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The Financial Situation

It would be an excellent thing if some way could be found to bring this endless discussion of our part in the post-war world down to earth. No part of it is in greater need of such treatment than that which concerns itself with economic and financial matters. We hope it is true, as we have heard it said of late, that there is little likelihood at present at least that the Treasury will obtain more at most than a respectful hearing in Congress for its plans for an international stabilization fund and a sort of world RFC through which to work miracles in the post-war world. It would be unwise, however, to take it for granted, and in any event the mere shelving of these particular programs would not end the danger of egregious blunders in the field of international economics and finance. The Administration has often demonstrated that it is tenacious of purpose and has many strings on its bow. There are, moreover, a number of influential figures outside of Administration circles, and not infrequently outside of the strictly political sphere, who have formed the habit of talking loosely, and therefore dangerously on these subjects.

Faulty Logic

The trouble, or one of them, seems to be that few of these planners have paused long enough to think carefully, thoroughly and realistically about the subjects under discussion. What makes all this the more hazardous is the fact that so many of these current program builders begin with certain more or less unassailable assumptions impressively outlined—and then when the unthinking are rather well disarmed they (quite unwittingly in most instances, we are sure) proceed to conclusions which do not at all flow from their premises. The typical pronouncement starts with a solemn outline of the economic paralysis likely to be found in many, if not most parts of Europe upon the cessation of hostilities, and the extent and degree of human want which must accompany this incapacity to satisfy it.

(Continued on page 1618)

War Surpluses And Civilian Goods

Roger W. Babson Says Excess Army And Navy Supplies May Present A Problem

At the end of World War I the Government held a bag containing \$5,000,000,000 worth of goods of every kind and description. We all remember the so-called "Army and Navy Stores" which for more than 20 years disposed of a portion of these goods. Undoubtedly they were a nuisance to old-line established retail stores. These Army and Navy Stores seemed to have a never-ending inventory.

Unfair Competition

The great bulk of the \$5,000,000,000 surplus was bought up by mail-order houses and speculators at private sales or at auctions. Through catalogues and low-rent stores these goods were then resold to the general public at considerably less than retail prices for similar goods. It took from one war to another to clean out Army and Navy inventories of these materials. Few, if any, of them were adapted to the needs of World War II. Probably little of the surplus which remains at the end



Roger W. Babson

of this war will be retained by the Army and Navy.

Hence, the Government will be faced with another great problem of disposal. World War I excess supplies brought about 35 cents on the dollar cost. I should judge that the Government will take another loss, and this time a greater loss because of the larger quantity involved. Such losses, however, are all a legitimate charge against the cost of running a war. Washington should not be criticized for disposing of these goods at cut rates. However, steps should be taken to protect existing retailers from unfair competition.

Effect Upon Retailers

It is estimated that when World War II ends the surplus goods and materials owned by the Army and Navy will have a value of at least five times that of the "odds and ends" which existed at the close of World War I. This means some \$25,000,000,000 worth of items. Consumers, wholesalers, jobbers,

(Continued on page 1617)

Thriving Trust Business Required But Must Be Profitable: H. A. Theis

"Our social economy requires a thriving trust business, and trust business as a whole can be profitable only if each trust department in the country is profitable," Henry A. Theis, President of the Trust Division of the American Bankers Association and Vice-President of the Guaranty Trust Co. of New York, declared on Oct. 15. In discussing "Fees and Costs" before the ABA Mid-Continent Trust Conference in Chicago, Mr. Theis said that "trust service should be available to all people—of small or large means—who need it," adding that "only a thriving trust business can furnish the quality of service which the character of the business demands. Trust business can thrive only if it is profitable. In no other way can it fulfill its true function."



Henry A. Theis

Mr. Theis reviewed optimistically the progress that has been made among trust institutions throughout the country toward ascertaining the costs of doing trust business, compiling equitable fee schedules, and appraising the value of trust services not reducible to fee schedules; he also outlined the beneficial results of cost surveys conducted under State bankers' association auspices in various sections of the country.

"We shall probably never know the beneficial results to date to trust institutions throughout the country, and the social economy in general, flowing from this work," he said. "The improvement in the earnings of individual institutions, inevitably followed by a higher quality of service rendered, will probably never see the light of day, but lie buried in the records of the trust institutions. There have been some tangible results from these studies which are known and which indicate

that the work has not been in vain."

Mr. Theis added: "In New York a State-wide cost survey was made by the New York State Bankers Association, which revealed that the personal trust business, other than executorships, was run at a loss. This revelation aroused the interest of the New York State Banking Department, and it instituted an independent cost study of its own, the findings of which quite closely confirmed the results shown by the study of the New York State Bankers Association. The outcome of the Banking Department's report was an increase in the New York personal trust fee schedules by legislation. So far as I know, this is the first instance of a State supervisory authority concerning itself with the trust department earnings on the ground that it affected the safe conduct of banking."

"It is rather surprising that more State supervisory authorities have not interested themselves in trust department operations in measuring the general condition of the trust institution, the character and ability of the management, the make-up of its assets and deposit liabilities, the volume of trust business handled, and the earning power of the trust department."

"The Federal Reserve Board, in granting a new license to banks engaging in trust business, does take into consideration trust department activities and earnings. In the examination of trust institutions already doing a trust business it requires the examiner to comment on earnings and expenses in connection with fiduciary activities, and, if they are

unprofitable, state apparent cause and the reasons given by the institution for continuing such activities."

"After all, we should not impose upon Government bureaus, Federal or State, the responsibility of compelling trust institutions to run their trust business on a sound and profitable basis. That is the function of management. There are still many trust departments throughout the country not showing a profit, and this is a challenge to the management. If a solution is not found from within one will be prescribed for us from without, and then we will complain about bureaucratic interference."

After outlining some of the questions to which consideration should be given in making an unprofitable trust department profitable, Mr. Theis told his listeners, most of whom were trust department executives:

"When you have given consideration to all the elements that constitute the economical and efficient administration of trust services, whether or not your department as a whole shows reasonable profits, you will want to know which accounts on your books show either a reasonable profit, an insufficient profit, or a loss. You will want to readjust, wherever possible, the compensation on those accounts producing inadequate profit, and on those producing a loss."

"With accurate, reliable figures prepared by the application of a sound cost analysis, and with good customer relations, this should not be difficult. The American public does not expect good services for inadequate pay. It is generally fair, reasonable and understanding. Many tests in various parts of the country have borne this out. Fairmindedness on both sides can only result in a good customer relationship."

From Washington Ahead Of The News

By CARLISLE BARGERON

Some months ago we were given rather definitely to understand that Wendell Willkie realized he made a mistake in kicking the Republican leaders around in 1940 and was busily engaged in cultivating them. He was traveling around a lot, and his traveling was represented to us as being for the purpose of talking to as many of these fellows, down to the merest ward leader, as much as possible.

Apparently he did not get very far because he seems now clearly to have thrown over this cultivating business and gone out again on the tack, which is more natural, of making them as mad as he can. If our reports on his recent California talks are correct, this is what he did out there; certainly it is what he did on his visit to St. Louis, and there is still no love for him on the part of the Republicans in Congress. We take it that had the placating pursuit borne fruit he would have stuck to it, although he admittedly would not be himself, and it is very hard for him not to be this. His speech in St. Louis indi-

cates very clearly that he is against the Republican party, particularly Dewey; that about his only opposition to the New Deal is that its perpetuation in office is a very dangerous thing, that assuming it is good all the way through, such a perpetuation would still be dangerous. This being the case, and it also being the case that the Republican party is the only instrument by which we can be rid of the New Deal, he would like to use it as an instrument to that end. There are millions of Democrats in this country with that same attitude,

(Continued on page 1618)

GENERAL CONTENTS

Special Articles in Section 1
What Can The Government Do To Promote Post-War Re-Employment?
The Current Monetary Situation.
Industry Plans For The Future.

Editorial

Financial Situation1613

Regular Features

From Washington Ahead of the News1613
Moody's Bond Prices and Yields.....1624
Items About Banks and Trust Cos.....1628
NYSE Odd-Lot Trading.....1626
Trading on the N. Y. Exchanges.....1626

State of Trade

General Review1614
Commodity Prices, Domestic Index.....1625
Weekly Carloadings1627
Weekly Engineering Construction.....1624
Paperboard Industry Statistics.....1627
Weekly Lumber Movement.....1627
Fertilizer Association Price Index.....1624
Weekly Coal and Coke Output.....1625
Weekly Steel Review.....1623
Sept. Steel Shipments by U. S.
Steel Subsidiaries1624
Moody's Daily Commodity Index.....1624
Weekly Crude Oil Production.....1626
Non-Ferrous Metals Market.....1625
Weekly Electric Output.....1625
Commercial Paper Outstanding at Sept. 301624

The State Of Trade

Most of the heavy industries reported declines this week, with steel production showing a rather substantial drop. Electric power production was off considerably from last week's high levels, and carloadings showed a substantial decline from last week's figures. However, the retail trade continues a bright spot, though inventories show a heavy drop from last year.

Production of electricity declined to 4,341,754,000 kilowatt-hours in the week ended Oct. 9, and compares with 4,359,003,000 kwh. in the preceding week, according to the Edison Electric Institute. This was 17.3% above the year-ago total of 3,702,299,000. Consolidated Edison Co. of New York reports system output of 219,700,000 kwh. in the week ended Oct. 10, against 155,800,000 in the 1942 week, a rise of 41%.

Carloadings of revenue freight for the week ended Oct. 9 totaled 906,276 cars, according to the Association of American Railroads. This was a decrease of 4,367 cars below the preceding week this year, 2,974 cars fewer than the corresponding week in 1942 and 2,399 cars above the same period two years ago. This total was 115.21% of average loadings for the corresponding week of the 10 preceding years.

Steel production is scheduled at 100.7% of rated capacity this week, against 102.2% last week, when the record high was established, according to the American Iron & Steel Institute. The reduced production reflects loss of open hearths in Alabama due to the coal strikes, and to repairs to furnaces in the Pittsburgh and Chicago areas. The 100.7% rate indicates output for the week at 1,755,200 net tons of ingots and castings, compared with 1,781,300 in the preceding week and 1,727,800 for the like 1942 week.

"Increasing apprehension is being felt as to winter supply of scrap, returns from the autumn drive not yet reaching proportions expected," the magazine "Steel" says. "Dealers are not in position to handle a large accumulation with present depleted working forces. Another factor in the situation is the decreased tonnage brought from the head of the lakes the past summer. While melters have sufficient for current needs, reserves are not being accumulated, though all offerings are being accepted."

As to the retail trade, sales volume last week was well above the preceding week, Dun & Bradstreet, Inc., stated, attributing much of the gain to Columbus Day buying, which was heavier than last year despite the overall shortage of supplies.

Sales throughout the country gained an estimated 8 to 11% above the similar 1942 week, the report stated. Regional percentage increases reported were: New England, 2 to 6; East, 4 to 8; Middle West, 7 to 9; Northwest, 8 to 10; South, 14 to 17; Southwest, 15 to 19, and Pacific Coast, 10 to 14.

Department store sales on a country-wide basis were up 9% for the week ended Oct. 9, compared with the like week a year ago, according to the Federal Reserve Board. Department store sales in New York City in the week ended Oct. 16, were 11% larger than in the corresponding week of last year, according to a preliminary estimate issued by the Federal Reserve Bank of New York. In the previous week ended Oct. 9, sales of this group of stores increased 9% over the like 1942 week. Department store sales in New York City in September were 6% larger than in the like month last year, according to the monthly survey of store sales and stocks by the Federal Reserve Bank of New York.

Inventories of New York City department stores on Sept. 30, were 23% smaller than a year earlier, while for the district as a whole, stocks at the end of the month were down 20% from a year earlier.

Industrial output next year must be 11% higher to meet increased schedules for ships, planes and related equipment, even if civilian production is not boosted, according to Brig. Gen. Leonard P. Ayres, Vice-President of the Cleveland Trust Co. Manpower is the big problem, he said.

"We shall require 3,000,000 more men for the armed forces and will need 3,000,000 more men and women for the war industries," he stated. "The armed services tell us that the production of war materials in 1944 must be 21% greater than that of 1943 and that the output of ground equipment should be about equal to that of 1943.

"Our industrial production last August was about 11% greater than it was in August, 1942, when we had about a million and a half fewer workers in our manufacturing industries. The question is whether we can raise our output another 11% by next August and then continue that rate of increase through the end of the year.

"If we can find solutions for our manpower problems we shall at once be confronted by the question of how to move about 11% more freight on our railroads. Certainly the railroads could not now carry 11% more freight than they are carrying this month."

Gen. Ayres estimated corporations' profits this year at about \$23,000,000,000, of which they will retain about 7,700,000,000 and pay taxes of some 15,300,000,000.

Social Security Tax Increase Advocated

Arthur J. Altmeyer, Chairman of the Social Security Board, urged on October 14 that Congress permit the scheduled 100% increase in social security taxes to become effective on January 1 in respect to the old-age benefit and survivors' insurance program.

Testifying before the Senate Finance Committee, Mr. Altmeyer said it would be unwise to defer the prospective rise in payroll taxes from the present 1% for employers and employees to 2%. This increase in taxes to 2% was scheduled to become effective two years ago, under the law as originally written, but Congress voted in each of the preceding two years to postpone the increase and to leave the tax at the existing level.

Senator Vandenberg (Rep., Mich.), who sponsored the legislation postponing the rate rise in 1942 and 1943, said after hearing Mr. Altmeyer that he was undecided whether to seek another postponement.

Regarding Mr. Altmeyer's testimony, United Press Washington advised said:

"Mr. Altmeyer predicted that post-war economic adjustments, the growing proportion of aged persons, and the increased number of persons becoming eligible for social security benefits would result in eventual annual disbursements 15 to 20 times the present annual disbursements."

"He said disbursements now are at the rate of about \$138,000,000 a year. Collections this year, he estimated, will total \$1,300,000,000. The scheduled doubling of the rate next year, he said, would add \$1,400,000,000 to the yield in 1944.

"As of June 30, 1943, Mr. Altmeyer said, money accumulated in the old age trust fund totaled \$4,300,000,000, invested in Government obligations at an average interest rate of 2.3%. Nevertheless, he insisted, the danger of an eventual deficit exists.

"He recommended that provi-

sion be made in the near future to include servicemen and women and some 20,000,000 workers who are not now eligible for old age insurance."

It was pointed out on October 14 by Samuel W. Bell, Washington correspondent of the New York "Herald Tribune," that although the Treasury once had hoped that drastic increases in social security taxes might be made a part of the Roosevelt administration's taxation and anti-inflation program, they were not included in the \$10,500,000,000 tax recommendations submitted by Secretary Henry Morgenthau, Jr.

NAM Opposes Tax Rise; Sales Levy Preferable

The National Association of Manufacturers urged Congress on Oct. 18 not to increase tax rates or impose new levies at this time.

Presenting the Association's viewpoint, J. Cheever Cowdin, Chairman of the NAM Committee on Government Finance and Chairman of the Board of the Universal Pictures Corp., told the House Ways and Means Committee that the Treasury's \$10,500,000,000 program for increasing income and excise taxes is unsound and unrealistic "to the point of bordering on the fantastic." He said, however, that if Congress decides increased revenue is absolutely essential, then it should enact a national retail sales tax "to be levied at the final point of sale without exemptions."

Mr. Cowdin said the Association estimated that present tax laws would produce Federal revenue of \$44,500,000,000 in the calendar year 1944, or \$3,000,000,000 more than the Treasury estimated. He added that State and local taxes of \$10,000,000,000 would bring total tax levies in 1944 to \$55,000,000,000, which is "as large as is wise or sound or safe."

On the same day it was noted in Associated Press accounts from Washington:

Randolph Paul, Treasury General Counsel, coupled a defense of the Administration's \$10,500,000,000 tax program today with a warning that imposition of a sales tax would threaten the Government's hold-the-line policy. These advices said:

Addressing the 21st Annual Agricultural Outlook Conference here, Mr. Paul made this prediction:

"If present taxes are not substantially increased with an eye to diverting the stream of dangerous dollars that is battering price and rationing controls, it will be very difficult to hold the line, and if new revenues take the form of a general sales tax, the line is more than likely to be broken, and then, at best, to be re-established at a very much higher level of prices."

Mr. Paul pointed out that the Treasury's contentions against a sales tax are prompted by the view that the tax would work hardships on persons of low incomes and would tend to "produce an irresistible drive for higher wages and farm prices."

Hannegan Named New Internal Revenue Head

Robert E. Hannegan of St. Louis was sworn in on Oct. 9 as Commissioner of Internal Revenue, succeeding Guy T. Helvering. Mr. Hannegan was Internal Revenue Collector for the Eastern District of Missouri, with headquarters in St. Louis. He was nominated by President Roosevelt on Oct. 4 and the Senate confirmed the appointment on Oct. 6. Mr. Helvering, who had served as Internal Revenue Commissioner for more than 10 years, has become United States District Judge for Kansas, succeeding the late Richard J. Hopkins.

Frank C. Moore, N. Y. State Comptroller, Urges Local Debt Reduction To Alleviate Realty Burden

Relief from burdensome real estate taxes cannot be obtained until "municipal debts are drastically reduced," Frank C. Moore, New York State Comptroller, stated in an address before the 50th annual meeting of the Savings Banks Association at Lake Placid, N. Y., last week. Mr. Moore asserted that now is the time for municipalities to strengthen their finances in order to meet the "post-war strains"



Frank C. Moore

and to bring about a gradual reduction of outstanding indebtedness. All of these measures are the products of the efforts of the Commission on Municipal Finance, which was established by the Legislature in 1939 to study local fiscal problems and to recommend such statutory changes as are necessary to assure a sound basis of local finance. The Commission Mr. Moore said, will sponsor additional corrective measures in the next session of the Legislature providing for uniform municipal budgeting procedures. Continuing with his address, Mr. Moore said: "A few months ago, Governor Thomas E. Dewey appointed an advisory committee to suggest means for the reduction of real estate taxes in this State. It includes six representatives of the municipalities, as well as the chairmen of the fiscal committees of both Houses of the Legislature and the State Comptroller. This committee expects to submit its report to the Governor late in December.

Undoubtedly, real estate in some municipalities bears more than its fair share of the cost of local government. But, in the absence of greatly increased revenues from other sources or the sharp curtailment of operating expenses, there can be no substantial cut in real estate taxes until municipal debts are drastically reduced.

Refunding is no solution. It always results in increased taxes to pay additional interest.

This is the time to strengthen municipal finances to meet the post-war strains. It is the time to reduce municipal debt, and the only way to reduce debt is to pay it.

There are other opportunities for the municipalities to help themselves. Dead wood should be purged from the tax rolls. Property acquired by tax foreclosure, unless needed for municipal purposes, should be disposed of. The gap between the tax levy and actual current collections should be bridged by a tax reserve fund.

In preparing the annual budget, revenues should be honestly but conservatively estimated. When adopted, the budget should be re-adopted and deficit finances eliminated.

Under the constitution and statutes, the Comptroller today supervises the fiscal affairs of all cities (except New York, Buffalo and Rochester), all counties, the 932 towns, 548 villages, about 2,500 improvement and fire districts and some school districts. On July 1, next, his authority will be extended to the remaining 6,000 school districts.

Administratively, the authority of the Comptroller is exercised through the Municipal Affairs Division of the Department of Audit and Control.

We are reorganizing the Mu-

nicipal Division to increase its effectiveness. We have divided it into three sections—examining, research and consultant.

Last year, 113 municipal examinations were completed. At that rate, it would require 100 years to check once each of the 12,000 units of government subject to the Comptroller's supervision after next July.

By substituting new methods but without increasing the number of persons employed, we expect to complete 1,700 examinations next year. It should be possible, in the near future, to check every unit of government once in a two-year period.

Nowhere can we now obtain accurate information as to the cost of our local government for the past year or any other period of time. We have been impeded in our efforts to improve municipal finances by the lack of this information.

The Research Section, recently established, is rapidly overcoming this obstacle and soon the facts of municipal finance in this State will be readily available to all. In its assistance to the Governor's Committee on Real Estate Taxes, the Research Section has more than justified its establishment. As additional fields are explored, the Research Section will constantly increase its usefulness.

We have also established in the Department of Audit and Control a Consultant or Advisory Section. Through the staff of this section, we extend to the municipalities the advisory services of a small, but most competent, group of men experienced in all matters relating to local finance.

As amended in 1938, the constitution now provides that the full faith and credit of a municipality of this State shall be pledged to the payment of any debt contracted by it. Moreover, the constitution requires the municipality to annually appropriate the full amount needed to pay its maturing debt service. In the event of its failure so to do, the courts will compel compliance upon the suit of the holder of any of its obligations. No greater security could be given.

This is significant of the general trend in this State towards an even better system of municipal finance.

Lea Succeeds Cox As FCC Inquiry Head

Speaker of the House Rayburn on October 4 appointed Representative Lea (Dem., Cal.) as Chairman of the special committee investigating the Federal Communications Commission. Mr. Lea, who is Chairman of the Interstate Commerce Committee, succeeds Representative Cox (Dem., Ga.), who resigned on September 30.

The removal of Mr. Cox had been sought last May by Clifford J. Durr, a member of the FCC, who charged that the committee could not be impartial under Mr. Cox's chairmanship.

In resigning, Mr. Cox told the House on September 30 that "the utterly baseless personal attacks upon me have beclouded the real issue of whether the Federal Communications Commission has been guilty or not guilty of the acts of maladministration with which it has been charged and which this committee was directed by the House to investigate. The House and the country are deeply concerned to ascertain the facts about the FCC without prejudice and free of personal controversies."

Senators Discussing Post-War Foreign Policy Resolution Advocating World Peace Body

The post-war peace resolution, drafted by a Senate Foreign Relations sub-committee was introduced in the Senate on Oct. 14 by Senator Connally (Dem., Tex.), Chairman of the Foreign Relations Committee.

The measure advocates joint action by "free and sovereign nations" to create "an international authority with power to prevent aggression and to preserve the peace of the world" and pledges United States' cooperation in the post-war world.

In submitting the resolution, Senator Connally said that it "represents many months of very careful labor and consideration by the sub-committee, with a view to all phases and aspects of our policy, and I think it represents, in the main, the views of the American people." He added:

"I hope that the supporters of the so-called Ball-Burton-Hatch-Hill resolution will very seriously consider this resolution. It is the best thing they can possibly get, and if they should offer their resolution, and it should be defeated, as it would be, there might ensue some inferences and suggestions which might not react very favorably in certain foreign quarters. This is a matter about which we ought to have harmony and unity. It is a matter that affects our relations with foreign countries, and no consideration other than the national welfare should be borne in mind."

The resolution was described as a compromise between the House-approved Fulbright post-war resolution and the resolution offered by Senators Ball (Rep., Minn.), Burton (Rep., Ohio), Hatch (Dem., N. M.) and Hill (Dem., Ala.). The Senate sub-group had decided to write its own version of a foreign policy statement rather than consider the House-approved resolution, drafted by Representative Fulbright (Dem., Ark.) which simply would put Congress on record as favoring participation by this country through its Constitutional processes in "appropriate international machinery" to preserve the peace. Passage of the Fulbright measure, by a House vote of 360 to 29, on Sept. 21 was reported in our issue of Sept. 23, page 1192.

The Ball - Burton - Hatch - Hill resolution, which the Senate sub-committee passed over, specifically proposes creation of a permanent United Nations military force "to suppress by immediate use of such force any future attempt at military aggression by any nation."

The text of the Senate sub-committee's measure reads as follows:

"Resolved by the Senate of the United States:

"That the war against all our enemies be waged until complete victory is achieved;

"That the United States cooperate with its comrades in arms in securing a just and honorable peace.

"That the United States, acting through its constitutional processes, join with free and sovereign nations in the establishment and maintenance of international authority with power to prevent aggression and to preserve the peace of the world."

The full Senate Foreign Relations Committee on Oct. 19 began consideration of the post-war resolution with the sponsors of the Ball-Burton-Hatch-Hill resolution appearing as the first witnesses. The Senators, speaking for a bipartisan group of about a dozen members, charged that the sub-committee's resolution was "vague in its commitments" and proposed an amendment which would eliminate the reference to "free and sovereign" nations and make the United Nations the instrument of a world organization to be empowered to use military force to suppress aggression.

