609	7,839	6,452	6,609	7,839
Delaware, Lackawanna & Western	7,754	7,603	10,428	7,754	7,603	10,428	7,754	7,603	10,428
Detroit & Mackinac	297	479	317	297	479	317	297	479	317
Detroit, Toledo & Ironton	2,018	1,676	2,496	2,018	1,676	2,496	2,018	1,676	2,496
Detroit & Toledo Shore Line	347	283	351	347	283	351	347	283	351
Erie	13,796	13,434	16,443	13,796	13,434	16,443	13,796	13,434	16,443
Grand Trunk Western	3,972	4,522	5,633	3,972	4,522	5,633	3,972	4,522	5,633
Lehigh & Hudson River	225	158	203	225	158	203	225	158	203
Lehigh & New England	2,089	2,285	1,431	2,089	2,285	1,431	2,089	2,285	1,431
Lehigh Valley	8,974	8,837	9,579	8,974	8,837	9,579	8,974	8,837	9,579
Maine Central	2,352	2,320	3,254	2,352	2,320	3,254	2,352	2,320	3,254
Monongahela	6,349	6,156	6,700	6,349	6,156	6,700	6,349	6,156	6,700
Montour	2,380	2,425	2,670	2,380	2,425	2,670	2,380	2,425	2,670
New York Central Lines	56,112	49,715	53,409	56,112	49,715	53,409	56,112	49,715	53,409
N. Y., N. H. & Hartford	10,074	9,990	12,781	10,074	9,990	12,781	10,074	9,990	12,781
New York, Ontario & Western	1,378	1,100	1,702	1,378	1,100	1,702	1,378	1,100	1,702
New York, Chicago & St. Louis	7,219	8,096	7,455	7,219	8,096	7,455	7,219	8,096	7,455
N. Y., Susquehanna & Western	660	365	557	660	365	557	660	365	557
Pittsburgh & Lake Erie	8,082	7,915	8,749	8,082	7,915	8,749	8,082	7,915	8,749
Peru Marquette	5,495	5,526	6,769	5,495	5,526	6,769	5,495	5,526	6,769
Pittsburgh & Shawmut	1,027	850	857	1,027	850	857	1,027	850	857
Pittsburgh, Shawmut & North	400	346	416	400	346	416	400	346	416
Pittsburgh & West Virginia	1,147	1,067	1,294	1,147	1,067	1,294	1,147	1,067	1,294
Rutland	386	424	616	386	424	616	386	424	616
Wabash	6,356	6,129	6,109	6,356	6,129	6,109	6,356	6,129	6,109
Wheeling & Lake Erie	6,080	5,560	5,780	6,080	5,560	5,780	6,080	5,560	5,780
Total	172,313	163,016	187,750	172,313	163,016	187,750	172,313	163,016	187,750
<b>Pocahontas District—</b>									
Akron, Canton & Youngstown	754	752	736	754	752	736	754	752	736
Baltimore & Ohio	46,375	42,275	42,976	46,375	42,275	42,976	46,375	42,275	42,976
Bessemer & Lake Erie	6,980	6,862	6,307	6,980	6,862	6,307	6,980	6,862	6,307
Buffalo Creek & Gauley	227	295	320	227	295	320	227	295	320
Cambria & Indiana	1,785	1,915	1,953	1,785	1,915	1,953	1,785	1,915	1,953
Central R. R. of New Jersey	7,555	7,614	8,232	7,555	7,614	8,232	7,555	7,614	8,232
Cornwall	643	674	651	643	674	651	643	674	651
Cumberland & Pennsylvania	223	235	288	223	235	288	223	235	288
Ligonier Valley	154	161	119	154	161	119	154	161	119
Long Island	1,817	1,215	950	1,817	1,215	950	1,817	1,215	950
Penn.-Reading Seashore Lines	1,922	1,933	2,038	1,922	1,933	2,038	1,922	1,933	2,038
Pennsylvania System	87,337	82,968	91,967	87,337	82,968	91,967	87,337	82,968	91,967
Reading Co.	15,380	15,093	17,535	15,380	15,093	17,535	15,380	15,093	17,535
Union (Pittsburgh)	21,497	20,326	21,004	21,497	20,326	21,004	21,497	20,326	21,004