A poll by The Associated Press disclosed on Oct. 18 that 50 Senators, one more than a majority, find the sub-committee's resolu-

tion substantially acceptable to them and would support it on a showdown vote.

With a large group of Senators declining to commit themselves because they want to write more specific language into the proposal, the Associated Press said that a canvass showed that only 6 of the 56 members willing to express their views were unalterably opposed to the measure in its present form.

Previous reference to action on the post-war foreign policy measure appeared in these columns Oct. 7, page 1423.

House Group Votes To Bar Food Subsidies

The House Banking and Currency Committee voted on Oct. 14 to ban all subsidies on foods at the end of this year.

The action by a vote of 16 to 10, was taken with respect to a bill extending the life of the Commodity Credit Corporation until June 30, 1945. The Committee also voted to deny the CCC's request for an increase in its borrowing authority from \$3,000,000,000 to \$3,500,000,000.

Marvin Jones, War Food Administrator, had requested the increased CCC funds in order to make whatever price guarantees are necessary to get an all-out agricultural production in 1944. (Mr. Jones' testimony was referred to in our issue of October 14, page 1513.)

In a letter to members of the Committee, Mr. Jones stated that the effect of the restriction applied upon the price stabilization program and the activities of the CCC would be as follows, according to a Washington dispatch to the "Wall Street Journal" of October 15:

"(1) Increases in maximum prices:

(A) Such increases as might be necessary in the ceiling prices of products to reflect not less than \$13.75 per hundredweight for good to choice butchered hogs, 200 to 270 pounds at Chicago.

(B) An increase of 5 cents per pound in the ceiling price of butter.

(C) An increase of approximately 4 cents per pound in the ceiling price for American cheese.

(D) Increases of as much as \$1.20 per hundredweight on some varieties of dry edible beans.

(E) Such increases as would be necessary in the prices of canned corn, tomatoes, green beans, string beans and peas to reflect increases of 25% to 50% in the cost of the raw materials.

(F) An increase of about \$45 a ton in the ceiling price for prunes and raisins.

(G) An increase of one-half cent per pound in the ceiling price of sugar in order to reflect the present support price of sugar beets. This increase would apply to all sugar although domestic sugar beets supply only one-fourth to one-fifth of the sugar consumed in the United States.

"(2) The discontinuation of the support price payment operations being carried out with respect to dry edible beans, canning crops, cheese, prunes, raisins, sugar beets, sugar cane, dairy feed, hay for feeding cattle in the drought areas of Delaware, Maryland, Virginia, West Virginia and North Carolina and sales of wheat for feed at less than the cost of such wheat."

Referring to the Committee's action as a blow to the Roosevelt administration's plan to use sub-

sidies as a main factor in price controls and food production, advices October 14 to the New York "Herald Tribune" from its Washington bureau, noted that the Committee at the same time voted to introduce legislation abolishing the rollback subsidy on butter and meat and all other "rollback and consumer subsidies" as of Jan. 1, 1944. In part these advices also said:

"The anti-rollback action would nullify the 10% cut in the price of meat and butter instituted by the Office of Price Administration in June as a means of lowering the cost of living, and would also outlaw a subsequent program to cut the price of apples, oranges, onions, peanut butter, lard, vegetable oils and potatoes, announced on September 13 and not yet put into effect."

"The Committee's action was regarded as joining the issue over subsidies for another full-scale fight in Congress. President Roosevelt vetoed a similar measure earlier this year, but the OPA is still committed to the rollback program, along with the Office of Economic Stabilization, as a major element in the drive to hold the cost of living to the levels of Sept. 15, 1942, and gear wages to the National War Labor Board's "Little Steel" formula, which is based on the price level of May 15, 1942.

"The Food Administration is equally certain that the extra funds will be needed to carry on the price-support program already announced by Mr. Jones as the cornerstone of his drive for record food production in 1944. Officials said the phrase 'consumer subsidy' needed clarification, but that if it had the effect of outlawing payments now made on canned fruits and vegetables or cheese, the Administration would fight for an amendment."

CIO Head Opposes Proposed Sales Tax

Opposition of the Congress of Industrial Organizations to the imposition of a Federal retail sales tax was voiced on Oct. 15 by Philip Murray, President of the CIO, in testimony before the House Ways and Means Committee. Arguing that a Federal sales tax would be "the equivalent of a military defeat," Mr. Murray asserted that if such a levy became law organized labor "would be compelled to demand a proportionate increase in wages to make up for this unjustified wage cut."

It was noted in Associated Press accounts from Washington on Oct. 15 that Fred M. Vinson, Director of Economic Stabilization, previously had told the tax-framing body that a 10% sales tax would cause an 8% rise in the cost of living and that subsequent demands for wage and price increases would break the "hold the line" wartime economic policy, opening the way for wild inflation. Supporters of the tax contend that it would deter inflation, said the Associated Press, which added:

Mr. Murray, who said he represented 5,000,000 working men and women, stated:

"We are absolutely opposed to the imposition of any sales tax. The sales tax is directed at the low-income group; it is the worker and his family that spend practically all of their money just to keep themselves alive.

"They are to have their full income in effect taxed under this most vicious type of tax legislation. High-income groups that spend only a portion of their income for food, clothing, or other necessities are to have just that small percentage taxed, whereas the rest of their income may be continued to be amassed for further concentration of wealth in their hands.

"In peacetime a sales tax is vicious enough, but in wartime,

Thomas Sees Chaos If State Regulation Of Fire Insurance Is Nullified By Anti-Trust Laws

The fire insurance business and every one connected with it face demoralization and complete chaos if State regulation of the business is nullified through application of the Federal anti-trust laws, John M. Thomas, President of the National Board of Fire Underwriters, declared in an address before the 48th annual meeting of the National Association of Insurance Agents in Pittsburgh, on Oct. 11. Mr. Thomas stated that

these attempts place in jeopardy sacred American principles which have been stoutly defended and maintained since the framing of the Constitution. The public, he said, has a vital interest at stake, too, since these proceedings concern all policyholders everywhere.

Mr. Thomas presented a brief history of the fire insurance anti-trust litigation which started last year, saying:

"In August, 1942, the Federal Anti-Trust Division without warning suddenly announced a nationwide criminal investigation of the fire insurance business. Then in November—three months later—an indictment of some 198 companies and 27 individuals was secured in the District Court at Atlanta.

"Since this initial action, we all have become well aware of the frontal assault on the whole institution of fire insurance as it has been established in this country. The Anti-Trust Division, while vigorously prosecuting its case in Atlanta, announced investigations in New York and California—both involving practically the same defendants and based upon alleged acts of the same general character as those charged in Atlanta.

"In August, 1943, the District Court at Atlanta held that the Federal anti-trust laws did not apply to insurance, and dismissed the indictment. The Federal Anti-Trust Division has appealed to the United States Supreme Court."

Asking whether the attack on the fire insurance business is part of an effort to extend Federal Bureau to every form of large-scale American business, and whether it is intended deliberately "to create such chaotic conditions in the insurance business as would support a spurious demand for Federal regulation that would otherwise be neither necessary nor desirable," he stated: "There is a clear threat in this situation to the rights of the States, to the will of Congress and to the orderly conduct of the insurance business."

"For over 75 years," he continued, "the Supreme Court of the United States has repeatedly held that insurance may be regulated by the States. For over 90 years insurance has been regulated by the States, each State acting in its own way to meet local conditions in the best interests of its citizens."

Mr. Thomas presented a comprehensive review of State regulation. Pointing out that essentially it is directed at controlling competition and preventing unfair discrimination, and aims at uniform and equal treatment of equal hazards, in part he said:

"State regulation has been accepted by the courts, all branches of the insurance business and the public as the proper and most effective way of protecting policyholders and the public interest in insurance. Thus our business, conducted by thousands and thou-

when we are trying to assure our war workers of sufficient funds to maintain themselves, the proposed sales tax would be the equivalent of a military defeat.

"A sales tax is an imposition of a national wage cut bearing most heavily on the low income groups. Such a tax would be a violation of the obligation given by this Government to the working people of America that wages and prices are to be stabilized as of their relationship which prevailed on Sept. 15, 1942."

sands of local agents throughout the country, has been built to conform to the details of regulation by the various States, after nine decades of well-considered trial and error by law-making and regulatory authorities.

"Every State requires a license as a prerequisite to engaging in fire insurance underwriting. Every State has requirements aimed at maintaining the solvency of the fire insurance companies licensed by it. Every State reserves the right to revoke or refuse to renew any license granted by it.

"Twenty-seven States provide by statute for rating bureaus. Only two States, Nebraska and Iowa, prohibit them. Twenty-nine States provide that the rates used by fire insurance companies be filed with State insurance departments. In 19 States fire insurance companies may not deviate from the rates promulgated by their rating bureaus unless a formal deviation is filed with, or approved by, the State insurance department. In practically all States comprehensive exhibits of the details of operations including profit and loss computations are required to be filed annually. In addition, expert auditors employed by the States, critically and in great detail periodically examine the financial condition of every fire insurance company authorized to do business in the respective States....

"The States, finally, have sought to obtain uniform policies in the interest of promoting uniformity in all details of the insurance policy. Today 32 States prescribe standard forms of policies which must be used."

Lend-Lease Aid Over \$15 Billion Mark

President Roosevelt announced on Sept. 28 that lend-lease aid in August reached a new record high of \$1,261,000,000, as compared with \$1,050,000,000 in July. Total aid since the lend-lease program began March 1941, was placed at \$15,235,000,000, including \$13,016,000,000 in goods transferred and \$2,219,000,000 in services rendered.

Of the total aid given in August \$1,114,000,000 represented goods transferred, as against \$1,018,000,000 in July, and \$147,000,000 in services rendered, as against \$32,000,000.

Transfers of munitions in August amounted to \$872,000,000, as against \$728,000,000 in July; industrial items \$152,000,000, against \$158,000,000, and foodstuffs \$90,000,000, against \$132,000,000.

"The expansion of munitions production by American industry," said the President's statement, "has been so great that we have been able to increase our aid to the forces of the other United Nations while we have been arming our rapidly growing Army and Navy."

The announcement noted that there has been a "particularly sharp increase in recent months in transfers of aircraft and parts," adding:

"American planes are being flown in increasing numbers by Russian pilots on the eastern front and by British and other United Nations pilots in several theaters of war. The steadily growing strength of our own air force and the air forces of our Allies, which are pounding away at Germany and the occupied countries night and day, is continuous evidence of Hitler's inability to put a roof on fortress Europe."

Willkie Says End Of Present Administration's Power Necessary To Maintain Free Society

Calls For World Cooperation But Opposes Alliances

Wendell L. Willkie asserted on Oct. 15 that ending of the present Administration's power in office "is necessary not only for the preservation and development of a free society in the United States but for the hope of a free society in the world."

Mr. Willkie, in a speech regarded as his opening bid for the 1944 Republican Presidential nomination, said he is "dedicated to the removal from



Wendell Willkie

office of the man and the group" that have been in power for nearly 12 years, arguing that "such long continuance of power is hazardous to the perpetuation of free government."

Mr. Willkie's address, which was broadcast over a nationwide radio network, was delivered before a St. Louis audience and was an indirect reply to a series of questions put to him by a group of Missouri Republicans. (The questions appeared in these columns Sept. 16, page 1090.)

Charging that the Roosevelt Administration has failed to take the people into its confidence on foreign relations, Mr. Willkie declared that "we were unprepared mentally and physically for Pearl Harbor and now we are being left similarly unprepared for what will come after the war." He cited the Administration's failure to tell the facts of the Japanese threats and its present failure to reveal this country's relations with other nations.

Mr. Willkie, however, warned the Republican party that it would be unable to win in 1944 if "it merely attempts to coalesce under its banners the various negative groups within the country."

The party's strength, he said, must be found in "a national policy that unifies the people" and makes America "a land of ever-expanding opportunity." He suggested "in broad terms some of the measures for which the Republican party must stand in order to bring about expanding opportunity for every American, viz.:

"First: We must insist that those in power eliminate every wasteful, socially unnecessary expenditure of the people's money. . . . And after the war is over, though taxes on inheritances must be maintained, taxes on income must be modified so that there is left the incentive to individuals, whether it be men who labor, or farm, or are in business, to plant the crops of production and enterprise.

"Second: We should demand the enforcement of present laws and, if necessary, the passage of additional laws, to make our enterprise system completely competitive—and this irrespective of whose toes are trampled upon. Where enterprise, whether by necessity or by default, excludes competition, such enterprise must be regulated in the interest of the people.

"Third: The adoption of a wise labor policy. . . .

"Basically we must proceed on the knowledge that we will never solve the problem of the relationship of labor to management, or of either to government, by mere modification of this law or that law. We will solve it only by making labor an essential part of government.

"Fourth: Our agricultural policy should not be based upon the Administration's doctrine of scarcity during the years of the great depression nor upon its paternalistic, petty interferences, its manipulated and distorted markets in

these war days. . . . Ours must be a farseeing policy, recognizing the necessity for soil conservation and . . . that the real hope of the farmer lies . . . in expanding markets.

"Fifth: We recognize that violent swings in the economic cycle with all of the attendant distresses and suffering are largely the result of the fluctuation in durable goods expenditures. . . . A method of co-operative effort between industry and government must be found for the more orderly, long-term adjustment of these expenditures."

Expressing his deep belief in international cooperation, Mr. Willkie said that "any plan for peace with half a chance of success must be built on a world basis." He warned against "exclusive offensive and defensive alliances between any two of the principal Allies," asserting that such alliances "will but divide, not unite the world." Mr. Willkie further said the goal of world peace will be missed "if America tries to play a hand at the old game of power politics" and that in the post-war dealings "we must encourage and seek to work exclusively with the forces that are neither Nazi-tainted nor Fascist-stained."

Mr. Willkie urged the United States, Britain, Russia and China to make a joint "declaration of intention" as a preliminary to forming a common council of the United Nations, a council which would eventually include all nations.

The text of Mr. Willkie's address follows, according to the United Press:

For nearly 12 years now we have lived under the Presidency of one man and under the Administration of one group. We are faced with the prospect of being asked to continue that man and that group in power for another four years.

Irrespective of the abilities or motives of the individuals involved, such long continuance of power is hazardous to the perpetuation of free government. For 150 years, the people have instinctively known this. And the people have been right. For power so long held breeds within itself certain abuses which ultimately will destroy a democratic society.

The individuals who hold it inevitably come sincerely to believe that the alone possess the requisite knowledge to govern the people. All other men, because they cannot be possessed of certain detailed knowledge, seem to them unqualified. Even potential leaders in their own party seem to them pygmies.

Likewise, those who hold power too long begin to distrust the very source of their power; the people seem to them hopelessly ignorant. As a result, entrenched leadership becomes cynical and remote and it fails to take the people into its confidence.

Witness the present Administration's failure to tell us of the Japanese threats reported to the President by Ambassador Grew long prior to Pearl Harbor. And its failure now to inform us honestly of our operations and of our relations with other countries.

A few days ago, for example, the State Department published a white paper of a black record. It showed that our representatives abroad saw and told our Government of the growing menace of Japan and Germany, of the danger that one or both might strike the

United States, and involve us in war.

But this information was not imparted to our people, apparently on the assumption that diplomacy must be secret. Yet all the concealment and appeasement through fear of aggravation delayed the menace not one jot. The only result was that we as a nation remained unwarned and unprepared.

Meanwhile our Congress conducted munitions investigations while our President signed futile neutrality acts.

And yet—and this is the tragic irony—the Administration's excuse today for our lack of preparedness for war is that the people and their Congressional representatives would not have authorized the building up of an adequate Air Force, Army and Navy.

Perhaps if the people had been given the facts which it is now apparent the Administration possessed, they would have, as usual, been wiser than their leaders. Perhaps many of the billions wasted by the Administration between 1932 and 1940 might have given necessary employment and at the same time built a great armed force which would have stopped those marauders in their tracks.

And perhaps today, if the Administration would give us the facts about our diplomatic relations with Great Britain and Russia and China and France and Italy, the people would come to a wiser conclusion than their leaders will reach behind closed doors. In the United States the people have the right to make the decision.

As it stands, we were unprepared mentally and physically for Pearl Harbor and now we are being left similarly unprepared for what will come after the war.

And this is on the principle power always assumes: That it knows best what is good for the people, and that when it needs the votes of the people it is justified in using pressures and propaganda to lead them to its way of thinking.

The Administration plays the agencies of public information like an accordion—it saturates our newsreels, our radio programs, it manipulates the release of the news to suit its purposes and censors opinion in hundreds of subtle and little known ways.

It has come to know too well all the divisions in our society—racial, religious and economic—and plays one against another, sometimes really believing it knows best.

And those who gather round and constitute the palace guard, knowing that obscurity will be their lot when change comes, use the multiple powers of Government to perpetuate the leader from whom their importance stems.

Now even if I agreed with all the policies of an Administration that has held such power for so long, I would think it vital to terminate that power. And, since I disagree with many of the policies, both domestic and foreign, of the Government that presently holds such power, I am dedicated to the removal from office of the man and the group who exercise it.

Since the Democratic Party is unable to rid itself of a leadership which millions of its members would like to see changed, and because that party is today a combination of discordant elements held together largely by the manipulation of conflicting social groups, the use of long entrenched patronage and the vast power of its leadership, I, who have never been accused of excessive partisanship, believe that the only instrumentality that can be used to end that power is the Republican Party.

I furthermore believe that the ending of that power is necessary not only for the preservation and

development of a free society in the United States, but for the hope of a free society in the world.

I understand that you, like many others, have questions in your mind as to the policies which the Republican Party must adopt and the practices it must avoid in order to be entrusted by the people with the leadership of our country in 1944.

I assume that you want me tonight to discuss these problems not in the manner of a school boy answering questions, but with the calm reason you are entitled to expect from a man whom the party has signally honored.

Let me say first: Of one thing I am sure, the Republican Party will not deserve leadership and cannot win if it merely attempts to coalesce under its banners the various negative groups within the country. Nor can it afford, in formulating its policies, to yield to the special pleas of self-interested economic pressure groups.

It must find its strength not, as does the present Administration, in dividing and ruling but in a national policy that unifies the people. It must seek to make America, after this war is over, a land of ever expanding opportunity—opportunity not just for a few top men to make their fortunes with the help of all other men, but opportunity for every man to work, to develop his abilities, and to receive the rewards of his effort, economic, social or political.

In other words, a society in which every man is guaranteed a job and the chance to get ahead.

Now you can't get ahead unless you are willing to take a risk. From the family in every prairie wagon to every ambitious worker, farmer and business man of today, the same courage, the same boldness, the same will to get ahead, has been the key to American progress.

The present Administration would have us believe that enterprise is the private, selfish and abused possession of a few big business men and as such is to be watched like a hawk and have its wings clipped and its tail-feathers pulled out every time it shows the least sign of flying—or even of hopping.

That is a ridiculous conception and shows a basic misunderstanding of what makes America tick. The spirit of enterprise lies in every energetic American and is the basic factor in any society of expanding opportunity.

Risk capital is the name today for money which people stand ready to risk in backing a new invention, organizing a new air route, or in any other pioneering enterprise.

It is what America and the world will need most for growth and expansion in the tough and adventurous days certain to follow the war. Television, the new automobiles, the new planes, the new houses, the new plastics, the new farm crops—an endless list of new discoveries, born of war research, cry aloud to be developed.

And risk capital is not, as the Administration would have us believe, any more the private possession of big business than is enterprise. Every farmer who takes a chance and buys the next-door farm on a shoestring, is risking his savings in exactly this spirit.

By working extra hard, with luck and with good management, he knows that he can literally lift himself up by his bootstraps. When a family saves pennies and sends a boy to college, that is risk capital. When that boy does chores to help pay his tuition he is risking his capital. It is by such risks that men in America have got ahead.

A land of expanding opportunity, however, must do more than give men and women a chance to get ahead. It must provide not alone opportunity; it must provide protection and care. Though not built on the fear of want, it must courageously face the problem of

want, and in doing so must learn how to protect everyone in the event of unemployment, accident, bad health, incapacity and old age. It must bring about a constant improvement in the successive generations of Americans. As it is an expanding society, it must expand, not reduce, social insurances. And it must put them on a sound actuarial basis—not the present basis of politics and confusion of funds.

Social insurances, however, are not worth the paper they are written on unless a great and growing America stands behind them. And such an America can be built neither by setting up an all-powerful state, nor by turning over our economic system to a few self-appointed private individuals.

A growing America can be achieved by only one means: A productivity big enough, expanding fast enough, to absorb the unleashed energies and aspirations of all of our people. And such a productivity can come into being only if America joins with other nations to establish a world at peace in which trade can flourish.

For trade held too tightly within our own borders will lead to our own economic stagnation. As a matter of fact, even those who are interested solely in an unregulated economic society in America should be ardent advocates of world cooperation.

And now let me suggest in broad terms some of the measures for which the Republican Party must stand in order to bring about expanding opportunity for every American.

First: While we are engaged in this war to which we have dedicated all our resources and our lives, we must insist that those in power eliminate every wasteful, socially unnecessary expenditure of the people's money so that the people themselves when the war is won, may have in their hands the seed from which the crop of tomorrow can grow.

And after the war is over though taxes on inheritances must be maintained, taxes on income must be modified so that there is left the incentive to individuals, whether it be men who labor, or farm, or are in business, to plant the crops of production and enterprise.

Second: We should demand the enforcement of present laws, and, if necessary, the passage of additional laws, to make our enterprise system completely competitive—and this irrespective of whose toes are trampled upon. Where enterprise, whether by necessity or by default, excludes competition, such enterprise must be regulated in the interest of the people.

Third: The adoption of a wise labor policy is of the utmost importance. It must not be in the punitive spirit of the Southern Democrats' Smith-Connally Act. Nor do we want a policy like the present one that divides our country into warring factions of labor leaders and business executives, forcing each to jockey for power and struggle to convert political parties to its purposes.

We must, of course, recognize the fact that men who work and do not own, have no adequate economic and social protection except in their collective strength. And we must see to it that that strength is not taken away from them.

But basically we must proceed on the knowledge that we will never solve the problem of the relationship of labor to management, or of either to Government, by mere modification of this law or that law.

We will solve it only by making labor an essential part of Government. I do not mean just by the appointment of a labor representative as Secretary of Labor. I mean that in addition to real representation in a real Cabinet, labor's representatives shall help determine Government's fiscal, domestic and international pol-

icies. Thus, labor will share the responsibility and the results.

Fourth: Our agricultural policy should not be based upon the Administration's doctrine of scarcity during the years of the great depression nor upon its paternalistic, petty interferences, its manipulated and distorted markets in these war days of unlimited demand and higher prices. Ours must be a far-seeing policy, recognizing the necessity for soil conservation and the fact that the real hope of the farmer lies not in economy of scarcity but in expanding markets.

Indeed, no member of our society has a greater stake in markets than the farmer; if these are not strong and thirsty for his products, all other schemes will fail him in the end. There lie ahead amazing new agricultural possibilities for a wise leadership to open up. New standards of health, new sources of earning power, can, if opportunities are created, enormously increase agricultural demand. New uses of nutritive foods, new uses of agricultural products in industry, will help swell the total.

Yet even this great domestic expansion will not be big enough. It is only when we contemplate expanding foreign markets which will come with a world of peace and cooperative effort among the nations, that we begin to glimpse the mighty forces that we can bring to the aid of the American farmer.

Fifth: We recognize that violent swings in the economic cycle, with all of the attendant distresses and suffering are largely the result of the fluctuation in durable goods expenditures—as in the building and enlargement of industrial plants, railroads, utilities and public improvements. A method of cooperative effort between industry and Government must be found for the more orderly, long-term adjustment of these expenditures.

These are measures designed to build in America the kind of life we want. But neither these nor any other measures to that end can be accomplished, if we try to lock ourselves in from the rest of the world.

After the war, we shall have a national debt of probably 300 billion dollars on which the interest charge alone will be around 7½ billion a year. This charge, together with soldier rehabilitation, the ordinary cost of Federal Government and the equally large cost of State and local governments, will consume up to a third of our national income.

Pause for a moment to consider piling on top of this the astronomical cost of building the hypothetical "impregnable defense," the phrase of those who picture America as going alone in the world of tomorrow.

Under such conditions all those things against which we cry out now, and endure only as wartime measures—regimentation, bureaucracy, interference with many of our traditional freedoms would, through sheer necessity, have to be multiplied again and again. And any attempt to rid ourselves of our debt through either inflation or repudiation would bring social and economic dislocations, so far-reaching as to destroy our whole social system.