Western Maryland	4,294	4,288	4,605	4,294	4,288	4,605	4,294	4,288	4,605
Total	197,043	186,606	199,681	197,043	186,606	199,681	197,043	186,606	199,681
<b>Southern District—</b>									
Alabama, Tennessee & Northern	245	351	367	245	351	367	245	351	367
At. & W. P.—W. R. R. of Ala.	653	681	945	653	681	945	653	681	945
Atlanta, Birmingham & Coast	623	712	845	623	712	845	623	712	845
Atlantic Coast Line	10,697	11,268	10,672	10,697	11,268	10,672	10,697	11,268	10,672
Central of Georgia	3,766	4,800	4,563	3,766	4,800	4,563	3,766	4,800	4,563
Charleston & Western Carolina	324	393	458	324	393	458	324	393	458
Clinchfield	1,629	1,757	1,775	1,629	1,757	1,775	1,629	1,757	1,775
Columbus & Greenville	379	530	436	379	530	436	379	530	436
Durham & Southern	119	131	188	119	131	188	119	131	188
Florida East Coast	1,331	763	412	1,331	763	412	1,331	763	412
Gainesville Midland	30	40	35	30	40	35	30	40	35
Georgia	931	1,398	1,357	931	1,398	1,357	931	1,398	1,357
Georgia & Florida	365	321	442	365	321	442	365	321	442
Gulf, Mobile & Ohio	4,104	4,581	4,506	4,104	4,581	4,506	4,104	4,581	4,506
Illinois Central System	29,240	32,017	29,886	29,240	32,017	29,886	29,240	32,017	29,886
Louisville & Nashville	25,003	26,519	27,985	25,003	26,519	27,985	25,003	26,519	27,985
Macon, Dublin & Savannah	218	197	204	218	197	204	218	197	204
Mississippi Central	284	222	239	284	222	239	284	222	239
Nashville, Chattanooga & St. L.	3,557	3,884	3,835	3,557	3,884	3,835	3,557	3,884	3,835
Norfolk Southern	1,010	1,373	1,594	1,010	1,373	1,594	1,010	1,373	1,594
Piedmont Northern	340	321	495	340	321	495	340	321	495
Richmond, Fred. & Potomac	413	424	498	413	424	498	413	424	498
Seaboard Air Line	8,825	10,202	10,296	8,825	10,202	10,296	8,825	10,202	10,296
Southern System	21,256	23,703	26,222	21,256	23,703	26,222	21,256	23,703	26,222
Tennessee Central	520	538	539	520	538	539	520	538	539
Winston-Salem Southbound	138	119	185	138	119	185	138	119	185
Total	116,003	127,245	128,779	116,003	127,245	128,779	116,003	127,245	128,779
<b>Northwestern District—</b>									
Chicago & North Western	22,474	20,509	22,803	22,474	20,509	22,803	22,474	20,509	22,803
Chicago Great Western	2,851	2,843	3,149	2,851	2,843	3,149	2,851	2,843	3,149
Chicago, Milw., St. P. & Pac.	24,394	21,349	24,174	24,394	21,349	24,174	24,394	21,349	24,174
Chicago, St. Paul, Minn. & Omaha	4,497	4,037	4,841	4,497	4,037	4,841	4,497	4,037	4,841
Duluth, Missabe & Iron Range	29,659	28,415	24,227	29,659	28,415	24,227	29,659	28,415	24,227
Duluth, South Shore & Atlantic	1,449	1,214	1,211	1,449	1,214	1,211	1,449	1,214	1,211
Elgin, Joliet & Eastern	8,750	9,977	10,439	8,750	9,977	10,439	8,750	9,977	10,439
Ft. Dodge, Des Moines & South	455	540	710	455	540	710	455	540	710
Great Northern	27,924	26,673	25,212	27,924	26,673	25,212	27,924	26,673	25,212
Green Bay & Western	616	497	651	616	497	651	616	497	651
Lake Superior & Ishpeming	2,930	2,109	2,106	2,930	2,109	2,106	2,930	2,109</	

## Items About Banks, Trust Companies

(Continued from page 1423)

J. P. Morgan & Co. Incorporated, New York, in its statement of condition as of Sept. 30, reports total resources of \$805,877,249 and total deposits of \$759,893,034, compared with \$780,853,643 and \$734,037,118 on June 30. According to the current statement, cash on hand and due from banks amounted to \$136,071,109, against \$138,444,766 three months ago; U. S. Government securities (direct and fully guaranteed) are now \$520,017,165, compared with \$518,857,917; State and municipal bonds and notes at the latest date are \$21,563,270, against \$19,674,853, and loans and bills purchased are \$105,438,799, compared with \$77,351,887. The capital and surplus remain unchanged from three months ago at \$20,000,000 each, with undivided profits also at the same at \$1,817,508.

Total resources of the National City Bank of New York have passed the four billion mark for the first time and deposits are also at a record high. In its statement as of Sept. 30, the bank reported total resources of \$4,019,806,154, as compared with \$3,735,625,234 on June 30 and \$3,179,688,427 on Sept. 30, 1942; total deposits of \$3,799,031,594, against \$3,512,094,114 and \$2,959,691,932. Holdings of United States Government obligations were \$2,193,237,927, compared with \$2,072,406,287 and \$1,475,634,968. Cash on hand and due from banks was \$765,818,003, against \$806,918,420 and \$792,986,202. Loans and discounts were \$764,599,054, against \$584,133,089 and \$577,632,680. Capital and surplus remain unchanged since June 30, 1943 at \$77,500,000 and \$85,000,000, respectively; surplus was \$77,500,000 Sept. 30, 1942. Undivided profits were \$28,719,510, compared with \$26,851,580 and \$21,391,723.

Combined net current operating earnings of the National City Bank and City Bank Farmers Trust Co. for the third quarter of the year were 60 cents per share and for the first nine months amounted to \$1.68 per share, as compared with \$1.49 cents per share for the same period in 1942. These earnings are exclusive of bond profits and recoveries which, together with the earnings of the trust company, have been transferred to reserves. The bond profits transferred to reserves for the nine months period were equivalent to 24 cents per share, compared with 35 cents per share for the nine months of 1942.

The City Bank Farmers Trust Co. reports total resources as of Sept. 30 of \$137,727,655, against \$107,285,551 on June 30, and \$85,206,274 on Sept. 30, 1942. Total resources were \$135,405,609, compared with \$134,495,057 and \$111,944,327. Cash amounts to \$35,061,205, against \$18,007,453 and \$27,669,775, and holdings of United States Government securities were \$111,025,116, against \$97,714,740 and \$61,393,966. Capital and surplus were unchanged at \$10,000,000 each, and undivided profits were also unchanged at \$5,830,103.

Resources, deposits, and holdings of U. S. Government obligations are reported at their highest totals on record in the statement of condition of the Guaranty Trust Company of New York as of Sept. 30, 1943, published Oct. 4. Total resources are \$3,325,058,938, as compared with \$3,073,489,040 at the time of the last published statement, June 30, 1943; deposits are \$2,999,738,529, as compared with \$2,758,836,791, and holdings of U. S. Government obligations are \$1,896,444,734, as compared with \$1,841,302,186. Loans and bills purchased total \$816,733,632, as compared with \$624,160,820 on June 30, 1943. Undivided profits total \$27,578,472, as compared with \$25,453,136 on June 30, 1943. The

company's capital and surplus remain unchanged at \$90,000,000 and \$170,000,000, respectively.

The Chemical Bank & Trust Company of New York reported as of Sept. 30, 1943 deposits of \$1,237,545,819 and total assets of \$1,330,421,678, as compared respectively with \$1,108,817,304 and \$1,203,538,173 on June 30, 1943. Cash on hand and due from banks amounted to \$242,515,537, compared with \$244,628,663; holdings of United States Government securities to \$683,668,403, against \$610,219,501; bankers' acceptances and call loans to \$87,928,013, against \$48,294,227, and loans and discounts to \$159,362,483, against \$125,642,126.

Capital and surplus were unchanged at \$20,000,000 and \$55,000,000, respectively, and undivided profits were \$6,866,718, against \$6,288,537 at the end of June. The indicated net earnings on the bank's 2,000,000 shares (par \$10) amount to \$.74 per share for the third quarter of 1943, as compared with \$.62 for the same quarter a year ago.