The right way through is plain: Expansion and development. Literally millions of people around this world are eager to work with us in cooperative economic effort. And if there is any one thing that we have learned in America, it is that no man's prosperity needs to be had at the cost of another's, that well-being is a multiplying, not a dividing process.

You have heard men, who like to stencil other men into categories, call me an internationalist. And with the word they try to give the implication that I am thereby less an American. I do believe deeply in interna-

tional cooperation, not because I love America less but because I love her more—the America of well-being, of jobs, of opportunity, of ideals, and of free men.

And I know that the very existence of these things in America in the future depends upon our finding a method of cooperation with the other nations of the world. Cooperation in order that there may be peace in the world; that we and the other great Powers may not waste the substance of the people in building rival impregnable defenses; that unnecessary and artificial trade barriers and tariffs may be broken down; that a monetary standard may be recognized around which the currencies of the world can be stabilized.

Some men ask: Just what is your blueprint? I could give you many. But, in my opinion, we are not yet at the blueprint stage. We have yet, by prospecting with the other nations, to find the place on which we may stand together to move the world towards peace, away from war.

The ultimate blueprint will be what we can work out with these nations in mutual accommodation. But first we must discover a common ground on which we can begin to build. And though I do not presume to know with precision or in detail what that common ground looks like or the exact way there, I think I know certain things that may be helpful in reaching it.

I know that we will never get there if we start by making exclusive offensive and defensive alliances between any two of the principal Allies, or by indicating that we prefer to make offensive or defensive alliances with one rather than another of our major Allies.

Such alliances will but divide, not unite the world. They will in the end originate wars on such a scale that no organization of the nations can possibly stop them.

I know we will never get there if America tries to play a hand at the old game of power politics—a game which is played always at the price of permanent peace, and a game at which we find ourselves inept and frustrated.

Another thing I know. In all our dealings with those of the conquered countries of Europe, with our potential friends and, when the war is over, with our vanquished enemies, we must encourage and seek to work exclusively with the forces that are neither Nazi-tainted nor Fascist-stained.

And this I know also. Although America, with all the other nations united on a common ground must be willing to agree to bear its share in any military effort to prevent or repel aggression, the exercise of military power and force alone is not the full or final answer. It never has been. The real foundation of peace and development must be economic.

And there is finally the fact that any plan for peace with half a chance of success must be built on a world basis.

I can testify from personal observation that all the world turns to America for leadership. Therefore, tentatively, hopefully, I should like to see this country exercise its utmost qualities of leadership and moral force to bring Great Britain, Russia, China and the United States to a point of understanding where they will make a joint declaration of intention as a preliminary to forming a common council of the United Nations and other friendly nations. Out of the practice of cooperation and out of the substance of agreement will come our only chance to realize man's hope for peace.

These are my deep and strong beliefs. It is anyone's privilege to fit me into any category he wishes. That's relatively unimportant. The question of real concern is: What will be the position of the Republican Party as expressed both in

its platform and in its leadership in 1944?

Recently, at Mackinac Island, a selected committee chosen by the national chairman passed a resolution which stated:

"We must do our full share in a program for permanent peace among nations . . . We consider it our duty to declare our approval of . . . responsible participation by the United States in post-war cooperative organization among sovereign nations to prevent military aggression and to attain permanent peace with organized justice in a free world."

Twenty-five years ago, at the end of the First World War, our country and our party were faced with a situation similar, but less complicated. Its convention adopted a resolution drawn by Elihu Root. He, too, incidentally, was dubbed an internationalist. That resolution was in these words:

"The Republican Party stands for agreement among the nations to preserve the peace of the world. We believe that such an international association must be based upon justice and must provide methods which shall maintain the rule of public right by development of law and the decision of impartial courts, and which shall secure instant and general conference whenever peace shall be threatened . . . so that the nations pledged to do and insist upon what is just and fair may exercise their influence and power for the prevention of war."

After adopting that resolution, the Republican Party accepted as a leader, and elected, a candidate who, when in power, turned away from the clear import of that resolution. The people of America have that example fully in mind. They are watching with an eye of close scrutiny the Republican Party today. They are tired and disillusioned with their present leadership. They would like to turn to the Republican Party. But they are resolved that this country will cooperate and cooperate effectively with the other nations of the world that their sons may never again be needlessly slaughtered and that peace may be preserved for their own economic well-being and for the economic well-being of mankind.

They will never elect as President a candidate who hedges or qualifies or whose record is ambiguous or one concerning whose position they have the slightest doubt on this the basic issue of our day.

But once the Republican Party convinces the American people of its sincerity in advocating real international participation, I am confident that the people will recognize and support this party as the party of the future.

For in our party there are the able men, there are the progressive traditions, there are the dynamic policies capable of revolutionizing the outlook of mankind.

It is our task to arouse the mighty efforts and enterprises of our people, and through these to make peace a reality for men and women everywhere in terms of work and trade, reward and human hope.

If the party selects from among its many able men, as its candidate for President in 1944, a man whose record leaves no doubt that he is qualified for the leadership of such a cause, I will, of course, support him.

And it is unthinkable that the party will select any other kind.

Fruitless Seeking

I believe that it will be the consensus of opinion that the irreducible minimum of what should be obtained by the United States as the outcome of the victory in which it will share must be the practical certainty that in the world of the future, the United States will be secure—safe from the threat of successful attack by any power, or by any combination of powers; fully assured that its own free institutions will suffer no jeopardy from foreign sources; and enabled, by reason of peace, prosperity, and political and social stability in the rest of the world, to develop its own national resources and its trade in such a manner as to make possible that advance in social conditions and that rise in living standards which the vast majority of our people seek. For we have, I believe, at long last, learned the lesson that we cannot grow richer if the rest of the world becomes poorer; and that the surest guaranty of our prosperity is the prosperity of others.

From the standpoint of our political, economic and strategic vital interests it is likewise indispensable that if we are to achieve our own security every nation of the Western Hemisphere must also obtain the same ample measure of assurance as ourselves in the world of the future.

Those, it would seem, are the "eternal and perpetual interests" of the United States.

It seems to me clear that these interests can never be safeguarded unless the United States participate with the other nations of the earth in creating that kind of free world organized under law, and made safe by armed might when necessary against lawbreakers which men and women have envisioned for centuries past and which they have so far fruitlessly sought to attain.—Sumner Welles.

We wonder if Mr. Welles and the others who speak in this way have seriously inquired why these things have been sought in vain. If so he and they must have found the answers deeply imbedded in human nature conditioned by long centuries of varied history.

Is there any convincing reason to suppose that these impediments no longer exist?

War Surpluses And Civilian Goods

(Continued from first page)
Manufacturers, mail-order houses and retailers are all vitally concerned in this. To some groups it means good business. To others, and particularly to retailers, the effect may be bad. Obviously, these materials should not be dumped upon the market hastily.

Legislation is already proposed, calling for a study as to ways and means by which these surplus goods may best be disposed of. Some Representatives want the entire matter placed under control of the Budget Bureau. Others seek to establish a custodian of surplus property. I strongly advise that retailers band together and insist that their consumers goods markets remain free from any unfair competition which in the end would hurt consumers as well. Congressmen ought to be fairly busy with this!

Current Situation

Already the Army is releasing certain consumer items. These include clothing, shoes, kitchen utensils and certain supplies which now have no direct military value. The Army has more of these kinds of goods on hand for current sale than does the Navy. Sales by the Navy, for the present at least, are being confined to raw materials, scrap and machinery. All these articles are first offered to other Government Agencies. If these Agencies are not interested, the goods are then sold through the Procurement Division of the Treasury. Manufacturers, as well as retailers, may be interested in securing lists of what is now available from Procurement Division Offices in Boston, New York, Atlanta, Washington, Cincinnati and Fort Worth. Most of the Army sales are made upon a negotiated basis; but the Navy usually insists upon sealed bids.

In certain instances the WPB has allocated Navy surpluses to manufacturers who are in need of them. Any manufacturer engaged in war production who is presently cramped for machinery and supplies of raw materials might do well to contact WPB regional offices to see what is on hand. Prices have been running close to the cost of the materials involved.

Conclusion

In time of war, as we know it today, the Army and Navy buy and use practically every kind of material that is necessary to civilian life. This first brings about shortages in consumers goods but in turn surpluses are very apt to result. My own suggestion to relieve the situation as it continues to develop is to include these surplus goods under Lend-Lease and after the war to get rid of the balance through direct foreign sales. This would leave our domestic retail outlets free from unfair competition and introduce some of our foreign goods at extremely low costs to certain nations to which the war may not have brought them.

R. O. Deming, Jr. Heads Mtg. Bankers Legion

R. O. Deming, Jr., President of the Deming Investment Co., Oswego, Kan., and Regional Vice-President of the Mortgage Bankers Association of America, has been elected head of the Mortgage Bankers Legion, an affiliate of the Association. He succeeds Stanley H. Trezevant, Memphis. H. C. Peiker of the Massachusetts Mutual Life Insurance Co., Springfield, Mass., has been named Secretary. The Legion's activities supplement those of the Association. Mr. Deming has served as board member or regional Vice-President for many years. His father was a founder of the Association more than 30 years ago.

The Financial Situation

(Continued from first page)

From all this the conclusion is usually drawn that the natural and quite laudable emotion of compassion will make it impossible for us to pass by on the other side, and that moreover enlightened self-interest will place a similar burden upon us quite aside from the question of direct financial return for or upon the aid we extend. Political chaos, communism, or perhaps anarchy or civil war, so the argument runs, are all weeds which thrive upon such impoverished and blood-drenched soil as will be found immediately after the war, particularly in Europe. Even the continuance of what is known as "civilization" may depend, it continues, more upon what is done by those countries which emerge from the war with the least damage than upon the behavior of those which have been obliged to suffer the full and direct effects of total war. Outstanding among the more fortunate countries, possibly the only country, which will emerge from the war with really large financial and economic resources, it is added, will be the United States.

We Shall Want To Help

There is an element, perhaps a substantial stratum, of truth running through this line of reasoning. Of course it is true that nothing can save peoples who will not bear the larger part of the burden of saving themselves in any given situation. Likewise, it would be, and many current commentators have proved that it is, easy to overestimate our surplus resources and financial strength after this war is over, but it is true beyond much question that we shall find ourselves in a position that will forbid us for several reasons to refuse or neglect to take a leading part in helping to assuage the suffering which will be far too abundant when the fighting is over. The absurd demands sometimes made that we inordinately deny ourselves after the war to be certain that other peoples have a quart of milk per day per capita must not be permitted to blind us to the fact that we shall probably feel under the necessity of carrying a heavy burden of relief for a time at all events.

Charity vs. Business

But whatever we may feel it necessary to do in this connection, and in whatever degree we may feel it in accord with our enlightened self-interest, we should not make the mistake of confusing such transactions with ordinary business dealings. It is proverbially unwise to mix charity with business in private life. It would be no less so in such affairs as these now un-

der discussion. Serious consequences would be more or less certain to follow the denomination of gifts, or what amount to such, as "loans" with a rate of interest and repayment specified when it is clear that no such interest or repayment can reasonably be expected. Particularly unfortunate would it be to conduct such business through a corporation, as is apparently contemplated in some official circles, such corporation obtaining its funds for the purpose in substantial part at least through means other than direct appropriations by Congress specifically designated as grants.

The history of the RFC is particularly edifying in this connection. Here is an institution originally founded to advance funds on what was supposed to be a business basis. It made many such loans. In the earlier phases of its operations its transactions, apart from questions of judgment as to the goodness of loans were largely of this general order. It was not very long, however, before the politicians recognized the convenience of such an organization capable of borrowing indefinitely (with Treasury guarantee). One result was that it was thrust into the business of providing charity on a scale never before dreamed of, the reason being, of course, that funds could in this way be provided without burdening the budget with them. Ultimately, the whole matter being domestic, it was possible—and necessary—to have the Corporation "forgive" huge amounts of indebtedness to it.

No International RFC

It would be unfortunate if any international organization of like sort were created for the purpose of "lending" money obtained in similar fashion to equally insolvent debtors in various parts of the world. Extravagant and non-constructive financial operations would be greatly encouraged, and the "forgiving," when the time for settlement arrives, would not be so simple as with the RFC—and hardly productive of either international good will or orderly international finance. But experience has amply demonstrated that it is not only through such devices as this that "loans" with little prospect of repayment—indeed without even the willingness on the part of the lender to permit conditions under which such repayment can in the nature of the case be made—can be made. We should be wise after this war when we contribute to the relief of prostrate peoples in whatever amounts and in whatever form we feel we must, not to persuade our-

selves that it is a loan or an investment that we are making. So far as the funds are provided by the Federal Government, they should be directly appropriated and carried as an expenditure in the budget.

Investment Opportunities

There will also doubtless be opportunities for the true investment of capital abroad in the years to come. There may be many such opportunities. These, however, fall in an entirely different category, and here, we are convinced, the Government has no place. To be sure the Government in shaping international and domestic policies could render constructive aid of the first order of importance—or could by the kind of policies it has made its own during the past decade do almost irreparable injury to the normal flow of capital to and from the various parts of the world. But such loans should be made on a strictly business basis by business men. Such investments must be the free choice of enterprise which has accumulated the capital for the purpose. It is foolish to suppose that the material welfare of mankind will be served by the "investment" of funds where they promise no return, and equally foolish to suppose that opportunities for profitable investment will be overlooked by private enterprise.

From Washington

(Continued from first page)

but the difference between them and Mr. Willkie is that they aren't asking to be the Republican standard bearer. You can appreciate how Mr. Willkie appeals to the thousands of men who have spent their money, contributed their energies and worked hard all these years to keep the Republican party together. It has long represented a philosophy of government to them, not just an occasional instrument.

You can imagine, too, how indignant they become because the type of campaign Mr. Willkie is carrying on handicaps the party's publicity machinery. Mr. Willkie is making the same campaign on the Republicans that the New Dealers are making, namely, that their conduct from 1920 on down through 1932 was responsible for World War II. Out in the Kentucky gubernatorial campaign, for example, the Democrats are screeching their lungs out, that the election of a Republican governor in 1919 was the beginning of the Republican "isolationism" which brought about the present war.

For his own selfish purposes, presumably, this is the sort of campaign Mr. Willkie must make. His only claim to the Republican nomination is that the party has been bad and must reform. The only way the reformation can be expressed is through him. There is the fact, of course, that we are always inclined to look dubiously upon reformed drunks or political parties; there is always the tendency to hold back and find out if the reformation holds, but it is Mr. Willkie's sole reason for being the standard bearer, nevertheless.

The fact, though, that he is adopting this tack makes it impossible for the party propagandists, say the Republican National

Committee, to show what hokum this stuff is, not only to show what hokum it is but to make it a vigorous point of attack against the New Deal.

There is no need of going back and asking whether things might not have been different had we joined the League of Nations. The plain, inescapable facts are, regardless of what policies were pursued by the Republicans from 1920 to 1932, that on March 4, 1933, when Mr. Roosevelt came into power, Germany was an utterly beaten, impoverished and disarmed nation. It was not even a threat to the Duchy of Luxembourg. The aggressiveness, the recovery, the rearming occurred in the ensuing period.

Now, why can't the Republican National Committee harp upon this?

Because it is an employee of the party, of all the candidates, avowed and potential. To reveal this hokum it would be attacking one of the Republican candidates. It has to carry on, squirming in its seat, while the New Dealers' whole issue is that the Republicans are responsible for the war.

In a way, it is laughable. The fact is, of course, that Harding, Coolidge, Elihu Root, practically all the leading Republicans of the time, tried to get this country to adhere to the World Court. They were up against a thoroughly disillusioned people. And when it is intimated that Hoover was an "isolationist" the man must literally wince. Why, he was always accused of being an internationalist, pro-British. Senator Jim Reed of Missouri never referred to him without saying "Sir 'Erbert 'Oover." The attack was made in his 1928 Presidential campaign that he hadn't lived in this country for 25 years.

Mr. Willkie would like to cash in on the New Deal's international shortcomings, so he would do it, as he did at St. Louis, by insisting that Roosevelt is culpable for not telling us what was brewing in Germany. Why did he keep his knowledge to himself, asks Mr. Willkie. We doubt he will be able to make this convincing. The fact is that Roosevelt did pursue a strict "isolationist" policy, coupled with a hemispherical "good neighbor" policy up until the time his domestic policy completely collapsed, but there were none of us who didn't know fully what Hitler was doing. It was all our European correspondents had to write about—the forthcoming Second World War—and they did it every day. When we made a round of the European countries in 1934, they were complaining that Roosevelt was cutting such capers over here that they couldn't get on the front pages with their warnings of the coming war, but they were warning. And, indeed, on this trip we, ourselves, wrote from Germany that there was not the slightest doubt but that Hitler was going to take advantage of "the preoccupation of the Allies in trying to recover from World War I, to regain Germany's place in the sun. He was counting on not being challenged, and from what he saw over there he had every reason to count on it.

Our "architects" of the post-war world, including Mr. Willkie, have become terribly muddled as to what sort of a post-war structure to have, how to deal with the aggressor nations and who should do it. Why not resolve the problem in the simplest way and in the light of what really has gone before:

Pass a "resolution" that under no circumstances shall another Roosevelt be elected President in another 20 or 25 years.

In the light of past events, that's the only "structure" that is needed.

Result Of Treasury Bill Offerings

The Treasury Department announced on October 18 that tenders for \$1,000,000,000, or thereabouts, of 91-day Treasury bills to be dated Oct. 21, 1943, and to mature Jan. 20, 1944, which were offered on October 15, were opened at the Federal Reserve Banks on October 18.

The details of this issue are as follows:

Total applied for—\$1,413,861,000.
Total accepted, \$1,000,798,000 (includes \$71,945,000 entered on a fixed-price basis at 99.905 and accepted in full).

Range of accepted bids:
High—99.926. Equivalent rate of discount approximately 0.293% per annum.

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

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

(63% of the amount bid for at the low price was accepted.)

There was a maturity of \$1,003,709,000 of bills on October 21.

With regard to the \$1,000,000,000 offering of 91-day bills, dated October 14 and to mature on Jan. 13, 1944, which were offered on October 8, the following are the results:

Total applied for—\$1,185,062,000.

Total accepted—\$1,004,964,000 (includes \$53,557,000 entered on a fixed-price basis at 99.905 and accepted in full).

Range of accepted bids:
High—99.926. Equivalent rate of discount approximately 0.293% per annum.

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

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

(93% of the amount bid for at the low price was accepted.)

An issue of bills in the amount of \$1,001,159,000 matured on Oct. 14.

The following regarding the previous week's offering of \$1,000,000,000 of 91-day Treasury bills, dated Oct. 7 and maturing Jan. 6, 1944, was reported by the Treasury on Oct. 4:

Total applied for—\$1,239,489,000.

Total accepted—\$1,006,931,000 (includes \$51,869,000 entered on a fixed-price basis at 99.905 and accepted in full).

Range of accepted bids:
High—99.926. Equivalent rate of discount approximately 0.293% per annum.

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

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

(87% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Oct. 7 in amount of \$1,003,063,000.

With respect to the offering of \$1,000,000,000 of 91-day Treasury bills, dated Sept. 30 and maturing Dec. 30, the following are the details of this issue:

Total applied for—\$1,337,648,000.

Total accepted—\$1,002,901,000 (includes \$59,778,000 entered on a fixed-price basis at 99.905 and accepted in full).

Range of accepted bids:
High—99.926. Equivalent rate of discount approximately 0.293% per annum.

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

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

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

There was a maturity of a similar issue of bills on Sept. 30 in amount of \$1,005,820,000.

Dr. Myers Warns Against Speculative Purchases Of Farm Lands As Leading To Financial Disaster

Urges Need For Long Term Loans, Intermediate Credit

At the Wartime Farm Credit School of the New York State Bankers Association at Syracuse, N. Y., Oct. 14, Dr. William I. Myers warned against purely speculative farm land purchases, pointing out that inflated farm land values led to financial disaster in the 1920's, but urged the bankers to give increasing attention to the needs of farmers for long-term loans for financing land purchases, and short-term loans and intermediate credit for the production of crops and livestock. Dr. Myers, Agricultural Economics Head of the New York State College of Agriculture, Ithaca, and Vice-Chairman of the Board of the Federal Reserve Bank of New York, spoke at the second session of the Association's two-day Wartime Farm Credit School, his remarks having been made at a panel discussion, "The Relationship Between Banks and Farm Credit Administration Agencies," in which both the banks and Government sponsored farm lending agencies were represented. Dr. Myers observed that "high farm income and comparatively low farmland prices have created conditions under which any man who is willing to work hard and save may look forward to becoming the owner of a good farm," and in part he said:

"Only in the last few years have banks taken stock of the credit needs of farmers and started revising their lending policies to meet these needs. It was out of a banking situation in which too little attention was given to farm borrowers that the Federal Land Bank, the Federal Intermediate Credit Bank, the Production Credit Corporation and various other Government farm lending agencies got their start and achieved their present growth."

The question of competition between the Government agencies and the banks, he concluded, is one that must "finally be decided by the farmer, rather than by commercial bankers or officials of Government lending agencies. In the last analysis, the store with the best goods and the best salesmanship gets the business."

"Latest farm credit statistics," Dr. Myers pointed out, "show that New York State commercial banks hold \$37,000,000 of non-real estate agricultural loans as compared to \$12,000,000 by the Production Credit Associations and the Farm Security Administration, while farm real estate loans by banks total \$14,000,000 as compared to \$44,300,000 by the Federal Land Bank and the Land Bank Commissioner."

Representing Government agencies in the panel was E. H. Thomson, President Federal Land Bank, Springfield, Mass. Commercial banks were represented by Otis A. Thompson, President, National Bank & Trust Co., Norwich, and Chairman of the Agricultural Commission of the American Bankers Association, and A. G. Brown, Deputy Manager, Agricultural Credit Department, American Bankers Association. The farmer's viewpoint was expressed by Warren W. Hawley, Jr., President of the New York State Farm Bureau Federation. Mr. Hawley was also the principal speaker at a luncheon Oct. 15, over which E. Chester Gersten, the Association's President and President of the Public National Bank & Trust Co., New York City, presided.

Mrs. Roosevelt Against National Sales Tax Idea

Mrs. Franklin D. Roosevelt on Oct. 18 declared herself "always" opposed to the idea of a national sales tax because, she said, according to the Associated Press, it would cut primarily into the standard of living for lower income groups.

The First Lady told her press conference that she felt it was not as satisfactory a way as other ways recommended to increase revenue.

4-Cent Rail Pay Rise Affirmed

Fred M. Vinson, Economic Stabilization Director, on October 16 approved a wage increase of 4 cents an hour for the approximately 300,000 operating employees of the railroads, effective October 26. The increase had been recommended by an emergency board in a report submitted on September 28. (See "Chronicle" of Oct. 7, 1943, page 1430.)

President Roosevelt on the same date set up a new emergency board to pass on the wage demands of about 1,100,000 non-operating railroad employees. This board consists of Justice Elwyn R. Shaw of the Illinois Supreme Court, Richard F. Mitchell, former Chief Justice of the Iowa Supreme Court, and Walter C. Clephane, of Washington.

On October 19, President Roosevelt summoned labor leaders to a conference on October 21 to discuss labor's demands for higher wages with a probable view of heading off a threatened nationwide strike ballot by railroad workers, according to an Associated Press dispatch, which adds: "A spreading restlessness among the railroad workers over failure to win their wage demands threatens to develop into an order for a strike poll soon, but the decision is believed to depend largely on the attitude of the five operating brotherhoods whose representatives meet in Chicago late this week."

The following is taken from the New York "Times" of October 17:

Mr. Vinson said in his opinion accepting the recommendations of the Emergency Board in the case of the operating employees that the relevant facts pertaining to the "Little Steel" formula in both of these cases "will not mean that the operating employees who have higher earnings will receive a wage increase while the non-operating employees will receive none."

Since he further pointed out in his "opinion" that the new Emergency Board in the case of the non-operating employees "is authorized by the order creating it to take into account the wage increase recommended for the operating employees," his words were interpreted as a virtual instruction to the new Board to grant at least a 4-cent increase to the non-operating employees.

"The Board consequently should be in a position to see that the adjustments to the non-operating employees bear a fair relation to the adjustments given to the operating employees," he said.

"As an original proposition," according to the opinion, "the point could well be taken that the 'Little Steel' formula should be applied to the average hourly earnings on Jan. 1, 1941, for both operating and non-operating employees. If this were done, the increases of December, 1941, to both employee groups would practically exhaust the permissible wage adjustments under 'Little Steel' for railway employees."

"In the non-operating case, however, as in the case here, 'Little Steel' has been figured on the basis of each group. This results in no 'Little Steel' increase to the former and, as stated, 4 cents per hour in the instant case. This will not mean that the operating employees who have higher earnings will receive a wage increase while

the non-operating employees will receive none.

"Under my opinion of June 30 the non-operating employees are entitled to a wage adjustment based upon the sub-standard and inter-related job classification criteria. In determining appropriate rates for inter-related job classification, the special Emergency Board created by the President to reconsider the non-operating case in light of my opinion is authorized by the order creating it to take into account the wage increase recommended for the operating employees. The Board consequently should be in a position to see that the adjustments to the non-operating employees bear a fair relation to the adjustments given to the operating employees."

The White House said that "the dissolution of the Emergency Board originally created to report on the claims of the non-operating employees necessitates the creation of a new special Emergency Board to accord such relief as may be consistent with the stabilization program."

New Inventions In Post-War Economy Discounted By Bickel

J. M. Bickel of the Carrier Corp. of Syracuse, speaking at the Boston Conference on Distribution at Boston on Oct. 19, emphasized the immense job of absorbing Government-acquired plants and equipment by industry and discounted the effect of new inventions on our post-war economy, said the New York "World-Telegram" of Oct. 19, which also indicated Mr. Bickel as saying:

"It is estimated that as much as \$50,000,000,000 worth of equipment, supplies and materials will be in the Government stockpile at war's end. At the earliest possible time we would like to have some assurance that this will not be dumped at a fraction of its normal value on markets we are striving to regain."

"It is unthinkable that when the war is over the Government will use these facilities to compete with independent industry. We would, however, welcome a forthright statement to that effect."

Referring to the so-called "industrial marvels" of tomorrow, Mr. Bickel said:

"Radar, electronics, plastics, aviation, television are words with which to conjure. They will play an increasingly important role in the world of tomorrow, but from a perfectly practical standpoint these industrial marvels must not be expected to account for an appreciable part of our total economy until sufficient time has elapsed for their testing and acceptance by the public. Food, clothing and shelter will still be popular and our job is to make our accepted products better and sell them for less money."

Redemption Limit On Tax Notes Lifted

The Treasury Department announced on Oct. 7 removal of restrictions limiting to \$5,000 the amount of Tax Savings Notes of Series A that could be used in any one year for payment of taxes. The sale of these notes, which have been available for the convenience of small taxpayers since August, 1941, was discontinued on June 22 in view of the fact that the purpose for which the notes were issued is now largely served by the Current Tax Payment Act of 1943. Treasury officials explained that, since the notes are now redeemable for cash, the \$5,000 limitation is removed to permit transfer of the notes directly to Internal Revenue Collectors without the necessity of first redeeming them.

President Signs Measure Ending Tax Amortization Privilege For War Plants

President Roosevelt signed on Oct. 5 an amendment to War and Navy Department regulations which indicates virtual termination of the tax amortization privilege. "Tax amortization provisions," the White House explained, "were written into the law in 1940, shortly after the start of our rearmament program, in order to encourage private expansion of facilities for the national defense effort. This was accomplished by insertion in the Internal Revenue Code of a new Section 124." "The law," says the White House statement, "as thus amended allowed taxpayers to write off the cost of new facilities over a five-year period (or less should the emergency end sooner) instead of over the longer depreciation period normally used, in every case where the construction of the facility was certified to be necessary in the interest of national defense."

The White House statement added:

"In the three years the law has been in existence, the War and Navy Departments have issued over 27,000 Necessity Certificates for facilities having a value in excess of \$5,500,000,000. The War Production Board has stated that with a few exceptions the United States now has the capital equipment needed to beat the Axis. The effort today is directed, not to further expansions, but to full utilization of existing capacity. The few remaining cases of needed facilities can be taken care of by governmental financing."

"Amortization will not hereafter be granted unless the War Department or the Navy Department has approved the project for amortization before the facility has been begun or acquired. Such advance approval will be given only when a shortage has been determined and it has been established that private financing would be to the advantage of the Government."

"Applications already filed are not affected."

"The amendment to the regulations under Section 124, Internal Revenue Code, as approved by the President, is as follows:

"The construction, reconstruction, erection, installation, or acquisition of a facility shall not be deemed necessary unless (1) the beginning of the construction, reconstruction, erection, installation, or the date of acquisition of such facility was prior to Oct. 5, 1943; or (2) an application for a Necessity Certificate describing such facility was filed before Oct. 5, 1943; or (3) the Secretary of War or the Secretary of the Navy, in exceptional cases, has determined prior to the beginning of such construction, reconstruction, erection, installation, or the date of such acquisition, that there is a shortage of facilities for a supply required for military or naval uses and that it is to the advantage of the Government that additional facilities for such supply be privately financed."

Jos. A. Bower Heads Banking Division Of NY War Finance Group

Joseph A. Bower, Executive Vice-President of the Chemical Bank & Trust Co., has been appointed Director of the Banking and Investment Division of the War Finance Committee for New York State, it was announced October 14 by W. Randolph Burgess, Chairman of the Committee. Mr. Bower succeeds Eugene R. Black, who Mr. Burgess explained, finds it necessary to return to his position as Vice-President of the Chase National Bank.

In announcing the appointment, Mr. Burgess stated that the Committee was fortunate in obtaining the services of Mr. Bower. He praised highly the work performed by the retiring director during the Third War Loan Drive. Mr. Bower is no newcomer to War Bond activities, having served as

executive officer of Bank Dealer Team No. 7, which was headed by the Chemical Bank, during the recently terminated campaign.

In addition to his activities in the banking field, having served with the Chemical Bank & Trust Co. for the past 15 years, Mr. Bower has been a leading figure in public affairs.

Mr. Bowers served as Manager of the General Business Department of the Alien Property Custodian during World War I. Later at the request of the War Industry Board, he headed the Standard Aircraft Co.

He is a Director of the Commercial Investment Trust, the Safety Car Heating and Lighting Co., and is President of the Detroit International Bridge Co., in which position he was greatly responsible for the completion of the Detroit-Canadian Bridge. Mr. Bower was decorated in November, 1938, by the King of Belgium as First Officer of the Order of the Crown, in recognition of his work in arranging for a steamship line having direct access to Belgium.

Mr. Burgess expressed his appreciation of Mr. Black's successful administration of the Banking and Investment Division and his supervision of the work of the Bank Dealer Teams, which raised a substantial portion of the total New York City share of the Third War Loan and which made almost twice as many sales as in the Second War Loan.

Redeem Part Of French 7s

J. P. Morgan & Co. Inc., as sinking fund administrators, on October 16 notified holders of the Government of the French Republic external loan of 1924 25-year sinking fund 7% gold bonds due Dec. 1, 1949, issued under loan contract dated Nov. 22, 1924, that \$3,994,300 principal amount of these bonds have been drawn by lot for redemption on Dec. 1, 1943 at 105%. The announcement stated:

"The drawn bonds will be redeemed and paid on and after the redemption date, in United States dollars, at the office of the sinking fund administrators, 23 Wall Street, New York City, subject to the receipt of the necessary funds therefor and the issuance of licenses under Executive Order No. 8389, as amended, permitting the disbursement thereof for the purpose, upon presentation and surrender of said bonds and of all appurtenant coupons maturing after such redemption date. Interest will cease on all such drawn bonds after Dec. 1, 1943."

"In order to comply with the decrees of the French Government dated July 16, 1935, and Aug. 25, 1937, the bonds drawn for redemption, and coupons maturing on Dec. 1, 1943, will be redeemed by payment as follows: (a) bonds which are stamped to indicate non-French beneficial ownership will be redeemed at 105% of principal amount without deduction and coupons which are similarly stamped will be paid at the face amount without deduction; (b) bonds which are stamped to indicate French ownership, and unstamped bonds, will be subject to a deduction of 10% of the difference between the issue price and the redemption price (a reduction of 1.1% of the principal amount), when in the ownership, French or foreign, of others than individuals. Coupons which are stamped to indicate French ownership, and unstamped coupons, will be subject to a deduction of 10% of the face amount, when in the ownership, French or foreign, of others than individuals."

Post-War Mobilization Of Small And Large Business Asked By Vice-Pres. Wallace

Vice-President Henry A. Wallace said on Oct. 14, that post-war mobilization of small as well as big business in the manufacture of peace goods will enable the nation to shoulder the huge national debt, according to United Press advices from Washington, on Oct. 14, which went on to say:

Testifying before a Senate Military Affairs Subcommittee on a bill to establish an Office of Scientific and Technical Mobilization, he estimated that a post-war national income of \$130,000,000,000—comparable to that in 1929—will be necessary to handle the debt, which may go as high as \$300,000,000,000, and that such an income could be maintained if small business is brought to fullest production.

He urged Congress to guard against domination of scientific research by large corporations and cartels which, he said, are already barring small business men from much industrial development, and to continue government financing of research after the war.

"Free private enterprise will be shackled and restrained if research is dominated by a small number of large corporations and cartels," he asserted. "Small business cannot support the large and costly laboratories necessary for modern industrial development."

He proposed that the Government:

1. Establish a Federal central technical authority to coordinate increasing Government activities in scientific fields.

2. Provide full access to every business and institution to all patents and research findings developed at Government expense.

3. Establish technical information centers in each State to meet particularly the needs of small business.

4. Keep enemy patents seized by the Alien Property Custodian and make them available to all business.

"When the veil of secrecy imposed by war is lifted," he said, "our people will stand amazed at the array of inventions. A new world is being fashioned in our laboratories."

He warned that this nation's post-war reconversion job will be more difficult than Great Britain's and quoted John Maynard Keynes, author of the British post-war international monetary stabilization plan, as saying United States war conversion was "a greater industrial upheaval," increasing production 30 to 40% as compared to England's 15% and absorbing 9,000,000 unemployed.

FDR Assails Argentine Ban On Jewish Press; Suspension Lifted

President Roosevelt on October 15 criticized the Argentine Government for suspending publication of Jewish newspapers, expressing "apprehension at the taking in this hemisphere of action obviously anti-Semitic in nature and of a character so closely identified with the most repugnant features of Nazi doctrine." The President added in a formal statement that he "believed this feeling was shared by the people of the United States and of the other American republics."

A few hours after the President's comment, it was announced in Buenos Aires that newspapers printed in Yiddish and Russian were permitted to resume publication but that they must in the future publish a concurrent Spanish translation of their editorials. Jewish newspapers printed in Spanish were not affected by the suspension, it was reported.

The text of the President's statement follows:

"I have been informed that the Argentine Government has suspended the publication of Jewish newspapers, some of which have been in existence for many years.

"While this matter is, of course, one which concerns primarily the Argentine Government and people, I cannot forbear to give expression to my own feeling of apprehension at the taking in this hemisphere of action obviously anti-Semitic in nature and of a character so closely identified with the most repugnant features of Nazi doctrine. I believe that this feeling is shared by the people of the United States and by the people of the other American republics.

"In this connection I recall that one of the resolutions adopted at the Eighth International Conference of American States at Lima in 1938 set forth that 'any persecution on account of racial or religious motives which makes it impossible for a group of human beings to live decently is contrary to the political and juridical system of America.'"

Government Operation Of Coal Mines Terminated

Harold L. Ickes, Federal Coal Mines Administrator, on October 12 announced the termination of Government possession of the 1,700 mines remaining under his control, and that he would immediately liquidate the Coal Mines Administration which was established last July to administer the affairs of the mines under Government control.

The Administrator's action, the announcement said, was taken under provisions of the War Labor Disputes Act (Smith-Connally) and completes the return to private control of all mines taken over May 1, 1943, under a Presidential executive order.

"We are now out of the coal mining business," Administrator Ickes said. "We are grateful that sufficient progress has been made in restoring the mines as nearly as possible to normal productive efficiency, all things considered, thus allowing us to terminate this emergency function and wind up the affairs of the Coal Mines Administration."

Approximately 3,300 mines were taken over by the Federal Coal Mines Administrator on May 1 after production had stopped following failure of miners and operators to agree to terms of a new wage contract. Prior to the order of October 12, approximately 1,300 of these mines had been turned back, the first group having been restored to control of their owners on August 20.

Wildcat Strikes in Alabama and Indiana

Following termination of Government operation of the mines, more than half of the coal mines in Alabama became idle on Oct. 14 because of wildcat strikes which spread throughout that State's soft coal fields, an Associated Press dispatch from Birmingham, Ala., says. About 25,000 men are said to be employed in all the State's mines. These strikes quickly spread, and by Oct. 16 about 22,000 were out in Alabama and about 3,500 struck in Indiana. The strikers were urged by John L. Lewis, President of the United Mine Workers of America, to return to work on Monday, Oct. 18, when a slow back-to-work movement began. The walkouts were said to be a protest against working for private owners without a contract.

In telegrams sent to local unions in Alabama and Indiana, Mr. Lewis said he had definite assurance that the National War Labor Board would rule on the "pending contract" this week. This is a

tentative wage pact between the United Mine Workers and the Illinois Coal Operators Association which calls for revision of the historical method of figuring the miner's time on the basis of time actually spent at the coal seam. It would make the work day for underground workers 8½ hours, including all time required in traveling from the portal of the mine at the beginning of the shift until the miners emerged at the end of the shift. The wage rate, now \$7 for a seven-hour day, would be straight time for the first 40 hours of the week and time-and-one-half thereafter.

Resumption Of Trading In Coffee Futures Opposed By Committee

The special committee of the New York Coffee and Sugar Exchange which has been studying the question of resuming trading in coffee futures reported on October 8 that it could not recommend a resumption of trading at this time. According to the New York "Journal of Commerce," Chandler A. Mackey, Chairman of the Committee, issued the following statement:

"Our Committee has held conferences with Exchange members engaged in the importation and distribution of coffee and a majority of this group feel that current conditions make an immediate resumption of trading inadvisable. These members engaged in the coffee business feel that there should be further study of conditions now confronting the Exchange such as transportation, storage and other factors of a more technical nature.

"In addition, there have been several suggestions by Exchange members which, if adopted, would require adjustments in the contracts used by the Exchange as well as amendments to its by-laws. The Committee is now studying these suggestions and will report their findings and recommendations to the Board of Managers as soon as they have finished their deliberations.

"The Committee believes that as soon as practical, trading in coffee should be resumed on the Exchange, as it is obvious that trading facilities are now and will be needed by the coffee industry. We will continue our work in the hope that we may overcome some of the technicalities which now prevent an immediate resumption of trading."

October 1 Cotton Report

A United States cotton crop of 11,478,000 bales is forecast by the Crop Reporting Board of the United States Department of Agriculture, based on information as of Oct. 1, 1943. This is a decrease of 201,000 bales, or 1.7% from the forecast as of Sept. 1, and compares with 12,824,000 bales in 1942 and 12,474,000 bales, the 10-year (1932-41) average. The indicated yield per acre for the United States of 254.2 pounds compares with the record yield of 272.5 pounds in 1942 and 217.0 pounds the 10-year average.

The droughty situation which prevailed throughout a large portion of the Cotton Belt during July and August was relieved during early September, but this relief came too late to improve cotton crop prospects. The drought resulted in slightly more deterioration than was evident a month ago. In some areas actual loss of lint resulted from excessive rainfall on cotton after the bolls opened. A reduction from Sept. 1 of 60,000 bales is estimated for Mississippi and 50,000 for Texas. North Carolina is down 40,000 bales, South Carolina 30,000, and Tennessee 20,000. In Alabama, Louisiana, and California the crop is turning out slightly better than was indicated a month ago. In

Six-Year Term For President & Congressmen Proposed In Bill Offered By Sen. O'Daniel

Legislation proposing an amendment to the Constitution limiting the tenure of the President, Vice-President and members of Congress to a single six-year term was introduced in the Senate on Oct. 14 by Senator O'Daniel (Dem., Tex.).

The measure, which would require a two-thirds vote of both the Senate and the House, and ratification by three-fourths of the 48 States within seven years, also provides that no Senator or Representative or Federal Judge shall be eligible for appointment to any Federal office within five years of the time when the individual concerned held the position of Senator, Representative or Judge. It would not prohibit the renaming of a judge to another Federal judgeship.

According to Washington advices Oct. 14 to the New York "Times," Senator O'Daniel said he would try to have hearings upon his measure "right away." The "Times" advices also quoted him as saying:

"I think almost everybody outside of Government circles will want such an amendment adopted. At least this is indicated by my mail. If it is good to limit the tenure of the President and Vice President to a single six-year term, it is good to restrict the service of members of Congress to the same number of years. It is the coalitions between the Executive and legislative departments that do the harm. We shouldn't be selfish about this thing."

Krepps Re-Appointed

John F. Krepps, President of the Home Savings Bank of White Plains, has been re-appointed a Trustee of the Savings Banks Retirement System for a term of three years by Myron S. Short, Executive Vice-President of the Buffalo Savings Bank and President of the Savings Banks Association of the State of New York. Mr. Krepps, whose bank is a participant in the Retirement System, has been a Trustee since the inception of the plan on May 1, 1941, and is now serving as a member of the Executive Committee and as Chairman of the Retirement System's Investment Committee. He was also actively identified with the several Association committees in studying pension plans and working out the details of the present Retirement System available to savings banks and savings banks employees.

Pulpwood Ceiling Prices

Pulpwood produced in Indiana, Illinois and Missouri was brought under price control for the first time by the Office of Price Administration on Oct. 14, with the establishment of dollar-and-cent ceilings for producers and dealers at highest prices prevailing during July, 1943.

At the same time, dollar-and-cent ceilings were established by the OPA for pulpwood produced in Pennsylvania, Maryland, West Virginia, Ohio and Kentucky, replacing "freeze" ceilings in effect in these States during recent months. In its announcement, the OPA further stated:

"In the four former States pulpwood prices were first brought under price control on June 22, 1943, at each seller's highest prices during the period June 13 to 18, 1943; while in Kentucky prices were frozen on March 5, 1943, at each seller's highest prices in the period Feb. 27 to March 4, 1943.

"General levels of prices charged in recent months in all eight States will continue in effect under the new spelled-out ceilings, as the base periods of the earlier freeze are used in computing the ceilings for the States other than Indiana, Illinois and Missouri, while in these three States the July, 1943, prices have

other States only minor changes are indicated.

continued in effect. Unduly low and high prices caught by the "freeze" action will be ironed out by the uniform ceilings established at the general average.

"OPA pointed out that while the Emergency Price Control Act requires that consideration be given to levels prevailing between Oct. 1 and 15, 1941, increasing costs of producing pulpwood since October, 1941, together with the need for maintaining production of this vital commodity, make this period inapplicable and impracticable as a base in establishing pulpwood prices in these eight States."

Britain Granted Bases In Azores—U. S. Can Use Facilities

The Portuguese Government has granted Great Britain's request for the use of bases in the Azores, Prime Minister Churchill announced in the House of Commons on October 12.

The new facilities, Mr. Churchill said, "will enable better protection to be provided for merchant shipping in the Atlantic." The agreement, which is temporary in nature, arises out of an Anglo-Portuguese treaty dating back to the 14th Century. Under the arrangements, the use of the Azores' facilities by British forces will terminate at the end of hostilities and nothing in the agreement, it is stated, affects the continued desire of the Portuguese Government to continue its policy of neutrality on the European mainland.

In Washington, President Roosevelt said on October 12 that the United States and other United Nations could use the Portuguese bases and British facilities in the Azores in emergency cases to protect lives and shipping. Mr. Roosevelt disclosed that he and Mr. Churchill had decided at their conference in Washington last May to seek the Portuguese Government's consent to use the bases. He added that both the United States and Britain had given assurances to Portugal that they had no desire to take over the Azores. The President further explained that the United States would have joined with Britain in seeking the agreement had it not been for the ancient Anglo-Portuguese alliance.

In a brief announcement, the State Department said that "the United States Government has been informed and has approved the arrangements."

Rubber Division Of Chemical Society Elects

Dr. Harold Gray, technical supervisor of the tire division of the B. F. Goodrich Co., Akron, Ohio, has been elected Chairman of the Rubber Division of the American Chemical Society for the year 1943-44. He succeeds Dr. John T. Blake, chief chemist of the Simplex Wire & Cable Co., Cambridge, Mass. Dr. W. A. Gibbons of the United States Rubber Co., New York City, has been chosen Vice-Chairman. Dr. H. I. Cramer of Sharples Chemicals, Inc., Philadelphia, continues as Secretary, and Dr. C. W. Christensen of the Monsanto Chemical Co., Akron, Ohio, as Treasurer. The following directors have been elected: Dr. George Haslam of the New Jersey Zinc Co., New York City; Dr. Arthur Mellen of the Lee Tire & Rubber Co., Conshohocken, Pa.; and Dr. Harvey Doering of the Ford Motor Co., Dearborn, Mich.

War Adjustment Unit Being Set Up In OWM

To Deal With War And Post-War Matters

President Roosevelt disclosed on Oct. 15 that a new unit is being set up in the Office of War Mobilization to deal with war and post-war adjustment problems concerning termination and revision of war contracts and to develop unified programs and policies for government agencies. The work is going forward under the direction of James F. Byrnes, Director of War Mobilization.

The President's statement follows:

"At my suggestion, Justice Byrnes, Director of War Mobilization, yesterday met with heads of various agencies concerned with the problems of terminating or revising war contracts in light of the changing demands of our war strategy. The War and Navy departments are now in the process of revising more than 8,000 contracts involving several billions of dollars.

"It is planned to set up within the Office of War Mobilization a unit to deal with war and post-war adjustment problems and to develop unified programs and policies to be pursued by the various agencies of Government concerned. The unit will study and consider the whole range of problems which will ultimately arise out of the termination of war contracts, including the problems of reconversion and disposition of plants and property no longer required for war use.

"The work has deliberately been placed within the Office of War Mobilization to insure that such reshaping of our war program as may be required will be carried through with a view to increasing the effectiveness of our war effort. While we must prepare for necessary post-war adjustments, this preparation must not interfere with the long and hard war programs which are still ahead of us."

September Business Failures At Low Level

September business failures are lower in both number and liabilities involved than in August and in September a year ago. Business insolvencies in September, according to Dun & Bradstreet, Inc., totaled only 124 and involved \$1,488,000 liabilities as compared with 227 involving \$2,905,000 in August and 556 involving \$5,473,000 in September, 1942.

The decrease in the number of failures and liabilities in September from August and a year ago took place in all of the divisions of trade that the report is divided into.

Manufacturing failures last month numbered 26, involving \$504,000 liabilities, compared with 33 in August with \$913,000 liabilities. Wholesale failures decreased to nine with \$190,000 liabilities, from 28 with \$435,000 liabilities in August. In the retail trade section insolvencies fell to 64 from 120 in August and liabilities dropped to \$501,000 from \$786,000 the previous month. Construction failures numbered 18 with \$159,000 liabilities, which compares with 31 with \$477,000 liabilities in August. Commercial service failures amounted to seven in September as compared with 15 in August and liabilities \$134,000 in September and \$294,000 in August.

When the country is divided into Federal Reserve Districts it is seen that all districts had fewer failures in September than in August, except the Atlanta, Minneapolis, Kansas City, and Dallas Reserve Districts. The Atlanta Reserve District had only two failures in September compared with none in August, and the Kansas City Reserve District had four compared with none, while the Minneapolis Reserve District had one failure last month compared with one in August, and the Dallas Reserve District had none, the same as a month ago. When the amount of liabilities is considered, the Atlanta, Chicago,

pared with 8,026,906 bales of lint and 44,430 bales of linters on Aug. 31, 1943, and with 9,713,415 bales of lint and 71,277 bales of linters on Sept. 30, 1942.

There were 22,631,338 cotton spindles active during September, 1943, which compares with 22,632,776 active cotton spindles during August, 1943, and with 22,988,254 active cotton spindles during September 1942.