Gale F. Johnston, Vice-President of the Metropolitan Life Insurance Company, has been elected a member of the Advisory Board of the Fifth Avenue at 29th Street office of the Chemical Bank & Trust Company of New York. Mr. Johnston is also President, Publisher and Director of the Intelligencer Publishing Company, Mexico, Missouri, a director in the Missouri Portland Cement Co., Val Toot Sales Corp. and Laclede Power & Light Co. Mr. Johnston is a graduate of Princeton University, class of 1924, Trustee of National Association of Life Underwriters in 1940-1942 and served the Government as Field Director of Defense Savings Staff (now War Finance Committee) of the Treasury Department, directing the sale of Defense Bonds and Stamps. He continues to act in an advisory capacity to the War Committee and consultant to the Finance Committee and consultant to the U. S. Treasury.

At a meeting of the Board of Directors of the Chemical Bank & Trust Company on Sept. 30, Captain Geoffrey V. Azoy, formerly a Trust Officer, and George L. Farnsworth, formerly an Assistant Branch Officer, were appointed Assistant Secretaries. Captain Azoy, a graduate of Princeton University, class of 1920, has been with the Chemical Bank since September, 1930. He entered active service with the Coast Artillery, Ft. Hancock, N. J., in April, 1942 and was recently retired to inactive status.

Mr. Farnsworth is a graduate of the Wharton School, University of Pennsylvania, class of 1933, and has been with the Chemical Bank since October, 1934. He is President of the Young Men's Board of Trade of New York.

The statement of condition of Manufacturers Trust Company of New York as of Sept. 30, 1943 shows deposits of \$1,503,217,103 and resources of \$1,303,251,171. Deposits are reported in excess of \$1,500,000,000 for the first time. These figures compare with deposits of \$1,416,802,430 and resources of \$1,517,315,839 shown on June 30, 1943. On Sept. 30, 1942 the respective figures were \$1,112,353,210 and \$1,207,153,258. Cash and due from banks is listed at \$333,256,410, as against \$330,842,294 shown on June 30, 1943 and \$334,502,993 shown a year ago. United States Government securities stand at \$821,671,218; three months ago it was \$805,566,229 and a year ago it was \$449,103,424. Loans, bills purchased and bankers' acceptances is now \$345,512,945, which compares with \$276,254,774 on June 30, 1943 and \$305,-

236,225 on September 30 last year. Preferred stock is shown as \$8,307,640, common as \$32,998,440 and surplus and undivided profits as \$47,285,615.

Net operating earnings for the nine months ending Sept. 30, 1943, after amortization, taxes, etc., as well as dividends on preferred stock, was \$5,432,269, or \$3.29 a share on the common stock. Of this amount \$2,474,879 was paid in dividends on common stock, \$113,644 was used to write down banking houses and \$2,843,746 was credited to undivided profits.

The Public National Bank and Trust Co. of New York reports as of September 30 total deposits of \$307,260,324 and total assets of \$330,502,553, compared, respectively, with \$281,191,456 and \$304,415,592 on June 30. Cash and due from banks amounted to \$59,388,124, against \$61,087,893; holdings of U. S. Government obligations, \$174,738,817, against \$164,087,802, and loans and discounts to \$83,614,147, compared with \$68,329,078. Capital and surplus are unchanged at \$7,000,000 and \$9,000,000, respectively, but undivided profits total \$3,095,051, against \$2,905,593 at the end of June.

Brown Brothers Harriman & Co., private bankers, report that deposits as of Sept. 30, 1943, totaled \$141,108,047, compared with \$143,763,723 three months ago and \$136,102,334 a year ago. Total assets on September 30 amounted to \$160,431,089, compared with \$165,666,602 on June 30, 1943 and \$157,274,662 on Sept. 30, 1942. Capital and surplus of \$13,506,217, compared with \$13,485,777 three months ago and \$13,426,165 a year ago. Loans and advances were \$30,335,078, against \$27,551,987 on June 30, 1943 and \$28,186,998 on Sept. 30, 1942. Other important asset items compare as follows with figures for three months and a year ago: cash, \$34,071,167, against \$32,583,399 and \$37,268,543; United States Government securities (valued at lower of cost or market), \$61,347,146, against \$63,446,330 and \$59,654,231.