August Income Payments Total \$11.6 Billion

Income payments to individuals in August are estimated at \$11,658,000,000, 22% higher than in the same month of last year, Secretary of Commerce Jones announced on Oct. 8, according to advices to the New York "Journal of Commerce" from its Washington bureau, which further stated:

"The August total is slightly less than the \$11,748,000,000 paid out in July, but the decline results mainly from the usual July-August drop in dividend and interest disbursements. After allowance for this and other seasonal influences, the Commerce Department's index of total income payments advanced from 213.1 (revised) in July to the new high of 215.3 in August (1935-39 average equalling 100). This advance is attributable chiefly to sharp increases in the pay of the armed forces, wages and salaries paid out by manufacturing establishments engaged in war production, and net income of farm operators. The rise in farm income reflects a 4% increase in the Department of Agriculture's index (seasonally adjusted) of cash income from marketing of crops and live stock—the first such increase since April of this year.

Income payments to individuals totaled \$90,524,000,000 in the first eight months of the year—26% greater than the \$71,905,000,000 paid out in the same period of 1942. More than four-fifths of the pronounced rise in individuals' incomes over the year may be traced to three branches of the income stream: wages and salaries in manufacturing, Federal Government pay rolls (including pay of the armed forces), and net income of farm operators. These three components constituted only two-fifths of total income in the January-August period of 1942.

French Group Pays U. S. For Lend-Lease Supplies

The French Committee for National Liberation on Oct. 1 delivered a check to the U. S. Government for \$16,340,000, in further payment for civilian supplies shipped to North Africa under the Lend-Lease Act.

Henri Hoppenot, newly-appointed delegate of the Committee to the United States, presented the check to Edward R. Stettinius, Jr., Lend-Lease Administrator, recently nominated by President to be Under-Secretary of State. The payment, the third of its kind since the liberation of North Africa, brings the total paid to \$41,340,000. The announcement in the matter further says:

"The amount represents full reimbursement to the Lend-Lease Administration for its expenses in purchasing and shipping 150,000-odd tons of supplies to North Africa through April. Further payments will be made as soon as bills are rendered by the United States for the 100,000-odd tons shipped since that date.

"The check was delivered in accordance with provisions of the Lend-Lease Reciprocal Aid agreement which has just been signed at Algiers by Robert Murphy, United States Minister, and Jean Monnet and Rene Massigli of the French Committee for National Liberation. Under this agreement each party has undertaken to provide the other with all military and civilian supplies and services required by the other for the

Turkish Newspaper Assails Allies For Giving Italy Co-Belligerent Status

A gloomy view of future peace, after the Allies had granted co-belligerent status to Italy, was expressed by the Turkish newspaper "Tan," said an Associated Press dispatch from Istanbul, on Oct. 16, which also said:

"It is not easy to reconcile the Allied actions in extending to Italy hope for her African and Mediterranean colonies with Allied principles, because Italy in the last few years has caused the blood of hundreds of thousands to flow to further imperialistic aims," "Tan" said. . . . "The Allies lost the peace in the last war because they sacrificed ideals to the old game of diplomacy. The fact that they now show the same tendency is a bad sign for humanity as well as for themselves."

Other Turkish newspapers predicted that the Allies will get as little assistance from the Badoglio government as the Germans are getting from Benito Mussolini's puppet regime in northern Italy.

Lend-Lease Pact Signed With French Committee

A formal lend-lease agreement between the United States and the French Committee of National Liberation was signed in Algiers, French North Africa, on Sept. 25.

The pact, the aim of which was described as permitting a maximum mutual aid between the two countries without being hampered by immediate financial considerations, was signed by Robert D. Murphy, American Minister, and Rene Massigli and Jean Monnet, Foreign Affairs and Armament Commissioners, respectively, for the French Committee.

United Press Algiers advices of Sept. 25, as given in the New York "Herald-Tribune" added:

"The arrangement, contemplating the removal of American troops from North Africa, provides for the elimination of reciprocal services at any time on the decision of the President of the United States, and that lend-lease supplies may be recalled if they are needed for other war theaters or for the defense of the United States or the Western Hemisphere.

"The agreement also distinguishes between military and civilian supplies, requiring that civilian goods sent into French Africa must be paid for in dollars, while civilian merchandise exported from Africa to the United States is to be paid for in francs. It explained that the payment in dollars was provided for because of a special situation arising from the accumulation of dollar balances and the availability of dollar funds due to the presence of American troops in French Africa, and the pact added that "the revision of payment provisions will be made should the situation require."

"The French, as their lend-lease contribution, are to provide military equipment, munitions, military and naval stores and other supplies and services for the United States forces, including the use of railroads and port facilities, although not required to provide pay and allowances or administrative expenses of American missions. The French also are to supply necessary material and services, except for wages, needed in military constructions to the extent that North Africa is a practicable source of such supplies and facilities."

prosecution of the common war effort. Military supplies and services will be furnished on a straight lend-lease and reverse lend-lease basis. Civilian supplies and services will be paid for in cash. Such cash payment by the French Committee is possible because of their presently strong financial condition."

Mertzke Named Research Head Of Jos. A. Hicks

Arthur John Mertzke has been appointed research director and account executive on the staff of Jos. W. Hicks, Chicago, public relations and industrial relations counsel. Mr. Mertzke has had wide experience in the field of economic research. From 1927 to 1931 he was Director of Research of the National Association of Real Estate Boards in Chicago; later he served as research economist with the Hoover Conference on Home Building and Home Ownership, as economic analyst with the United States Bureau of Standards, and as economist of the Federal Home Loan Bank Board in Washington, D. C. For the past nine years Mr. Mertzke has been a resident of New York City, where he was associated with National Property Appraisal Service, Inc., and more recently was a member of the editorial staff of Standard & Poor's Corp., business analysts. For a number of years he was a special lecturer in economics at New York University in New York City and at Cornell University in Ithaca, N. Y.

Sept. War Expenditures Were \$7.2 Billions

War expenditures by the United States Government in September amounted to \$7,212,000,000, a decrease of 4% from August, or \$317,000,000, the War Production Board announced on Oct. 14. The announcement added:

"The average daily rate of expenditures in September was \$277,400,000, a decrease of \$12,200,000 in average expenditures per day compared to August and an increase of \$27,500,000 per day compared to July. The daily rate is based on the 26 days in September and August and the 27 days in July on which checks were cleared by the Treasury.

"From July 1, 1940, through Sept. 30, 1943, the United States Government had expended \$131,000,000,000 for war purposes.

"These figures include checks cleared by the Treasury and payable from war appropriations and net outlays of the Reconstruction Finance Corp. and its subsidiaries for war purposes."

Honor Chile Minister

Joaquin Fernandez, Chilean Foreign Minister, was honored at a luncheon in New York on Sept. 25 given by the Pan American Society.

Mr. Fernandez, had earlier conferred with Secretary of State Hull in Washington incident to a trade treaty between the United States and Chile. After a trip to Canada, he expects to resume his talks with Secretary Hull and then return to Chile stopping off at several Latin-American republics on the way.

Among the guests at the New York luncheon were: Claude G. Bowers, United States Ambassador in Chile; Dr. Rodolfo Michels, Chilean envoy in this country; Dr. Felix Nieto del Rio, Chilean Ambassador at Large; Dr. Rafael Belaunde, Peruvian Ambassador at Large, and Anibal Jara, the Chilean Consul General.

Frederick E. Hasler, President of the Pan-American Society, made the address of welcome.

Minneapolis and Kansas City Reserve Districts had more liabilities involved in September than in August, while the Dallas Reserve District did not have any, and all of the other districts had less than in August.

Dr. Aydelotte Refutes Charges Made Against Rhodes Scholars

Reporting the Chicago "Tribune" as having been taken to task by Dr. Frank Aydelotte, Director of the Institute for Advanced Study at Princeton, N. J., and American Secretary of the Rhodes Trustees, for a series of editorials said to accuse Rhodes scholars of plotting to repeal the Declaration of Independence and return the United States to its former position as a British colony, a special dispatch from Princeton, to the New York "Times" on October 17, went on to say:

"Dr. Aydelotte also criticized Representative Clare Hoffman of Michigan for remarks he has made about Americans who have studied at Oxford under the scholarship program.

"Dr. Aydelotte said the attack on American Rhodes scholars as alien agents subsidized by foreign money was an old and false story that was first circulated by George Sylvester Viereck in 1916 in his propaganda to discourage the United States from protecting its rights on the high seas and mobilize pro-German sentiment.

"Dr. Aydelotte said the 'traitors' Colonel McCormick was seeking to 'expose' included a long list of college presidents and professors, heads of theological seminaries and pastors of prominent churches and men prominent in many other walks of life, and 'last, but not least, 250 members of the armed forces of the United States, whom the "Tribune" is careful not to mention."

"He said there was an association of Rhodes scholars, but they 'have jealously refused to allow it at any time in its history to express an opinion, by no matter how large a majority, on any political subject.'"

Sept. Cotton Consumption

The Census Bureau at Washington on Oct. 14 issued its report showing cotton consumed in the United States, cotton on hand, active cotton spindles for the month of September.

In the month of September, 1943, cotton consumed amounted to 872,109 bales of lint and 110,640 bales of linters, as compared with 842,260 bales of lint and 108,166 bales of linters in August, 1943, and with 959,732 bales of lint and 114,954 bales of linters in September, 1942.

In the two months ending with September 30, cotton consumption was 1,714,369 bales of lint and 218,806 bales of linters, against 1,884,647 bales of lint and 237,695 bales of linters in the same two months a year ago.

There were 1,930,298 bales of lint and 440,391 bales of linters on hand in the consuming establishments on Sept. 30, 1943, which compares with 1,928,808 bales of lint and 456,335 bales of linters on Aug. 31, 1943, and with 1,786,153 bales of lint and 335,311 bales of linters on Sept. 30, 1942.

On hand in public storage and at compresses on Sept. 30, 1943, there were 10,432,611 bales of lint and 40,422 bales of linters, com-

Stricter Control Of Workers On War-Useful Jobs Made Effective By WMC

Provisions designed to assure the transfer of workers to war jobs and to keep essential workers already on war-useful jobs where they are, were made effective throughout the United States on Oct. 15 by the War Manpower Commission. Reports reaching the Commission on Oct. 14, it was announced, indicate that almost all of the nearly 200 Area Employment Stabilization Plans have been revised to include the minimum standards bringing them into uniformity with the regulation promulgated by the Commission Aug. 16, which was given in our Aug. 19 issue, page 713.

Chairman Paul V. McNutt said there will be no gaps in the blanket plan due to the failure of those in charge of any Area Plan to bring their program into line. The announcement from the Commission Oct. 14 further said:

"He explained that in such cases the rules will be applied under the terms of the Regional Stabilization Plans set up to govern employment situations in localities where no Area Plan has been adopted. One provision in the regulation, it was pointed out, is that no existing program not amended by Oct. 15 shall continue to have operative effect on and after that date, thus placing the responsibility of applying hiring controls temporarily on the Directors of the Regional Plans.

"Mr. McNutt emphasized that the adoption of the minimum provisions does not mean that hiring of workers through the U. S. Employment Service becomes mandatory throughout the country on Oct. 15. Adoption of controlled referral plans of the type now in effect on the West Coast, in Buffalo, Louisville, Kentucky and other areas depends on the degree of the labor shortage in certain localities, and in these areas the Regional and Area War Manpower Directors have the authority to put into effect certain other provisions.

"The objectives of the program are the elimination of turnover in essential activities, reduction of unnecessary labor migration, the directing of labor to places where it is most needed and the bringing about of the maximum utilization of manpower resources.

"The regulation of Aug. 16 was based on a regulation promulgated April 18 regarding the restrictions of transfer of workers. Both regulations grew out of the President's "Hold the Line" order. It had become apparent that to carry out the provisions of the first regulation (No. 4), it would be necessary to revise the Area Employment Stabilization Plans because while they were similar they differed materially in detail. The second regulation (No. 7) called upon the Regional and Area Manpower Directors to adopt certain minimum standards after Oct. 15 after consultation with Management and Labor.

"Chairman McNutt said the standards now adopted are based on the experience of Management and Labor under the many Stabilization Plans. He added that in every case the local WMC Director had adopted them after consultation with his Management-Labor Committee. He added that these uniform standards had become necessary so that Management and Labor throughout the country might know the basic conditions under which job transfers are possible.

"Mr. McNutt emphasized that the standards had been designed to make it possible for both employers and employees to make a more intelligent and efficient contribution to the war effort. He pointed out that an employer will not be required to hire the worker sent to him by the USES; that employers are free to hire or reject workers referred to them by the USES. If, however, the employer rejects the workers arbitrarily or if his hiring specifications are unreasonable, the supply of workers sent to him by the USES may be cut off and his

present work force permitted to leave his employ. Such a measure would not be taken, however, until the employer had had a chance to appeal and present his case.

"Nor, the Chairman pointed out, is it obligatory for workers to accept jobs for which they are referred by the USES. But he pointed out that workers who quit essential war work and workers who do not accept suitable jobs in which they can best aid the war effort, may under certain circumstances and for limited periods be denied an opportunity to work in essential jobs.

"With these control provisions now in effect, it was explained that workers last employed in critical occupations may be hired only in jobs to which they are referred by USES and that no employer may hire a worker in a job in one of these occupations unless the worker has been referred to him by that agency. Mr. McNutt expressed the opinion that employers will cooperate in the revised Stabilization Program:

(1) By obtaining information when they need it from the USES regarding the controls on hiring and recruitment; (2) by conscientiously urging workers who want to quit essential jobs to stay on the job, and on their own part, do what they can to remove wasteful labor turnover; (3) issue or deny statements of availability in accordance with the terms of the program, and (4) hire and recruit workers only in accordance with the terms of the program.

"The Chairman urged workers who are employed full time at their top skill in work contributing to the war effort to stay on the job. He recommended that workers who feel they can contribute more effectively to the war effort by changing jobs should, however, remain where they are until a decision as to the statement of their availability has been reached, and not go shopping around for a job just to get more money.

"As for the penalties for violation of the terms of the program, it is provided that an employer hiring a worker at a wage higher than he received on his last job may be prosecuted and have to pay a fine of \$1,000, spend a year in prison, or both. Furthermore, all wages paid by him to the worker may be disregarded when he computes his costs for tax income purposes, for price increase purposes or for Government contracts. Furthermore, violation of the program may bring about the issuance of statements of availability by the USES to all of his workers and refusal to send other workers to him. Action may also be taken through other Government agencies.

"The worker who accepts a job at higher pay in violation of the Stabilization Program is subject to the same penalties as may be applied to the employer who hired him. Furthermore, if he accepts a job in violation of the Stabilization Program, whether or not at a higher rate of pay, he may lose that job and may not get another for 60 days.

The minimum standards put into effect Oct. 15 by the War Manpower Board contain the following provisions:

"1. A new employee who during the preceding 60-day period was engaged in an essential or locally needed activity may be hired only if his hiring would aid in the effective prosecution of the war. Such hiring shall be considered as aid in the effective prosecution

of the war' only if: (a) The individual is hired to work in an essential or locally needed activity or for work to which he has been referred by the USES, and (b) he presents a statement of availability from his last employment in an essential or locally needed activity or is referred by the USES or is hired with its consent.

"2. A statement of availability should be issued by the employer if: (a) The worker has been discharged or his employment otherwise terminated by his employer, or (b) he has been laid off for an indefinite period or a period of seven days or more, or (c) continuance of his employment would involve undue hardship, or (d) such employment is, or was, at a wage or salary or under working conditions below standards established by State or Federal law regulation, or (e) such employment is, or was, at a wage or salary below a level approved by the National War Labor Board (or other agency authorized to adjust wages), as warranting adjustment and the employer has failed to adjust the wage in accordance with such level or to apply to the appropriate agency for such adjustment or approval.

"3. Provision for issuance of statements of availability by the USES: (a) If the employer fails or refuses to issue a statement, the USES shall issue one upon finding that the individual is entitled to it. (b) The USES shall issue a statement of availability to any individual in the employ of an employer who the War Manpower Commission finds has not complied with any War Manpower Commission Stabilization Program, regulation or policy and for so long as such an employer continues his non-compliance after such finding.

"4. Referral in case of underutilization. If it is found that an individual is employed at less than full time, or at a job that does not utilize his highest recognized skill for which there is a war need, the USES upon his request will refer him to other available employment in which it finds that he will be more fully utilized.

"5. A new employee may not be hired solely upon presentation of a statement of availability but may be hired only by referral by or in accordance with arrangements with the USES when: (a) He is to be hired for work in a critical occupation or his statement of availability states that he was in a critical occupation. (b) A new employee has not lived or worked in a locality throughout the new employment 30-day period. (c) His last regular employment was in agriculture and was to be hired for non-agricultural work provided that no such individual should be referred to non-agricultural work except with consultation with the designated representative of the War Food Administration and that he may be hired for non-agricultural work for a period not to exceed six weeks without referral or presentation of his statement of availability.

"The Regional and Area Manpower Directors were given authority to include in their Stabilization Programs certain provisions for the hiring of individuals upon referral by or in accordance with arrangements made by USES so long as these provisions do not conflict with these specified in the over-all regulation promulgated at Washington. This action, Chairman McNutt explained, was in recognition of local situations which might call for special treatment such as have developed on the West Coast and in a few localities where the labor problem has become particularly acute.

"The regulation is flexible enough to permit this channeling of workers through the Employment Service to be adapted for relatively small groups of workers in shortage occupations or to extend to the point where all work-

Johnston Of U. S. Chamber Of Commerce Urged As Republican Presidential Candidate

Formation of a committee to bring about the Republican Presidential nomination for Eric Johnston, President of the Chamber of Commerce of the United States, was announced in Chicago on Oct. 13 by Deneen A. Watson, Chairman of the Republican Post-War Policy Association, which, it is stated, is practically inactive.

Mr. Johnston, who had previously announced that he was not a candidate for any public office, reiterated this statement at Fort Worth, Texas, on Oct. 13, when he was quoted as saying in an interview:

"I am not a candidate for any public office. I do not want to live at either end of Pennsylvania Avenue. I prefer to live at either end of Main Street of any good American town."

However, Mr. Watson said that he was organizing a group in every State "to urge" Mr. Johnston "to be a candidate for President." Indicating this, special advices Oct. 13 from Chicago to the New York "Herald Tribune" said:

In a telegram to Mr. Johnston, Mr. Watson said, in part: "I have made a careful survey all over the country and I am convinced that you are the man the Republican party should nominate and elect as our next President. . . . I have contacted scores of Republican leaders throughout the country and they approve 100%. You can win the nomination and election."

From the same advices to the "Herald Tribune" we also quote: Mr. Johnston's first statement last week regarding the Presidency was prompted by a request made by Dr. Frank B. Robinson, of Moscow, Idaho, that he become a candidate.

Mr. Johnston is 46 years old. He was elected President of the Chamber of Commerce in 1942 and re-elected this year. In that office he has won the praise of President Roosevelt and military and business leaders. He ran for Senate nomination in his home State in 1940 in his lone political effort and finished second in a five-cornered contest. In the World War he was a Marine captain. He headed several enterprises in his home town before taking over the Chamber office.

Mr. Watson, a young Chicago lawyer, organized the Republican Post-War Policy Association early this year. Regional meetings were held throughout the country. The association has been almost inactive since the Republican Post-War Advisory Council adopted resolutions at its Mackinac Island, Mich., meeting in September approving cooperation by the United States in international affairs after the war.

Appointed TO ABA Commerce Marine Div.

H. D. Ivey, President of the Citizens National Trust & Savings Bank of Los Angeles, has been named a member of the Commerce & Marine Commission of the American Bankers Association for the term expiring 1946, according to A. L. M. Wiggins, ABA President.

Mr. Wiggins also announced the appointment of the following to the Commission for the same term: Chairman, Frank I. Kent, Director of the Bankers Trust Co., New York; Earl W. Delano, President of the Allegan State Bank, Allegan, Mich.; Henry J. Nichols, Vice-President of the National Shawmut Bank, Boston, and L. W. Smith, President of the Union National Bank, Pittsburgh.

ers must be hired only through the USES. An additional element of flexibility is provided through provisions stating that hiring channels other than the Employment Service may be used when they meet approved standards."

The original regulations were given on page 1497 of the issue of April 22, 1943, of the "Chronicle."

To Subsidize Lunches In N. Y. High Schools

Miss Grace Helene Miller, acting supervisor of high school and vocational lunchrooms, announced on Oct. 14, that through a subsidy of the Federal Food Administration, nourishing lunches will be available for city high school students at 17 cents each, or free if the student cannot afford to pay, according to the New York "Herald Tribune" of Oct. 15, which also had the following to say:

"The lunchroom program is to be financed in part by a \$2,000,000 grant which the city will receive as its share of a \$50,000,000 nationwide subsidy of the Federal Food Administration. It is known as the community school-lunch program, and its aim is to provide balanced lunches for pupils in parochial and private as well as public schools.

"When the program is fully under way, it is expected that 60,000 to 65,000 meals will be served daily in more than 700 public and parochial schools in the city.

"Miss Miller said yesterday at the Board of Education office, 110 Livingston Street, Brooklyn, that she hoped that some of the high schools, junior high schools and vocational schools which have their own cafeterias will be able to start on the community school-lunch program next week. These schools now sell lunches but without benefit of Federal subsidy, which is expected to improve on the old school lunch formula.

"The cost of a standard lunch to each pupil in the higher grades, Miss Miller said, will be 15 cents, plus two cents for the cost of a half pint of milk, where the two-cent milk is available. In schools that have not yet been able to get deliveries of milk under the government milk subsidy, the price will be slightly higher.

"Explaining how the subsidy worked, Miss Miller said that for each lunch served that meets the specifications set by the Government the school will receive a subsidy of 7 cents, in addition to the 2-cent subsidy already allowed towards the price of milk sold in the school. This money will go towards meeting the actual cost of the lunch, which will be several pennies more than the 17 cents the students will pay."

Export Freight Handled At New Daily High

There were 134,217 cars of export freight, excluding coal and grain, handled through United States ports in September this year, compared with 80,528 cars in September last year, an increase of 67%. The Association of American Railroads reported on October 11.

Export grain unloaded at the ports totaled 2,842 cars, compared with 1,559 in September, 1942, an increase of 82%.

In addition, the railroads also handled 714 carloads of coastal freight in September this year, compared with 831 in the same month last year, a decrease of 15%.

The total of 137,773 cars of export and coastal freight, excluding coal, handled in September this year through the ports, while slightly less than in August, represented an average daily unloading of 4,592 cars, the highest on record, compared with a previous high of 4,508 in August, 1943, the report concluded.

Steel Production Affected By Coal Mine Walkouts Directives Upset Schedules

"Two events sharing the spotlight currently are the steel industry's determined drive to set a new monthly production peak despite the damaging effect of strikes, and the outbreak of a fierce battle on the Washington front between Government and business over contract cancellation policies," "The Iron Age" states in its issue of today (Oct. 21), further going on to say:

"This week's loss of iron and steel production because of the coal mine walkouts in the South increases the total deficit of such strikes in 1943 to somewhere in the neighborhood of 350,000 tons. Most observers agree that there will be no lasting peace in the coal industry until the wage controversy is settled.

"Although they concede worry over the threatening effect of strikes and manpower shortages and the disturbing fact that the national scrap drive is not proceeding as well as expected, steel executives see the industry in a more comfortable position in several respects. No longer is there a shortage of basic steel, and there is ample alloy steel to suit all needs. Plates and sheets remain tight, but it is expected that relief will come in a few months.

"Indicative of the leeway existing currently in raw steel supplies, Chicago mills have been approached to purchase ingots reported rapidly banking up behind the bottleneck of blooming and slabbing mill limitations in the Pittsburgh and Youngstown districts and have even been urged to accept excess ingots from Southern California.

"In Chicago last week, officials of two major farm equipment manufacturers warned that unless the raw materials and component parts were provided more liberally, fewer farm machines would be produced for the 1944 crop season than were available in the year ending June 30, 1943.

"President Roosevelt announced the creation of a unit within the Office of War Mobilization to deal with the problems of war and post-war adjustment, and said that unified programs and policies for Government agencies will be developed. Meanwhile, it was revealed last week that WPB is thinking about mid-war conversion of industries to a peacetime basis through relaxation of limitation orders in the order of their importance to civilian economy. Not only does WPB think in terms of mid-war, but of post-war according to a report last week made by economists of the Department of Justice to the Senate Special Committee on Post-War Planning."

The American Iron and Steel Institute on October 18 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 100.7% of capacity for the week beginning October 18, compared with 102.2% one week ago, 100.6% one month ago and 101.0% one year ago. The operating rate for the week beginning October 18 is equivalent to 1,755,200 tons of steel ingots and castings, compared to 1,781,300 tons one week ago, 1,753,400 tons one month ago, and 1,727,800 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on October 18 stated in part as follows:

"Directives on plates and sheets are increasing, with dislocations in some other products to provide extra steel to push production of these flat-rolled products to the limit.

"In some districts much activity centers around these directives and readjustments, with less emphasis on new buying for future delivery. Delivery promises on plates and sheets have become so extended that buyers take little interest in future shipments, due not only to inability of consumers to plan so far ahead but also in many cases to the impossibility of

obtaining allotment numbers, even where plans are sufficiently developed to indicate what is needed. Shipments are particularly extended in plates and sheets and in slightly less degree in bars.

"Most sheet producers can offer little on hot and cold-rolled material before late second quarter and others are sold through that period. Tentative offers of plates for April delivery are contingent on schedule changes, but some small tonnages can be taken for March. Carbon bars can be promised for first quarter, while some producers are sold into second quarter.

"Estimated needs of Army and Navy for drum stock for blitz cans for 1944 are 1,500,000 tons, a great increase over 1943 tonnage, a further heavy burden on sheet mills.

"That some large industrial plants engaged in war production, affected by program changes and other factors, are seeking to reduce inventories, including numerous steel products, is apparent from offering of surplus stock to be sold at ceiling prices under current regulations.

"Production of steel ingots and steel for castings in September totaled 7,488,978 net tons, which was the largest output in history for any 30-day month. The average weekly production during September was 1,749,761 tons, which is an all-time high for any week. In September, 1942, output was 7,057,519 tons. New furnaces coming into production account for the increased rate of steel-making. During September the industry operated at 100.4% of rated capacity, the highest since the outbreak of the war.

"While melters have sufficient scrap for current needs reserves are not being accumulated, though all offerings are being accepted.

"While gray iron foundries are still running below normal, steel and malleable shops are operating at a peak, considerable business having been provided the latter for war purposes. Requests for November iron were about equal to recent months. Foundry stocks in some districts are about 45 days requirements."

Green Again Heads AFL

William Green was reelected President of the American Federation of Labor for his 20th term at the organization's convention in Boston on Oct. 14. In his acceptance speech, according to the Associated Press, Mr. Green forecast a fateful year and said that the Federation would continue to urge that its wayward members return.

"We only ask," he said, "that they come back as they left us, with no additions and complications." He added that the rights of present A. F. of L. affiliates "must and will be protected."

The convention also re-elected George Meany as Secretary-Treasurer and the following Vice-Presidents:

William L. Hutcheson, carpenters; Matthew Woll, photo-engravers; Joseph N. Weber, musicians; G. M. Bugnizet, electrical workers; George M. Harrison, railway clerks; Daniel J. Tobin, teamsters; Harry C. Bates, bricklayers; W. D. Mahon, street and electric railway workers; Felix H. Knight, railway carmen; Edward Flore, hotel and restaurant workers; Harvey W. Brown, machinists; W. C. Birthright, barbers, and W. C. Doherty, letter carriers.

President Replies To Siberia Base Talk

President Roosevelt took issue at his press conference on October 12 with some of the remarks attributed to the Senators who recently returned from a tour of the world's battlefronts. The President was especially critical of the reported statement of Senator Lodge (Rep., Mass.) that a million American lives might be saved if Russia granted Siberian bases for the war against Japan. According to the Associated Press, the President declared that maybe Russia isn't ready to go to war with Japan because she has something more important to do.

She has knocked the Germans down three or four times, the President said, and maybe if she knocks them down three or four times more, they will stay down.

The Associated Press further reported:

"In a lengthy discussion at his news conference, the President said that the net result if the Soviets granted the United States use of Siberian bases at this time might be that the Japanese would move in and take them over. Russia, he observed, would be weakened at a time when she may be getting set to knock the Germans out.

"The President also described as founded on error the criticism by another globe-girdling Senator of shipments of civilian trucks to Australia. This legislator, Senator Brewster (Rep., Maine), was quoted as saying that 30,000 civilian trucks were sent to Australia in a year by lend-lease while 15,000 were allotted to American businessmen. Mr. Roosevelt said that was all wrong. Actually, he said, 21,135 trucks were sent to Australia over two and one-half years, while 750,000 were distributed here. The trucks sent to Australia were civilian in name only, he added, saying over half were commandeered by the Australian Government for direct military purposes. Trucks are especially needed in Australia, he continued, because the railways there are of four different gauges, making transshipments over different lines difficult. And, he declared, every truck which went to Australia was specifically asked by General Douglas MacArthur.

Rayon Shipments Higher

September shipments of rayon filament yarn by American mills to domestic users amounted to 40,400,000 pounds, as compared with 41,400,000 pounds shipped in August and 38,400,000 pounds shipped in September last year, states the "Rayon Organon," published by the Textile Economics Bureau, Inc., New York.

"For the nine months ended Sept. 30, rayon filament yarn shipments aggregated 364,400,000 pounds, an increase of 5%, compared with shipments of 347,900,000 pounds during the corresponding period last year, says the Bureau's announcement which further said:

"Stocks of rayon filament yarn held by domestic producers totaled 7,900,000 pounds on Sept. 30, as compared with 6,500,000 pounds held on Aug. 31, and 8,000,000 pounds held on Sept. 30, 1942.

"September shipments of staple fiber to domestic consumers amounted to 13,700,000 pounds, as against 13,800,000 pounds in August and 12,500,000 pounds in September, 1942. Nine months' shipments aggregated 119,400,000 pounds, an increase of 5%, compared with corresponding 1942 shipments of 113,600,000 pounds.

"Staple fiber stocks held by producers totaled 2,800,000 pounds on Sept. 30, against 3,500,000 pounds held on Aug. 31, 1943, and 4,300,000 pounds held on Sept. 30, 1942."

Four-Power Agreement Urged By Welles To Assure Stable World In Post-War Years

Unless the United States, Great Britain, Russia and China arrive jointly at a clear-cut and specific agreement in the near future upon certain basic principles, the hope of the creation of a stable world in the post-war years must necessarily be all but illusory, Sumner Welles, former Under-Secretary of State, declared on Oct. 16.

In an address before the 25th anniversary luncheon of the Foreign Policy Association at the Waldorf-Astoria Hotel in New York City, Mr. Welles asserted that "no stability, no opportunity for effective social and economic reconstruction can be forecast unless the great armed powers can now agree that they will wholeheartedly cooperate in the spirit and within the framework of the Atlantic Charter after the Axis nations have been forced to defeat."

The proposed four-power agreement, Mr. Welles added, must surely include such cardinal points as the following:

"That they will jointly undertake the task of keeping the peace of the world in the post-war period, in accord with and in conjunction with such other members of the United Nations as are qualified to take part in such endeavor, notably certain of our neighbors of the New World and what we all hope will be the Fourth French Republic; and that they will presently define the nature and method of provision of the armed contribution which each under its own authority will make available for this common undertaking.

"That they will now agree upon the machinery to be set up by common consent which will in the years after the close of the present war provide for progressive reduction of armaments as between themselves, and as among other nations.

"That they will agree upon a common policy of realistic justice to be pursued by them toward Germany and the other conquered Axis powers so as to render these nations permanently incapable of renewing their assault upon civilization and the liberties of independent peoples.

"That they will jointly agree not to take independent action which affects the sovereign rights of any other nation save with the concurrence of the other three powers.

"That they will jointly pledge themselves to further and to perfect, as rapidly as post-war conditions may make possible, the establishment of a universal world organization in which, when it is ultimately established, the proposed agreement between them would be merged."

After the four-power pact is reached, Mr. Welles said the United States should urge the formation of an executive council composed of representatives of the United Nations. He explained that this council "should remain in permanent session, with power to resolve such political or other questions as may be referred to it by the United Nations, and which do not impinge upon the military conduct of the war, involve the right of the powers which are doing the actual fighting to determine freely the military strategy to be pursued, nor impair the provisions of the suggested four-power agreement." Mr. Welles continued:

"To be effective this suggested United Nations executive body should be small in number. I would suggest that it be composed, in addition to delegates of the four major military powers, of representatives elected by the states of each region, and existing associations of states, in a proportion and by a method to be determined by the United Nations.

"This executive council, which would eventually become the executive branch of any perfected international organization, should be granted supervisory jurisdiction over all desirable interna-

tional agencies such as the International Labor Office or the Food and Agriculture Committee — which may already have been created, and should be also charged with the duty of organizing such further standing agencies as the United Nations may from time to time deem necessary or desirable, and for formulating recommendations for submission to each one of the United Nations covering such fundamental requirements as a World Court and other necessary permanent international bodies.

"I am a convinced believer in the efficacy and in the need for the permanent continuance of the existing inter-American regional system which has been brought into being by the free will of the 21 sovereign American republics.

"In their consideration of the kind of future world organization which will be best calculated to meet the high objectives which the great majority of us are seeking, governments and peoples might well study the desirability of instituting regional systems, conforming in their general pattern to the system evolved by the New World, but all of them coordinated under an executive body of the nature which has been above proposed, representative of every region. In such an organization each region would be primarily responsible for regional peace, and only in the event that a regional conflagration threatened the general peace would wider action become necessary."

The address of Mr. Welles was the first to be made by him as a private citizen since his resignation as Under-Secretary of State, referred to in our issue of Sept. 30, page 1327.

Chemical Society To Hold Dinner Tomorrow

Nearly 1,000 chemists, chemical engineers and industrialists will participate in a dinner meeting of the Society of Chemical Industry at the Waldorf-Astoria in New York tomorrow evening (Oct. 22) when Wallace P. Cohoe, Canadian-born chemist of New York, will be inaugurated as President of the Society, an international organization with headquarters in London. The meeting will be under the patronage of King George VI.

The British Government will be represented by Sir Gerald Campbell, special assistant to Lord Halifax, British ambassador at Washington. Sir Gerald will present the chains of office to Mr. Cohoe and deliver an address. Honorary membership in the Society will be bestowed on Alexei Bach, Soviet biochemist, and Dr. Te-Pang Hou, Chinese industrial chemist. Dr. Wei Tao-Ming, Chinese Ambassador to the United States, will receive the scroll from Mr. Cohoe and present it to Dr. Hou. A representative of the Soviet Embassy will accept the scroll for Dr. Bach, who will not be present because of the pressure of his scientific work in the Soviet Union.

Dr. Foster D. Snell, head of Foster D. Snell, Inc., of Brooklyn, and Chairman of the American Section of the Society, will preside. The inaugural address will be given by Mr. Cohoe.

Moody's Bond Prices And Bond Yield Averages

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

| MOODY'S BOND PRICES* (Based on Average Yields) | | | | | | | | | |
|---|-------------------------|-------------------------|-----------------------|--------|--------|----------------------|--------|--------|--------|
| 1943— Daily Averages | U. S. Govt. Bonds | Avg. Corpo- rate* | Corporate by Ratings* | | | Corporate by Groups* | | | |
| | | | Aaa | Aa | A | Baa | R. R. | P. U. | Indus. |
| Oct. 19 | 120.40 | 111.25 | 119.20 | 116.61 | 111.44 | 99.04 | 103.47 | 113.89 | 116.61 |
| 18 | 120.39 | 111.07 | 119.20 | 116.41 | 111.25 | 99.04 | 103.30 | 113.89 | 116.80 |
| 16 | 120.31 | 111.07 | 119.20 | 116.61 | 111.25 | 99.04 | 103.30 | 113.89 | 116.61 |
| 15 | 120.28 | 111.07 | 119.20 | 116.61 | 111.25 | 99.04 | 103.30 | 113.89 | 116.61 |
| 14 | 120.30 | 110.88 | 119.00 | 116.41 | 111.25 | 98.73 | 103.13 | 113.89 | 116.61 |
| 13 | 120.38 | 110.88 | 119.00 | 116.41 | 111.07 | 98.88 | 103.13 | 113.89 | 116.61 |
| 12 | 120.50 | 110.88 | 119.00 | 116.61 | 111.07 | 98.73 | 103.13 | 113.89 | 116.61 |
| 9 | 120.56 | 110.88 | 119.00 | 116.41 | 111.25 | 98.73 | 103.13 | 113.89 | 116.41 |
| 8 | 120.57 | 110.88 | 119.00 | 116.41 | 111.25 | 98.73 | 103.13 | 113.89 | 116.41 |
| 7 | 120.65 | 111.07 | 119.20 | 116.41 | 111.07 | 98.73 | 103.13 | 113.89 | 116.61 |
| 6 | 120.65 | 111.07 | 119.20 | 116.41 | 111.07 | 98.73 | 103.13 | 113.89 | 116.41 |
| 5 | 120.65 | 111.07 | 119.20 | 116.41 | 111.07 | 98.73 | 103.13 | 113.89 | 116.41 |
| 4 | 120.62 | 110.88 | 119.00 | 116.22 | 111.25 | 98.73 | 103.13 | 113.89 | 116.41 |
| 2 | 120.62 | 110.88 | 119.00 | 116.22 | 111.07 | 98.73 | 103.13 | 113.89 | 116.22 |
| 1 | 120.62 | 110.88 | 119.00 | 116.22 | 111.07 | 98.73 | 103.13 | 113.89 | 116.22 |
| Sept. 24 | 120.55 | 111.07 | 119.00 | 116.41 | 111.25 | 98.88 | 103.30 | 113.89 | 116.41 |
| 17 | 120.55 | 111.07 | 119.20 | 116.61 | 111.07 | 98.73 | 103.13 | 113.70 | 116.61 |
| 10 | 120.56 | 111.07 | 119.20 | 116.61 | 111.25 | 98.88 | 103.13 | 113.89 | 116.80 |
| 3 | 120.30 | 111.25 | 119.20 | 116.80 | 111.62 | 98.73 | 103.30 | 113.89 | 117.00 |
| Aug. 27 | 120.34 | 111.25 | 119.20 | 116.80 | 111.44 | 98.88 | 103.13 | 112.89 | 117.20 |
| 20 | 120.20 | 111.25 | 119.20 | 116.80 | 111.44 | 99.04 | 103.30 | 113.89 | 117.00 |
| 13 | 120.29 | 111.25 | 119.20 | 116.80 | 111.62 | 99.04 | 103.30 | 113.89 | 117.20 |
| 6 | 120.19 | 111.25 | 119.20 | 117.00 | 111.62 | 99.04 | 103.13 | 113.89 | 117.20 |
| July 30 | 120.11 | 111.44 | 119.41 | 117.00 | 111.62 | 99.04 | 103.30 | 114.08 | 117.20 |
| 25 | 120.41 | 111.70 | 118.80 | 116.22 | 111.07 | 98.09 | 102.46 | 113.70 | 116.61 |
| 18 | 119.82 | 110.34 | 118.20 | 115.82 | 110.88 | 97.78 | 102.30 | 113.31 | 115.82 |
| 11 | 118.36 | 109.79 | 118.00 | 115.43 | 110.34 | 97.00 | 101.31 | 113.12 | 115.63 |
| 4 | 116.93 | 109.60 | 117.80 | 115.43 | 110.52 | 96.23 | 100.65 | 113.12 | 115.63 |
| Mar. 26 | 117.11 | 109.24 | 117.60 | 115.43 | 110.15 | 95.47 | 100.00 | 112.93 | 115.43 |
| 19 | 117.04 | 108.70 | 117.60 | 115.04 | 109.79 | 94.56 | 99.04 | 112.56 | 115.43 |
| Jan. 29 | 117.04 | 111.44 | 119.41 | 117.00 | 111.81 | 99.36 | 103.47 | 114.27 | 117.40 |
| High 1943 | 120.57 | 111.07 | 119.20 | 116.61 | 111.25 | 99.04 | 103.30 | 113.89 | 116.80 |
| Low 1943 | 116.85 | 107.44 | 116.80 | 113.89 | 108.88 | 92.35 | 97.16 | 111.81 | 114.46 |
| High 1942 | 118.41 | 107.62 | 117.20 | 114.27 | 108.88 | 92.64 | 97.47 | 112.19 | 114.66 |
| Low 1942 | 115.90 | 106.62 | 115.43 | 112.75 | 107.09 | 90.63 | 95.32 | 109.60 | 112.75 |
| 1 Year ago | | | | | | | | | |
| Oct. 19, 1942 | 117.38 | 107.44 | 117.00 | 114.08 | 108.70 | 92.50 | 97.31 | 111.81 | 117.40 |
| 2 Years ago | | | | | | | | | |
| Oct. 18, 1941 | 119.23 | 107.98 | 118.40 | 115.43 | 109.06 | 91.77 | 97.16 | 112.00 | 116.02 |

| MOODY'S BOND YIELD AVERAGES* (Based on Individual Closing Prices) | | | | | | | | | |
|--|-------------------------|-------------------------|-----------------------|------|------|----------------------|-------|-------|--------|
| 1943— Daily Averages | U. S. Govt. Bonds | Avg. Corpo- rate* | Corporate by Ratings* | | | Corporate by Groups* | | | |
| | | | Aaa | Aa | A | Baa | R. R. | P. U. | Indus. |
| Oct. 19 | 1.81 | 3.10 | 2.69 | 2.82 | 3.09 | 3.81 | 3.54 | 2.96 | 2.82 |
| 18 | 1.81 | 3.11 | 2.69 | 2.83 | 3.10 | 3.81 | 3.55 | 2.96 | 2.81 |
| 16 | 1.82 | 3.11 | 2.69 | 2.82 | 3.10 | 3.81 | 3.55 | 2.96 | 2.82 |
| 15 | 1.82 | 3.11 | 2.69 | 2.82 | 3.10 | 3.81 | 3.55 | 2.96 | 2.82 |
| 14 | 1.82 | 3.12 | 2.70 | 2.83 | 3.10 | 3.82 | 3.56 | 2.96 | 2.82 |
| 13 | 1.81 | 3.12 | 2.70 | 2.83 | 3.11 | 3.83 | 3.56 | 2.96 | 2.82 |
| 12 | 1.81 | 3.12 | 2.70 | 2.82 | 3.11 | 3.83 | 3.56 | 2.96 | 2.82 |
| 9 | 1.80 | 3.12 | 2.70 | 2.83 | 3.10 | 3.83 | 3.56 | 2.96 | 2.83 |
| 8 | 1.80 | 3.12 | 2.70 | 2.83 | 3.10 | 3.83 | 3.56 | 2.96 | 2.83 |
| 7 | 1.80 | 3.12 | 2.70 | 2.83 | 3.10 | 3.83 | 3.56 | 2.96 | 2.83 |
| 6 | 1.79 | 3.11 | 2.69 | 2.83 | 3.11 | 3.83 | 3.56 | 2.96 | 2.82 |
| 5 | 1.80 | 3.11 | 2.69 | 2.83 | 3.10 | 3.83 | 3.56 | 2.96 | 2.83 |
| 4 | 1.80 | 3.12 | 2.70 | 2.84 | 3.10 | 3.83 | 3.56 | 2.96 | 2.83 |
| 2 | 1.80 | 3.12 | 2.70 | 2.84 | 3.10 | 3.83 | 3.56 | 2.96 | 2.83 |
| 1 | 1.80 | 3.12 | 2.70 | 2.84 | 3.11 | 3.83 | 3.56 | 2.96 | 2.84 |
| Sept. 24 | 1.80 | 3.11 | 2.70 | 2.82 | 3.10 | 3.82 | 3.56 | 2.96 | 2.83 |
| 17 | 1.80 | 3.11 | 2.69 | 2.82 | 3.11 | 3.83 | 3.56 | 2.97 | 2.82 |
| 10 | 1.81 | 3.11 | 2.69 | 2.82 | 3.10 | 3.82 | 3.56 | 2.96 | 2.81 |
| 3 | 1.83 | 3.10 | 2.69 | 2.81 | 3.08 | 3.83 | 3.55 | 2.96 | 2.80 |
| Aug. 27 | 1.83 | 3.10 | 2.69 | 2.81 | 3.09 | 3.82 | 3.56 | 2.96 | 2.79 |
| 20 | 1.84 | 3.10 | 2.69 | 2.81 | 3.09 | 3.81 | 3.55 | 2.96 | 2.80 |
| 13 | 1.83 | 3.10 | 2.69 | 2.81 | 3.08 | 3.81 | 3.55 | 2.96 | 2.79 |
| 6 | 1.84 | 3.10 | 2.69 | 2.80 | 3.08 | 3.81 | 3.56 | 2.95 | 2.79 |
| July 30 | 1.84 | 3.09 | 2.68 | 2.80 | 3.08 | 3.81 | 3.55 | 2.95 | 2.79 |
| 25 | 1.82 | 3.13 | 2.71 | 2.84 | 3.11 | 3.87 | 3.60 | 2.97 | 2.82 |
| 18 | 1.88 | 3.15 | 2.74 | 2.86 | 3.12 | 3.89 | 3.61 | 2.99 | 2.86 |
| 11 | 1.98 | 3.18 | 2.75 | 2.88 | 3.15 | 3.94 | 3.67 | 3.00 | 2.87 |
| 4 | 2.08 | 3.19 | 2.76 | 2.88 | 3.14 | 3.99 | 3.71 | 3.00 | 2.87 |
| Mar. 26 | 2.06 | 3.21 | 2.77 | 2.88 | 3.16 | 4.04 | 3.75 | 3.01 | 2.88 |
| 19 | 2.06 | 3.24 | 2.77 | 2.90 | 3.18 | 4.10 | 3.81 | 3.03 | 2.88 |
| Jan. 29 | 2.08 | 3.31 | 2.81 | 2.96 | 3.23 | 4.25 | 3.93 | 3.07 | 2.93 |
| High 1943 | 2.79 | 3.09 | 2.68 | 2.80 | 3.07 | 3.79 | 3.54 | 2.94 | 2.78 |
| Low 1943 | 1.79 | 3.09 | 2.68 | 2.80 | 3.07 | 3.79 | 3.54 | 2.94 | 2.78 |
| High 1942 | 2.14 | 3.39 | 2.88 | 3.02 | 3.33 | 4.37 | 4.05 | 3.19 | 3.02 |
| Low 1942 | 1.93 | 3.30 | 2.79 | 2.94 | 3.23 | 4.23 | 3.91 | 3.05 | 2.92 |
| 1 Year ago | | | | | | | | | |
| Oct. 19, 1942 | 2.05 | 3.31 | 2.80 | 2.95 | 3.24 | 4.24 | 3.92 | 3.07 | 2.93 |
| 2 Years ago | | | | | | | | | |
| Oct. 18, 1941 | 1.90 | 3.28 | 2.73 | 2.88 | 3.22 | 4.29 | 3.93 | 3.06 | 2.85 |

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

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

Finished Steel Shipments By Subsidiaries Of U. S. Steel Corporation Off In September

Shipments of finished steel products by subsidiaries of the United States Steel Corporation in September amounted to 1,664,577 net tons, a decrease of 39,712 net tons from the deliveries in August and a drop of 38,993 net tons when compared with shipments totaling 1,703,570 net tons in September of last year.

For the nine months ended Sept. 30, last, shipments totaled 15,069,644 net tons, compared with 15,761,476 net tons in the same period in 1942, a decrease of 691,832 net tons.