J. Henry Schroder Banking Corporation reports total resources of \$50,081,320 as of Sept. 30, 1943, against \$51,681,036 on June 30, 1943. Cash on hand and due from banks was \$6,891,185, against \$8,568,768. U. S. Government securities were \$28,961,715, against \$28,867,407; customers' liability on acceptances, \$5,031,423, compared with \$5,655,300 in June. Surplus and undivided profits were \$2,625,144, against \$2,620,632 in the previous quarter; amount due customers was \$35,231,020, against \$34,767,176. Acceptances outstanding were \$5,825,390, against \$8,088,138.

At the regular meeting of the Board of Directors of City Bank Farmers Trust Company of New York, October 5, Douglas Gibbons was elected a Director. He will also head the Trust Company's Real Estate Committee. Mr. Gibbons is a member of the firm of Douglas Gibbons & Co., Inc., which he founded in 1920, after the World War where he served as aide to Vice-Admiral Sims, the Commander-in-Chief of Naval Forces in European waters. Among his other directorates are the East River Savings Bank, New York Dock Co., and the Northern Insurance Co. of New York. He is a former Governor of the Real Estate Board of New York, and is one of the recognized authorities on New York real estate.

The Continental Bank and Trust Company of New York reported as of Sept. 30, 1943, total deposits of \$124,262,710 and total assets of \$134,731,910, compared, respectively, with \$105,963,432 and \$116,617,957 on June 30. Cash on hand and due from banks amounted to \$24,704,780, against \$23,695,884; holdings of United States Government securities to \$56,186,399,

against \$48,852,567, and loans and discounts to \$43,186,734, against \$32,260,334. Capital and surplus were unchanged at \$4,000,000 and \$3,000,000, respectively, and undivided profits were \$2,078,897, against \$1,948,553 at the end of June.

The Commercial National Bank & Trust Company of New York reported as of Sept. 30, 1943 total deposits of \$238,664,920 and total assets of \$261,443,428, compared, respectively, with \$191,535,337 and \$212,440,382 on June 30, 1943. The bank held cash on hand and due from banks of \$52,818,745, compared with \$40,634,039 on June 30, 1943; investments in United States Government securities of \$143,833,669, compared with \$140,682,178 on June 30, 1943. Loans and discounts of \$59,674,043, compared with \$27,953,622 on June 30, 1943.

The bank's capital account was unchanged at \$7,000,000 and its surplus and undivided profit account increased to \$9,960,207 from \$9,763,776 at June 30, 1943, after payment of the regular dividend. Net earnings per share for the quarter were \$4.80 and for the nine months of this year \$12.86.

Schroder Trust Company reported September 30 resources of \$40,013,780, compared with \$28,283,273 on June 30; cash and due from banks, \$7,640,097, against \$5,467,536; U. S. Government securities, \$27,657,399, against \$17,272,759; loans and discounts, \$3,936,292, against \$3,543,333. Surplus and undivided profits were \$2,030,877, against \$2,024,939. Deposits were \$36,194,546, against \$24,492,288.

James T. Lee, President of Central Savings Bank of New York, announces the retirement of two of the bank's officers: Edward M. Hartman, who has been associated with the bank for 43 years, was elected Vice-President in October, 1928, and Henry Vogeler, with 37 years of service, who became Assistant Cashier in November, 1927, and Assistant Vice-President in January, 1938.

Fulton Trust Company of New York reports total deposits of \$37,170,263 and total assets of \$42,382,719 in its statement of Sept. 30, 1943, as compared with deposits of \$29,295,863 and assets of \$34,501,175 on June 30, 1943. Cash, U. S. Government securities and demand loans secured by collateral amounted to \$38,053,622, against \$30,426,107 on June 30, 1943. State and municipal bonds were \$722,725, as compared with \$489,334; time loans secured by collateral were \$903,239, compared with \$917,494 on June 30th last. Capital, surplus and undivided profits, after dividend payable Oct. 1, 1943, amounted to \$4,986,608, as compared with \$4,968,662 shown on June 30, 1943.

The statement of condition of the Brooklyn Trust Company of Brooklyn, N. Y., as of Sept. 30, 1943, showed total deposits of \$196,169,319, compared with \$180,869,131 on June 30 last, and total resources of \$211,888,618, against \$196,573,682 three months ago. Holdings of United States Government securities were \$122,216,006, against \$117,612,949, and total loans and discounts were \$35,476,223, against \$25,533,865. Cash on hand and due from banks, including the Federal Reserve Bank of New York, totaled \$40,017,953, against \$40,125,697. Undivided profits were \$1,437,489, against \$1,432,986. Capital and surplus were unchanged at \$8,200,000 and \$4,725,000, respectively.

Frank S. Thomas, a Director and retired President of the Genesee Valley Trust Co., Rochester, N. Y., died on September 24. He was 69 years old. Mr. Thomas was President of the Genesee Valley Trust from May, 1940, until his retirement in January, 1943. He had been associated with the company

since 1930, first serving as Vice-President and later Executive Vice-President. Mr. Thomas' banking career dated back before the turn of the century, when he began as a messenger with the old Traders National Bank. He also served for many years in various positions with the Alliance Bank and the merged institution, Lincoln-Alliance Bank & Trust Co.

John C. L. Dowling, principal assessor of the Boston Assessing Department and President of the First Federal Savings and Loan Association of Boston, died on September 19 in a Boston hospital. He was 60 years old.

Authorization of a 3% dividend payment to savings depositors of the closed City Bank & Trust Co., Hartford, Conn., has been given by Superior Court Judge McEvoy. The payment, amounting to about \$422,000, will bring total dividends paid to savings depositors to 87%. Commercial depositors have been paid dividends totaling 85%.

Addison G. Brainerd, retired Vice-President of the Hartford (Conn.) National Bank and Trust Co., died on September 17. He was 68 years old. Mr. Brainerd, whose banking career lasted nearly 50 years, retired in 1942 after serving 16 years as Vice-President of the Hartford bank.

Carleton H. Stevens, Vice-President and Trustee of the Connecticut Savings Bank, New Haven, died on September 28. Mr. Stevens, who was 59 years old, had been connected with the bank since 1939. Prior to that he had practiced law.

The Philadelphia National Bank, Philadelphia, reports in its statement of condition as of Sept. 30, 1943, total deposits of \$753,114,462 and total resources of \$810,651,588, compared with deposits of \$722,821,102 and resources of \$780,916,341 on June 30, 1943. In the current statement, cash and due from banks amounts to \$176,376,107, as against \$193,367,810; holdings of U. S. Government securities, \$488,878,831, compared with \$452,309,070, and loans and discounts to \$92,175,242, against \$78,672,247. Capital stock and surplus are unchanged at \$14,000,000 and \$21,000,000, respectively, but undivided profits now total \$13,944,663, compared with \$13,482,162 at the end of the second quarter of 1943.

William L. Hart, Ohio Superintendent of Banks, has resigned in order to become Vice-President of the Central Trust Co., Cincinnati. Mr. Hart, who has served in the post since January, 1942, was formerly President of the Farmers National Bank, Salem, Ohio.

The Central Trust Co. also announces that Earl J. Walton of Chicago, National Bank Examiner in the Seventh Federal Reserve District, has been named Trust Comptroller, and that Theodore P. Learn, Assistant Trust Officer, has been appointed Trust Officer.

Harry A. Bryant, President of the Parsons Commercial Bank, Parsons, Kan., died on September 14 in New York City while attending the convention of the American Bankers Association, which he had served for over a quarter of a century. Mr. Bryant had been associated with the Parsons bank since 1904 and was President since 1928. He was President of the State Bank Division of the American Bankers Association for 1940-41 and prior to that was Vice-President of the Division, 1939-40, and Chairman of the Division's Executive Committee, 1938-39.

In a tribute to Mr. Bryant read at the A. B. A. Convention, Dr. Harold Stonier, Executive Manager of the Association, praised him for "his courage, his intellectual honesty and his devotion to the cause of chartered banking."