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

| | 1943 | 1942 | 1941 | 1940 | 1939 | 1929 |
|----------------|-----------|------------|------------|------------|------------|------------|
| January | 1,685,993 | 1,738,893 | 1,682,454 | 1,145,592 | 870,866 | 1,364,801 |
| February | 1,691,592 | 1,716,587 | 1,548,451 | 1,009,256 | 747,427 | 1,388,407 |
| March | 1,772,397 | 1,780,938 | 1,720,366 | 931,905 | 845,108 | 1,605,510 |
| April | 1,630,828 | 1,758,894 | 1,687,674 | 907,904 | 771,752 | 1,617,302 |
| May | 1,706,543 | 1,834,127 | 1,745,295 | 1,084,057 | 795,689 | 1,701,874 |
| June | 1,552,663 | 1,774,068 | 1,668,637 | 1,209,684 | 607,562 | 1,529,241 |
| July | 1,660,762 | 1,765,749 | 1,666,667 | 1,296,887 | 745,364 | 1,480,008 |
| August | 1,704,289 | 1,788,650 | 1,753,665 | 1,455,604 | 885,636 | 1,500,281 |
| September | 1,664,577 | 1,703,570 | 1,664,227 | 1,392,838 | 1,086,683 | 1,262,874 |
| October | | 1,787,501 | 1,851,279 | 1,572,408 | 1,345,855 | 1,333,385 |
| November | | 1,665,545 | 1,624,186 | 1,425,352 | 1,406,205 | 1,110,050 |
| December | | 1,849,635 | 1,846,036 | 1,544,623 | 1,443,969 | 931,744 |
| Total by mos. | | 21,064,157 | 20,458,937 | 14,976,110 | 11,752,116 | 16,825,477 |
| Yearly adjust. | | *449,020 | *42,333 | 37,639 | *44,865 | *12,827 |
| Total | | 20,615,137 | 20,416,604 | 15,013,749 | 11,707,251 | 16,812,650 |

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

National Fertilizer Association Commodity Price Average Advances Fractionally

The wholesale commodity price index, compiled by The National Fertilizer Association and made public on Oct. 18, advanced fractionally in the week ended Oct. 16 to 136.3 from 136.1 in the preceding week. A month ago the index stood at 135.8, and a year ago at 129.6, based on the 1935-1939 average as 100. The Association's report continued as follows:

Higher prices for chickens, cottonseed oil and corn meal were not enough to offset the substantially lower prices for eggs and potatoes, hence the foods group average declined slightly. Advances shown in grains, lambs, and sheep raised the farm products averaged, but was not quite enough to raise the index, because they were somewhat offset by declining prices in cotton, eggs, and light weight hogs. The textiles index advanced slightly. All other groups remained unchanged.

During the week 14 price series included in the index advanced and 4 declined; in the preceding week there were 9 advances and 5 declines; and in the second preceding week there were 8 advances and 8 declines.

| WEEKLY WHOLESALE COMMODITY PRICE INDEX Compiled by The National Fertilizer Association 1935-1939=100* | | | | | |
|---|---------------------------|--------------------------|-------------------------|-----------------------------------|---------------------------------|
| % Each Group Bears to the Total Index | Group | Latest Preceding | | Month Ago Sept. 18, 1943 | Year Ago Oct. 17, 1942 |
| | | Week Oct. 16, 1943 | Week Oct. 9, 1943 | | |
| 25.3 | Foods | 140.4 | 140.5 | 139.4 | 132.4 |
| | Fats and Oils | 147.2 | 146.5 | 146.5 | 145.9 |
| | Cottonseed Oil | 164.7 | 162.4 | 162.4 | 156.1 |
| 23.0 | Farm Products | 158.6 | 158.6 | 157.4 | 141.2 |
| | Cotton | 193.6 | 194.2 | 193.5 | 179.7 |
| | Grains | 156.3 | 154.1 | 152.3 | 112.2 |
| | Livestock | 153.9 | 154.4 | 153.2 | 142.1 |
| 17.3 | Fuels | 122.8 | 122.8 | 122.8 | 119.3 |
| 10.8 | Miscellaneous commodities | 131.4 | 131.4 | 131.4 | 126.7 |
| 8.2 | Textiles | 150.6 | 150.3 | 150.5 | 147.7 |
| 7.1 | Metals | 104.4 | 104.4 | 104.4 | 104.4 |
| 6.1 | Building materials | 152.5 | 152.5 | 152.5 | 151.4 |
| 1.3 | Chemicals and drugs | 127.7 | 127.7 | 127.7 | 120.7 |
| .3 | Fertilizer materials | 117.7 | 117.7 | 117.7 | 117.3 |
| .3 | Fertilizers | 119.8 | 119.8 | 119.8 | 115.3 |
| .3 | Farm machinery | 104.1 | 104.1 | 104.1 | 104.1 |
| 100.0 | All groups combined | 136.3 | 136.1 | 135.8 | 129.6 |

*Indexes on 1926-1928 base were: Oct. 16, 1943, 106.2; Oct. 9, 1943, 106.0; Oct. 17, 1942, 101.0.

Civil Engineering Construction Up 93% In 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 Oct. 9, 1943, is estimated at 12,050,000 net tons, compared with 12,095,000 tons in the preceding week and 11,658,000 tons in the corresponding period of last year. Total estimated output of soft coal to date exceeded that for the same period in 1942 by 1.9%.

The U. S. Bureau of Mines estimated that the total production of Pennsylvania anthracite for the week ended Oct. 9, 1943 was 1,313,000 tons, an increase of 30,000 tons (2.3%) over the preceding week. When compared with the output in the corresponding week of 1942 there was an increase of 147,000 tons or 12.6%. The calendar year 1943 to date shows an increase of 0.5% when compared with the same period of 1942.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended Oct. 9, 1943, showed a decrease of 3,100 tons when compared with the output for the week ended Oct. 2, 1943. The quantity of coke from beehive ovens increased 10,400 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL

| | Week Ended | | | | January 1 to Date | | |
|------------------------------|--------------|--------------|---------------|--------------|-------------------|--------------|--------------|
| | Oct. 9, 1943 | Oct. 2, 1943 | Oct. 10, 1942 | Oct. 9, 1942 | Oct. 10, 1942 | Oct. 9, 1942 | Oct. 9, 1937 |
| Bituminous coal and lignite— | 12,050 | 12,095 | 11,658 | 456,675 | 448,053 | 342,521 | 1,443 |
| Total, incl. mine fuel— | 2,008 | 2,016 | 1,943 | 1,905 | 1,887 | 1,443 | |
| Daily average | | | | | | | |

*Revised. †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

| | Week Ended | | | Cal. Year to Date | | |
|-------------------------|--------------|--------------|---------------|-------------------|---------------|---------------|
| | Oct. 9, 1943 | Oct. 2, 1943 | Oct. 10, 1942 | Oct. 9, 1942 | Oct. 10, 1942 | Oct. 12, 1929 |
| Penn. anthracite— | 1,313,000 | 1,283,000 | 1,166,000 | 47,619,000 | 47,399,000 | 56,000,000 |
| Total incl. coll. fuel— | 1,260,000 | 1,232,000 | 1,119,000 | 45,713,000 | 45,503,000 | 51,968,000 |
| Commercial production | | | | | | |
| By-product coke— | | | | | | |
| United States total— | 1,248,900 | 1,252,000 | 1,213,700 | 49,096,000 | 48,072,400 | |
| Beehive coke— | | | | | | |
| United States total— | 174,900 | 164,500 | 166,600 | 6,149,200 | 6,434,300 | 5,366,100 |

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

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(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 | | | | | Oct. average, 1923 |
|----------------------------------|--------------|---------------|--------------|--------------|--------------|--------------------|
| | Oct. 2, 1943 | Sep. 25, 1943 | Oct. 3, 1942 | Oct. 4, 1942 | Oct. 2, 1937 | |
| Alabama | 397 | 375 | 363 | 333 | 258 | 398 |
| Alaska | 5 | 5 | 5 | 6 | 5 | ** |
| Arkansas and Oklahoma | 85 | 88 | 96 | 104 | 92 | 88 |
| Colorado | 147 | 153 | 168 | 166 | 164 | 217 |
| Georgia and North Carolina | 1 | 1 | †† | †† | †† | †† |
| Illinois | 1,520 | 1,532 | 1,270 | 1,143 | 1,159 | 1,558 |
| Indiana | 575 | 574 | 530 | 485 | 407 | 520 |
| Iowa | 40 | 39 | 55 | 54 | 92 | 116 |
| Kansas and Missouri | 139 | 142 | 167 | 138 | 135 | 161 |
| Kentucky—Eastern | 972 | 957 | 957 | 990 | 915 | 764 |
| Kentucky—Western | 302 | 295 | 287 | 213 | 204 | 238 |
| Maryland | 54 | 35 | 33 | 35 | 34 | 35 |
| Michigan | 7 | 5 | 8 | 10 | 16 | 26 |
| Montana (bituminous and lignite) | 96 | 99 | 106 | 81 | 79 | 82 |
| New Mexico | 35 | 37 | 38 | 22 | 33 | 58 |
| North and South Dakota (lignite) | 57 | 51 | 72 | 68 | 61 | **36 |
| Ohio | 692 | 695 | 671 | 738 | 552 | 817 |
| Pennsylvania (bituminous) | 2,860 | 2,876 | 2,770 | 2,924 | 2,330 | 3,149 |
| Tennessee | 140 | 153 | 146 | 156 | 118 | 118 |
| Texas (bituminous and lignite) | 3 | 4 | 8 | 7 | 19 | 26 |
| Utah | 124 | 126 | 118 | 113 | 86 | 121 |
| Virginia | 409 | 397 | 389 | 407 | 322 | 231 |
| Washington | 28 | 31 | 47 | 43 | 47 | 68 |
| *West Virginia—Southern | 2,212 | 2,236 | 2,192 | 2,331 | 1,920 | 1,488 |
| †West Virginia—Northern | 1,002 | 1,030 | 925 | 893 | 639 | 805 |
| Wyoming | 192 | 183 | 183 | 166 | 139 | 184 |
| ‡Other Western States | 1 | 1 | †† | †† | †† | **4 |
| Total bituminous and lignite | 12,095 | 12,100 | 11,604 | 11,627 | 9,826 | 11,310 |
| §Pennsylvania anthracite | 1,283 | 1,299 | 1,235 | 1,088 | 1,155 | 1,968 |
| Total all coal | 13,378 | 13,399 | 12,839 | 12,715 | 10,981 | 13,278 |

*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.

Electric Output For Week Ended Oct. 16, 1943, Shows 17.9% 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. 16, 1943, was approximately 4,382,268,000 kwh., compared with 3,717,360,000 kwh. in the corresponding week last year, an increase of 17.9%. The output for the week ended Oct. 9, 1943, was 17.3% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

| Major Geographical Divisions— | Week Ended | | | |
|-------------------------------|---------------|--------------|--------------|----------------|
| | Oct. 16, 1943 | Oct. 9, 1943 | Oct. 2, 1942 | Sept. 25, 1942 |
| New England | 8.9 | 8.0 | 9.3 | 6.3 |
| Middle Atlantic | 18.7 | 19.7 | 19.8 | 18.4 |
| Central Industrial | 14.4 | 13.9 | 14.5 | 13.9 |
| West Central | 7.3 | 6.9 | 9.5 | 9.2 |
| Southern States | 22.2 | 20.8 | 22.8 | 20.0 |
| Rocky Mountain | 14.9 | 15.1 | 13.0 | 15.1 |
| Pacific Coast | 26.6 | 24.5 | 26.9 | 26.5 |
| Total United States | 17.9 | 17.3 | 18.4 | 17.2 |

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

| Week Ended— | 1943 | 1942 | % Change | | | |
|-------------|-----------|-----------|----------------|-----------|-----------|-----------|
| | | | 1943 over 1942 | 1941 | 1932 | 1929 |
| Aug 7 | 4,240,638 | 3,637,070 | +16.6 | 3,233,242 | 1,415,122 | 1,729,667 |
| Aug 14 | 4,287,827 | 3,654,795 | +17.3 | 3,238,160 | 1,431,910 | 1,733,110 |
| Aug 21 | 4,264,825 | 3,673,717 | +16.1 | 3,230,750 | 1,436,440 | 1,750,056 |
| Aug 28 | 4,322,195 | 3,639,961 | +18.7 | 3,261,149 | 1,464,700 | 1,761,594 |
| Sep 4 | 4,350,511 | 3,672,921 | +18.4 | 3,132,954 | 1,423,977 | 1,764,588 |
| Sep 11 | 4,229,262 | 3,583,408 | +18.0 | 3,322,346 | 1,476,442 | 1,806,259 |
| Sep 18 | 4,358,512 | 3,756,922 | +16.0 | 3,273,375 | 1,490,863 | 1,772,131 |
| Sep 25 | 4,359,610 | 3,720,254 | +17.2 | 3,273,376 | 1,499,459 | 1,819,276 |
| Oct. 2 | 4,359,003 | 3,682,794 | +18.4 | 3,330,582 | 1,506,219 | 1,819,276 |
| Oct. 9 | 4,341,754 | 3,702,299 | +17.3 | 3,355,440 | 1,507,503 | 1,806,403 |
| Oct. 16 | 4,382,268 | 3,717,360 | +17.9 | 3,313,596 | 1,528,145 | 1,798,633 |

Wholesale Commodity Prices Declined 0.2% During Week Ended Oct. 9, Says Labor Dept.

The U. S. Department of Labor announced on Oct. 14 that a sharp break in livestock prices during the week ended Oct. 9 brought the Bureau of Labor Statistics' index of commodity prices in primary markets down 0.2%. In the past 3 months, the index has fluctuated within a range of less than one-half of 1%. At 102.8% of the 1926 average, it is only 3% higher than at this time last year.

The Department's announcement further stated:

"Farm Products and Foods"—Led by a decrease of 1.5% for livestock, average prices for farm products in primary markets dropped 0.7% during the week to the lowest level since March. Hogs and steers declined about 1%; cows, nearly 4%; and sheep, over 5%. Lower prices were also reported for rye, cotton, apples and citrus fruits, and for sweet potatoes and seeds. Higher prices for wheat brought the index for grains up 0.2%. Quotations were higher for eggs.

"Weakening prices for fruits and vegetables accounted for a decline of 0.1% in the foods group index. Prices were higher for rye and wheat flour.

"Industrial Commodities"—Quotations for natural gasoline at Oklahoma refineries advanced for the third consecutive week. The movement in prices for building materials was mixed—prices for rosin and turpentine again moved upward and millwork also averaged higher, sand and gravel, on the contrary, declined more than 1%.

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 Sept. 11, 1943 and Oct. 10, 1942, and the percentage changes from a week ago, a month ago, and a year ago:

| Commodity groups— | (1926=100) | | | Percentage changes to | | | |
|--|------------|-----------|-----------|-----------------------|------------|-----------|-------------|
| | 10-9 1943 | 10-2 1943 | 9-25 1943 | 9-11 1943 | 10-10 1942 | 10-2 1942 | 9-11 1942 |
| All commodities | 102.8 | 103.0 | 102.9 | 102.8 | 99.8 | -0.2 | 0 + 3.0 |
| Farm products | 122.7 | 123.6 | 123.8 | 123.2 | 108.9 | -0.7 | -0.4 + 12.7 |
| Food | 104.9 | 105.0 | 104.9 | 104.8 | 103.3 | -0.1 | +0.1 + 1.5 |
| 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 | 96.5 | 0 | 0 + 0.5 |
| Fuel and lighting materials | 81.8 | 81.7 | 81.6 | 81.7 | 79.7 | +0.1 | +0.1 + 2.6 |
| Metals and metal products | 103.8 | 103.8 | 103.8 | 103.8 | 103.9 | 0 | 0 - 0.1 |
| Building materials | 112.5 | 112.5 | 112.5 | 112.5 | 110.5 | 0 | 0 + 1.8 |
| Chemicals and allied products | 100.3 | 100.3 | 100.2 | 100.2 | 96.2 | 0 | +0.1 + 4.3 |
| Housefurnishing goods | 104.2 | 104.2 | 104.2 | 104.1 | 104.1 | 0 | 0 + 0.1 |
| Miscellaneous commodities | 93.1 | 93.1 | 92.6 | 92.6 | 88.4 | 0 | +0.5 + 5.3 |
| Raw materials | 112.1 | 112.5 | 112.6 | 112.2 | 102.6 | -0.4 | -0.1 + 9.3 |
| Semimanufactured articles | 92.8 | 92.8 | 92.8 | 92.8 | 92.8 | 0 | 0 + 0 |
| Manufactured products | 100.2 | 100.2 | 100.1 | 100.1 | 99.7 | 0 | +0.1 + 0.5 |
| All commodities other than farm products | 98.6 | 98.6 | 98.5 | 98.5 | 97.9 | 0 | +0.1 + 0.7 |
| All commodities other than farm products and foods | 97.5 | 97.5 | 97.4 | 97.4 | 95.7 | 0 | +0.1 + 1.9 |

Non-Ferrous Metals—WPB Removes Zinc From Critical List—Lead Sales Show Increase

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 Oct. 14 stated: "The War Production Board, in its latest 'Materials Substitutions and Supply List,' issued Oct. 11, admits that many non-ferrous metals and ferro-alloys now are in an easier position, but, it warns, this shift in the supply picture is not an indication that restrictions on their use can be lifted or that any of them will be available soon for general use."

However, metal producers were favorably impressed on learning that zinc has been removed from Group I, covering items in insufficient supply for war demands, to Group II, which embraces materials in sufficient supply to meet war needs. The Canadian authorities stated last week that zinc is in an improved position and restrictions on use of the metal in Canada have been eased. The publication further went on to say in part as follows:

Copper

"Allocation of copper for November needs of consumers will take place in the next day or two, and the industry is set to move about the same tonnage as in recent months.

"In the latest supply list of WPB, issued during the last week, copper is retained in Group I, covering materials in insufficient supply for war needs. "Weirton Steel is rolling brass. This step was taken because of labor shortages at brass plants and does not reflect lack of rolling capacity, copper experts hold.

Lead

"Sales of common lead for the last week were about 120% in excess of that in the week previous. Demand for lead has been holding

Zinc

"The WPB issued a statement on Oct. 9 clarifying several provisions of amended Conservation Order M-11-a. The Zinc Division pointed out that Lend-Lease supplies of manufactured items containing zinc have been removed from the list of general exceptions, and, as a result of the change, processors are now required to include such material in their totals when figuring the amount of zinc to which they are entitled under percentage limitations. The order now specifies that percentages be based on uses, or end products. Allotments may be used at the rate of 15% each quarter. New percentage limitations restrict users to 60% of their 1941 consumption on all grades. Coin coatings used by the

Treasury, and tokens, have been added to the list that permits limited use of zinc.

"Though WPB has been moving slowly in making more zinc available for civilian consumption, the Canadian authorities announced last week that the zinc position of the United Nations has been eased slightly. Consequently, use of zinc in galvanizing pipes up to and including 3 inches in diameter, and some adjustments in other Canadian quotas have been made. Use of zinc oxide as an ingredient of talcum powder, face cream, and other cosmetics is permitted in Canada for the first time since last in 1941. Munitions Minister Howe stated last week.

Tin

"Though Jesse Jones revealed recently that the total supply of tin on hand in the United States amounts to about 100,000 tons, the metal continues on the most critical list issued by WPB last week. Just as long as uncertainty exists about shipping conditions, controls on use of tin are not likely to be eased, the trade feels.

"Quotations for tin in the United States market continued unchanged last week. Straits quality tin for shipment, in cents per pound, was as follows:

| | Oct. | Nov. | Dec. |
|---------|--------|--------|--------|
| Oct. 7 | 52.000 | 52.000 | 52.000 |
| Oct. 8 | 52.000 | 52.000 | 52.000 |
| Oct. 9 | 52.000 | 52.000 | 52.000 |
| Oct. 11 | 52.000 | 52.000 | 52.000 |
| Oct. 12 | 52.000 | 52.000 | 52.000 |
| Oct. 13 | 52.000 | 52.000 | 52.000 |

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

Quicksilver

"Some dealers report that domestic producers appear to have calmed in the last week or so, believing that the supply situation is receiving careful attention in Washington and surplus production eventually will be taken care of under the stockpile program. Domestic production at present is believed to be well in excess of requirements. Output in Canada has been reduced in recent months, but greatly stimulated Mexican production remains near peak levels.

"Quotations for quicksilver in New York continued at \$195@197 per flask of 76 pounds.

Silver

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

"The New York Official for foreign silver and the Treasury's price were also unchanged at 44½¢ and 35¢, respectively. The New York Official on domestic metal is 70½¢.

"Silver production from domestic mines, in terms of recoverable metal, was 3,169,565 ounces in July, against 3,786,467 ounces (revised) for June. Production during the first seven months this year totaled 24,972,306 ounces. Mine output of silver during all of 1942 was 54,090,765 ounces. Figures include Alaskan production."

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.

Hurdman Named To Treasury Committee

The Treasury Department announced on Oct. 10 the appointment of Frederick H. Hurdman, of Hurdman & Cranston, New York City certified public accountants, as a member of its Committee on Practice. The five-man committee supervises the "Treasury bar," which is composed of about 70,000 lawyers and accountants practicing before various Treasury agencies.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Oct. 18 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 Oct. 2, 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 Oct. 2 (in round-lot transactions) totaled 1,133,772 shares, which amount was 16.86% of the total transactions on the Exchange of 3,363,760 shares. This compares with member trading during the week ended Sept. 25 of 1,530,088 shares, or 17.23% of total trading of 4,439,450 shares. On the New York Curb Exchange, member trading during the week ended Oct. 2 amounted to 247,250 shares, or 14.46% of the total volume on that exchange of 854,870 shares; during the Sept. 25 week trading for the account of Curb members of 402,255 shares was 15.65% of total trading of 1,284,920 shares.

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

| WEEK ENDED OCT. 2, 1943 | | |
|---|------------------|--------------|
| A. Total Round-Lot Sales: | Total for week | †Per Cent |
| Short sales | 75,480 | |
| ‡Other sales | 3,288,280 | |
| Total sales | 3,363,760 | |
| 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 | 275,560 | |
| Short sales | 34,410 | |
| ‡Other sales | 232,700 | |
| Total sales | 267,110 | 8.07 |
| 2. Other transactions initiated on the floor— | | |
| Total purchases | 187,430 | |
| Short sales | 15,000 | |
| ‡Other sales | 129,320 | |
| Total sales | 144,320 | 4.93 |
| 3. Other transactions initiated off the floor— | | |
| Total purchases | 105,938 | |
| Short sales | 11,700 | |
| ‡Other sales | 141,714 | |
| Total sales | 153,414 | 3.86 |
| 4. Total— | | |
| Total purchases | 568,928 | |
| Short sales | 61,110 | |
| ‡Other sales | 503,734 | |
| Total sales | 564,844 | 16.86 |

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

| WEEK ENDED OCT. 2, 1943 | | |
|--|----------------|--------------|
| A. Total Round-Lot Sales: | Total for week | †Per Cent |
| Short sales | 9,125 | |
| ‡Other sales | 845,745 | |
| Total sales | 854,870 | |
| B. Round-Lot Transactions for the Account of Members: | | |
| 1. Transactions of specialists in stocks in which they are registered— | | |
| Total purchases | 68,100 | |
| Short sales | 3,600 | |
| ‡Other sales | 72,125 | |
| Total sales | 75,725 | 8.41 |
| 2. Other transactions initiated on the floor— | | |
| Total purchases | 18,555 | |
| Short sales | 400 | |
| ‡Other sales | 17,175 | |
| Total sales | 17,575 | 2.11 |
| 3. Other transactions initiated off the floor— | | |
| Total purchases | 22,745 | |
| Short sales | 500 | |
| ‡Other sales | 44,050 | |
| Total sales | 44,550 | 3.94 |
| 4. Total— | | |
| Total purchases | 109,400 | |
| Short sales | 4,500 | |
| ‡Other sales | 133,350 | |
| Total sales | 137,850 | 14.46 |
| C. Odd-Lot Transactions for the Account of Specialists— | | |
| Customers' short sales | 0 | |
| ‡Customers' other sales | 35,756 | |
| Total purchases | 35,756 | |
| Total sales | 28,179 | |

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.
 †In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.
 ‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."
 §Sales marked "short exempt" are included with "other sales."

Daily Average Crude Oil Production For Week Ended Oct. 9, 1943 Increased 62,800 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Oct. 9, 1943, was 4,390,300 barrels, an increase of 62,800 barrels over the preceding week and 533,550 barrels per day more than produced during the week ended Oct. 10, 1942. The current figure also exceeded the daily average figure as recommended by the Petroleum Administration for War for the month of October, 1943, by 17,400 barrels. Daily output for the four weeks ended Oct. 9, 1943, averaged 4,359,500 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 4,094,000 barrels of crude oil daily and produced 12,206,000 barrels of gasoline; 1,311,000 barrels of kerosine; 4,616,000 barrels of distillate fuel oil, and 7,795,000 barrels of residual fuel oil during the week ended Oct. 9, 1943; and had in storage at the end of

that week 69,708,000 barrels of gasoline; 11,501,000 barrels of kerosine; 41,304,000 barrels of distillate fuel, and 66,585,000 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 October | *State Allowables Begin. Oct. 1 | Actual Production Week Ended Oct. 9, 1943 | Change from Previous Week | 4 Weeks Ended Oct. 9, 1943 | Week Ended Oct. 10, 1943 |
|---|-----------------------------------|---------------------------------|---|---------------------------|----------------------------|--------------------------|
| Oklahoma | 318,000 | 325,000 | 326,850 | + 1,050 | 326,300 | 365,850 |
| Kansas | 294,300 | 274,800 | 265,600 | - 6,650 | 282,700 | 276,300 |
| Nebraska | 1,800 | | 1,750 | - 50 | 1,750 | 3,350 |
| Panhandle Texas | | | 88,100 | -15,900 | 100,050 | 85,200 |
| North Texas | | | 138,300 | - 2,300 | 140,000 | 140,000 |
| West Texas | | | 354,050 | +20,550 | 338,650 | 206,000 |
| East Central Texas | | | 135,250 | + 4,050 | 132,100 | 90,400 |
| East Texas | | | 368,700 | -11,300 | 377,150 | 362,000 |
| Southwest Texas | | | 288,150 | +24,600 | 269,700 | 161,700 |
| Coastal Texas | | | 519,350 | +34,050 | 493,800 | 304,000 |
| Total Texas | 1,871,300 | 1,884,429 | 1,891,900 | +53,750 | 1,851,450 | 1,349,300 |
| North Louisiana | | | 81,500 | | 81,700 | 97,700 |
| Coastal Louisiana | | | 279,000 | + 500 | 278,650 | 228,000 |
| Total Louisiana | 352,700 | 372,700 | 360,500 | + 500 | 360,350 | 325,700 |
| Arkansas | 77,000 | 75,401 | 78,450 | + 1,800 | 77,200 | 73,400 |
| Mississippi | 50,000 | | 47,550 | - 1,450 | 48,550 | 70,950 |
| Illinois | 297,500 | | 235,900 | +16,200 | 222,100 | 272,000 |
| Indiana | 13,800 | | 14,150 | + 50 | 14,400 | 17,950 |
| Eastern— (Not incl. Ill., Ind. and Ky.) | | | 72,500 | - 5,500 | 75,500 | 82,400 |
| Kentucky | 24,000 | | 26,500 | + 3,850 | 25,350 | 11,200 |
| Michigan | 59,000 | | 54,700 | - 1,700 | 56,550 | 61,800 |
| Wyoming | 97,000 | | 105,150 | + 3,350 | 103,550 | 90,100 |
| Montana | 23,000 | | 21,400 | - 1,600 | 21,450 | 21,800 |
| Colorado | 7,000 | | 7,350 | + 350 | 7,250 | 6,950 |
| New Mexico | 111,000 | 111,000 | 109,350 | - 1,650 | 109,350 | 97,900 |
| Total East of Calif. | 3,586,900 | | 3,619,600 | +65,600 | 3,583,800 | 3,126,950 |
| California | 786,000 | 786,000 | 770,700 | - 8,800 | 775,700 | 729,800 |
| Total United States | 4,372,900 | | 4,390,300 | +62,800 | 4,359,500 | 3,856,750 |

*P.A.W. recommendations and state allowables, as shown above, represent the production of Crude Oil only, and do not include amounts of condensate and natural gas derivatives to be produced.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. Oct. 7, 1943.
 ‡This is the net basic allowable as of Oct. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 8 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 OCT. 9, 1943

| District— | Daily Refining Capacity | Crude Runs to Stills | Production | | Stocks of Gas Oil | Stocks of Residual Fuel Oil | | |
|---|-------------------------|----------------------|----------------|------------|-------------------|-----------------------------|--------|--------|
| | | | at Re-fineries | Unfinished | | | | |
| Poten-tial | % Re-ported | Average | Crude | Blended | Gasoline | Fuels | | |
| *Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas. | 2,444 | 88.7 | 2,093 | 85.6 | 5,819 | 30,945 | 19,620 | 18,878 |
| Appalachian— | | | | | | | | |
| District No. 1 | 130 | 83.9 | 87 | 66.9 | 270 | 1,489 | 789 | 263 |
| District No. 2 | 47 | 87.2 | 45 | 95.7 | 139 | 731 | 79 | 150 |
| Ind., Ill., Ky. | 824 | 85.2 | 717 | 87.0 | 2,574 | 13,573 | 6,109 | 3,189 |
| Okl., Kans., Mo. | 416 | 80.1 | 334 | 80.3 | 1,254 | 6,115 | 2,379 | 1,532 |
| Rocky Mountain— | | | | | | | | |
| District No. 3 | 8 | 26.9 | 8 | 100.0 | 31 | 65 | 25 | 32 |
| District No. 4 | 139 | 57.7 | 92 | 66.2 | 283 | 1,100 | 426 | 694 |
| California | 817 | 89.9 | 718 | 87.9 | 1,836 | 15,690 | 11,877 | 41,847 |
| Tot. U. S. B. of M. basis Oct. 9, 1943— | 4,825 | 86.4 | 4,094 | 84.8 | 12,206 | 69,708 | 41,304 | 66,585 |
| Tot. U. S. B. of M. basis Oct. 2, 1943— | 4,825 | 86.4 | 4,159 | 86.2 | 12,414 | 70,128 | 40,898 | 66,407 |
| U. S. Bur. of Mines basis Oct. 10 1942— | | | 3,765 | | 11,503 | 77,406 | 46,161 | 78,838 |

*At the request of the Petroleum Administration for War. †Finished, 59,676,000 barrels; unfinished, 10,032,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,311,000 barrels of kerosine, 4,616,000 barrels of gas oil and distillate fuel oil and 7,795,000 barrels of residual fuel oil produced during the week ended Oct. 9, 1943, which compares with 1,460,000 barrels, 4,566,000 barrels and 8,483,000 barrels, respectively, in the preceding week, and 1,334,000 barrels, 4,258,000 barrels and 7,054,000 barrels, respectively, in the week ended Oct. 10, 1942. †Revised in "Combined Area" due to misunderstanding on part of reporting company.

Finland Signs Debt Pact

Hjalmar J. Procope, Minister of Finland, and Acting Secretary of the Treasury Daniel W. Bell on Oct. 14 executed an agreement under which the Republic of Finland will undertake to pay the sum of \$845,287.24 to the United States, in 20 equal annuities payable in semi-annual instalments. The Treasury Department announcement added:

"The sum of \$845,287.24 was payable by Finland to the United States during the period from Jan. 1, 1941, to Dec. 31, 1942, but was postponed under a joint resolution of Congress approved on June 12, 1941.

"The amounts postponed were as follows:

| Date Payable | Funding Agreement of May 1, 1923— | | Agreement of May 23, 1932 | Agreement of May 1, 1941 | Total |
|-------------------|-----------------------------------|---------------------|---------------------------|--------------------------|---------------------|
| | Principal | Interest | | | |
| June 15, 1941 | | \$139,037.50 | \$19,030.50 | \$13,695.06 | \$171,763.06 |
| December 15, 1941 | \$79,000 | 139,037.50 | 19,030.50 | 13,695.06 | 250,763.06 |
| June 15, 1942 | | 137,655.00 | 19,030.50 | 13,695.06 | 170,380.56 |
| December 15, 1942 | 82,000 | 137,655.00 | 19,030.50 | 13,695.06 | 252,380.56 |
| Total | \$163,000 | \$553,385.00 | \$76,122.00 | \$54,780.24 | \$845,287.24 |

"Under the terms of the agreement, Finland is required to pay annually \$42,264.36. These payments are to be made in two instalments of \$21,132.18 on June 15 and on Dec. 15. The first payment under this agreement will be due on June 15, 1945."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Oct. 18 a summary for the week ended Oct. 9 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 Oct. 9, 1943 | |
|--|----------------|
| Odd-Lot Sales by Dealers— (Customers' purchases) | Total for Week |
| Number of orders | 15,964 |
| Number of shares | 436,137 |
| Dollar value | 16,866,332 |
| Odd-Lot Purchases by Dealers— (Customers' Sales) | |
| Number of Orders: | |
| Customers' short sales | 198 |
| Customers' other sales | 15,918 |
| Customers' total sales | 16,116 |
| Number of Shares: | |
| Customers' short sales | 4,593 |
| Customers' other sales | 386,574 |
| Customers' total sales | 391,167 |
| Dollar value | 13,778,772 |

| Round-Lot Sales by Dealers— | |
|-----------------------------|---------|
| Number of Shares: | |
| Short sales | 130 |
| Other sales | 106,510 |
| Total sales | 106,640 |

| Round-Lot Purchases by Dealers— | |
|---------------------------------|---------|
| Number of shares | 136,350 |

*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."

Landis Becomes Middle East Supply Aide

James M. Landis, who recently resigned as Director of the Office of Civilian Defense in order to accept President Roosevelt's appointment as "American Director of Economic Operations in the Middle East and principal American Civilian Representative at the Middle East Supply Center with the personal rank of Minister," began his new duties in Cairo, Egypt, on Oct. 6.

Mr. Landis, who is on leave of absence as Dean of the Harvard Law School, had directed the OCD since February, 1942.

The White House announcement said Mr. Landis will be assigned to our legations in the Middle East as Special Assistant to the Minister to facilitate his duties in connection with his work in Cairo and the area serviced by the Middle East Supply Center.

Edw. McTague Elected To Management Society Post

Edward A. McTague has been appointed to the new post of Executive Director of the Society for the Advancement of Management, according to an announcement by Percy S. Brown, President of that international organization. Prior to his appointment, Mr. McTague was Director of the Philadelphia Chapter of the Society, and for seven years maintained his own office in that city as a management consultant. He also served as sales promotion manager of the American Radiator Co.

The Society, whose headquarters are at 29 West 39th Street, New York, has chapters in 23 cities, in addition to its Canadian chapter and its memberships in South America, Asia, Australia and Europe. "The post which Mr. McTague's appointment fills," Mr. Brown said, "was created because of the growth of projects involving industry and government agencies in connection with war production, as well as the development of our post-war planning work, which will include revival of chapters in occupied Europe."

Revenue Freight Car Loadings During Week Ended Oct. 9, 1943 Fell Off 4,367 Cars

Loading of revenue freight for the week ended Oct. 9, 1943, totaled 906,276 cars, the Association of American Railroads announced on Oct. 14. This was a decrease under the corresponding week of 1942 of 2,974 cars, or 0.3%, but an increase above the same week in 1941 of 2,399 cars or 0.3%.

Loading of revenue freight for the week of Oct. 9 decreased 4,376 cars, or 0.5% below the preceding week.

Miscellaneous freight loading totaled 401,237 cars, a decrease of 5,383 cars below the preceding week, and a decrease of 31,712 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 102,843 cars, an increase of 604 cars above the preceding week, and an increase of 10,067 cars above the corresponding week in 1942.

Coal loading amounted to 179,333 cars, an increase of 61 cars above the preceding week, and an increase of 12,175 cars above the corresponding week in 1942.

Grain and grain products loading totaled 59,521 cars, an increase of 6,026 cars above the preceding week, and an increase of 8,448 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of Oct. 9 totaled 41,087 cars, an increase of 3,776 cars above the preceding week and an increase of 6,743 cars above the corresponding week in 1942.

Live stock loading amounted to 22,059 cars, a decrease of 1,449 cars below the preceding week, and a decrease of 449 cars below the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of Oct. 9, totaled 17,759 cars, a decrease of 1,249 cars below the preceding week, and a decrease of 440 cars below the corresponding week in 1942.

Forest products loading totaled 45,472 cars, a decrease of 469 cars below the preceding week and a decrease of 4,002 cars below the corresponding week in 1942.

Ore loading amounted to 81,099 cars, a decrease of 3,566 cars below the preceding week but an increase of 2,243 cars above the corresponding week in 1942.

Coke loading amounted to 14,712 cars, a decrease of 191 cars below the preceding week, but an increase of 256 cars above the corresponding week in 1942.

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

| | 1943 | 1942 | 1941 |
|----------------------|------------|------------|------------|
| 5 weeks of January | 3,530,849 | 3,858,479 | 3,454,409 |
| 4 weeks of February | 3,055,640 | 3,122,942 | 2,866,565 |
| 4 weeks of March | 3,073,426 | 3,174,781 | 3,066,011 |
| 4 weeks of April | 3,136,253 | 3,350,996 | 2,793,630 |
| 5 weeks of May | 4,149,708 | 4,170,548 | 4,160,060 |
| 4 weeks of June | 3,151,146 | 3,385,655 | 3,510,057 |
| 5 weeks of July | 4,307,406 | 4,185,135 | 4,295,457 |
| 4 weeks of August | 3,554,446 | 3,487,905 | 3,581,250 |
| 4 weeks of September | 3,545,823 | 3,503,383 | 3,540,210 |
| Week of October 2 | 910,643 | 907,286 | 917,896 |
| Week of October 9 | 906,276 | 909,250 | 903,877 |
| Total | 33,321,616 | 34,056,360 | 33,089,522 |

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Oct. 9, 1943. During this period 58 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED OCT. 9

| Railroads | Total Revenue Freight Loaded | | Total Loads Received from Connections | |
|------------------------------------|------------------------------|---------|---------------------------------------|---------|
| | 1943 | 1942 | 1943 | 1942 |
| Eastern District— | | | | |
| Ann Arbor | 264 | 317 | 566 | 1,498 |
| Bangor & Aroostook | 1,395 | 1,332 | 1,245 | 194 |
| Boston & Maine | 6,895 | 6,252 | 9,047 | 15,486 |
| Chicago, Indianapolis & Louisville | 1,444 | 1,479 | 1,591 | 2,153 |
| Central Indiana | 54 | 45 | 26 | 30 |
| Central Vermont | 1,174 | 1,075 | 1,506 | 2,714 |
| Delaware & Hudson | 6,297 | 6,259 | 7,562 | 11,069 |
| Delaware, Lackawanna & Western | 7,705 | 7,486 | 9,729 | 11,440 |
| Detroit & Mackinac | 289 | 839 | 502 | 1,183 |
| Detroit, Toledo & Ironton | 1,929 | 1,736 | 2,366 | 1,231 |
| Detroit & Toledo Shore Line | 302 | 367 | 406 | 2,276 |
| Erie | 13,800 | 12,428 | 16,447 | 20,270 |
| Grand Trunk Western | 3,761 | 4,432 | 5,148 | 7,907 |
| Lehigh & Hudson River | 205 | 176 | 217 | 2,524 |
| Lehigh & New England | 2,139 | 1,713 | 2,238 | 1,867 |
| Lehigh Valley | 8,916 | 8,207 | 10,120 | 15,575 |
| Maine Central | 2,432 | 2,461 | 3,221 | 3,037 |
| Monongahela | 6,218 | 6,125 | 7,101 | 481 |
| Montour | 2,323 | 2,407 | 2,073 | 40 |
| New York Central Lines | 54,580 | 49,893 | 52,461 | 55,743 |
| N. Y., N. H. & Hartford | 9,904 | 9,636 | 12,631 | 20,375 |
| New York, Ontario & Western | 1,328 | 1,137 | 1,283 | 2,396 |
| New York, Chicago & St. Louis | 7,100 | 8,298 | 7,023 | 17,531 |
| N. Y., Susquehanna & Western | 683 | 422 | 526 | 2,223 |
| Pittsburgh & Lake Erie | 7,907 | 7,870 | 9,085 | 8,155 |
| Pere Marquette | 5,557 | 5,792 | 6,315 | 7,391 |
| Pittsburg & Shawmut | 1,130 | 779 | 669 | 10 |
| Pittsburg, Shawmut & North | 409 | 418 | 421 | 316 |
| Pittsburg & West Virginia | 1,165 | 1,031 | 1,277 | 2,974 |
| Rutland | 365 | 403 | 615 | 1,104 |
| Wabash | 6,851 | 6,166 | 5,946 | 13,979 |
| Wheeling & Lake Erie | 5,516 | 5,668 | 5,390 | 4,448 |
| Total | 170,058 | 162,649 | 184,753 | 236,861 |
| Allegheny District— | | | | |
| Akron, Canton & Youngstown | 830 | 733 | 725 | 1,286 |
| Baltimore & Ohio | 44,859 | 40,384 | 41,447 | 29,423 |
| Bessemer & Lake Erie | 6,081 | 6,855 | 5,847 | 1,863 |
| Buffalo Creek & Gauley | 305 | 336 | 313 | 4 |
| Cambria & Indiana | 1,758 | 1,862 | 2,001 | 8 |
| Central R. R. of New Jersey | 7,102 | 7,344 | 8,492 | 21,738 |
| Cornwall | 674 | 718 | 732 | 72 |
| Cumberland & Pennsylvania | 229 | 244 | 295 | 11 |
| Ligonier Valley | 143 | 131 | 135 | 37 |
| Long Island | 1,543 | 1,365 | 899 | 3,937 |
| Penn-Reading Seashore Lines | 1,988 | 1,960 | 1,774 | 2,833 |
| Pennsylvania System | 86,146 | 84,827 | 88,152 | 62,697 |
| Reading Co. | 15,324 | 15,517 | 17,563 | 28,463 |
| Union (Pittsburgh) | 21,223 | 21,156 | 19,963 | 8,148 |
| Western Maryland | 4,055 | 3,888 | 4,449 | 12,220 |
| Total | 192,270 | 187,320 | 192,787 | 172,740 |
| Pocahontas District— | | | | |
| Chesapeake & Ohio | 28,656 | 28,038 | 30,232 | 15,209 |
| Norfolk & Western | 22,369 | 22,448 | 25,324 | 6,863 |
| Virginian | 4,525 | 4,530 | 4,684 | 2,527 |
| Total | 55,550 | 55,016 | 60,240 | 24,599 |

| Railroads | Total Revenue Freight Loaded | | | Total Loads Received from Connections | |
|---------------------------------|------------------------------|---------|---------|---------------------------------------|---------|
| | 1943 | 1942 | 1941 | 1943 | 1942 |
| Southern District— | | | | | |
| Alabama, Tennessee & Northern | 329 | 314 | 380 | 423 | 331 |
| Atl. & W. P.—W. R. R. of Ala. | 717 | 779 | 901 | 2,805 | 2,780 |
| Atlanta, Birmingham & Coast | 707 | 769 | 854 | 1,102 | 1,267 |
| Atlantic Coast Line | 10,897 | 10,848 | 11,115 | 9,785 | 11,218 |
| Central of Georgia | 3,866 | 4,276 | 4,861 | 4,751 | 5,034 |
| Charleston & Western Carolina | 431 | 382 | 472 | 1,337 | 1,495 |
| Chickamauga | 1,676 | 1,800 | 1,768 | 2,675 | 2,664 |
| Columbus & Greenville | 353 | 566 | 394 | 189 | 268 |
| Durham & Southern | 144 | 122 | 214 | 651 | 664 |
| Florida East Coast | 1,075 | 865 | 422 | 1,381 | 1,325 |
| Gainesville Midland | 49 | 39 | 41 | 105 | 108 |
| Georgia | 1,188 | 1,460 | 1,467 | 3,285 | 3,015 |
| Georgia & Florida | 402 | 360 | 535 | 572 | 460 |
| Gulf, Mobile & Ohio | 4,323 | 4,687 | 4,313 | 4,546 | 5,016 |
| Illinois Central System | 30,359 | 32,205 | 28,388 | 17,685 | 17,948 |
| Louisville & Nashville | 25,873 | 25,827 | 27,064 | 12,592 | 11,699 |
| Macon, Dublin & Savannah | 180 | 240 | 185 | 680 | 665 |
| Mississippi Central | 239 | 214 | 183 | 401 | 655 |
| Nashville, Chattanooga & St. L. | 3,714 | 3,837 | 3,839 | 4,784 | 4,991 |
| Norfolk Southern | 1,151 | 1,297 | 1,530 | 1,977 | 1,651 |
| Piedmont Northern | 382 | 321 | 512 | 1,265 | 1,264 |
| Richmond, Fred. & Potomac | 425 | 597 | 369 | 9,698 | 10,004 |
| Seaboard Air Line | 9,911 | 10,116 | 10,775 | 8,908 | 8,991 |
| Southern System | 23,508 | 24,170 | 26,361 | 24,138 | 24,810 |
| Tennessee Central | 553 | 540 | 500 | 914 | 1,159 |
| Winston-Salem Southbound | 154 | 130 | 173 | 983 | 1,039 |
| Total | 122,622 | 126,761 | 127,262 | 117,632 | 120,511 |

| Railroads | Total Revenue Freight Loaded | | | Total Loads Received from Connections | |
|----------------------------------|------------------------------|---------|---------|---------------------------------------|--------|
| | 1943 | 1942 | 1941 | 1943 | 1942 |
| Northwestern District— | | | | | |
| Chicago & North Western | 23,340 | 22,974 | 22,598 | 15,978 | 15,723 |
| Chicago Great Western | 3,168 | 2,522 | 2,981 | 3,526 | 3,848 |
| Chicago, Milw., St. P. & Pac. | 23,816 | 23,293 | 23,964 | 11,821 | 11,062 |
| Chicago, St. Paul, Minn. & Omaha | 4,317 | 3,943 | 4,291 | 4,605 | 4,903 |
| Duluth, Missabe & Iron Range | 28,166 | 28,116 | 21,284 | 191 | 339 |
| Duluth, South Shore & Atlantic | 1,095 | 992 | 1,038 | 571 | 1,076 |
| Elgin, Joliet & Eastern | 8,633 | 10,410 | 9,993 | 11,316 | 11,021 |
| Ft. Dodge, Des Moines & South | 239 | 551 | 583 | 94 | 121 |
| Great Northern | 28,720 | 29,240 | 25,400 | 5,910 | 5,793 |
| Green Bay & Western | 660 | 572 | 640 | 1,081 | 776 |
| Lake Superior & Ishpeming | 1,750 | 2,257 | 1,960 | 37 | 48 |
| Minneapolis & St. Louis | 2,633 | 2,421 | 2,722 | 2,864 | 3,236 |
| Minn., St. Paul & S. S. M. | 8,078 | 8,460 | 7,604 | 3,149 | 3,316 |
| Northern Pacific | 14,550 | 14,684 | 13,694 | 6,034 | 5,912 |
| Spokane International | 123 | 252 | 186 | 431 | 597 |
| Spokane, Portland & Seattle | 2,646 | 2,784 | 2,701 | 3,462 | 3,569 |
| Total | 152,193 | 153,477 | 141,089 | 71,070 | 71,340 |

| Railroads | Total Revenue Freight Loaded | | | Total Loads Received from Connections | |
|----------------------------------|------------------------------|---------|---------|---------------------------------------|---------|
| | 1943 | 1942 | 1941 | 1943 | 1942 |
| Central Western District— | | | | | |
| Ach., Top. & Santa Fe System | 23,635 | 24,928 | 24,004 | 14,984 | 14,214 |
| Aiton | 3,260 | 3,640 | 3,100 | 4,030 | 4,954 |
| Bingham & Garfield | 487 | 515 | 673 | 89 | 91 |
| Chicago, Burlington & Quincy | 21,897 | 23,122 | 18,817 | 13,166 | 13,475 |
| Chicago & Illinois Midland | 3,066 | 2,497 | 2,599 | 910 | 889 |
| Chicago, Rock Island & Pacific | 12,709 | 13,378 | 13,422 | 13,002 | 13,537 |
| Chicago & Eastern Illinois | 2,702 | 3,098 | 2,842 | 5,851 | 4,568 |
| Colorado & Southern | 1,240 | 1,230 | 1,033 | 2,793 | 2,066 |
| Denver & Rio Grande Western | 4,801 | 5,335 | 4,720 | 5,854 | 7,227 |
| Denver & Salt Lake | 551 | 1,026 | 1,054 | 17 | 14 |
| Fort Worth & Denver City | 1,497 | 1,502 | 1,141 | 1,804 | 1,732 |
| Illinois Terminal | 2,096 | 1,970 | 1,906 | 2,243 | 2,123 |
| Nevada Northern | 1,189 | 1,385 | 1,044 | 494 | 631 |
| Missouri-Illinois | 2,013 | 2,219 | 2,046 | 142 | 109 |
| North Western Pacific | 1,152 | 1,151 | 1,402 | 772 | 729 |
| Peoria & Pekin Union | 10 | 19 | 17 | 0 | 0 |
| Southern Pacific (Pacific) | 32,631 | 33,555 | 32,873 | 14,761 | 11,554 |
| Toledo, Peoria & Western | 329 | 394 | 357 | 1,828 | 2,368 |
| Union Pacific System | 20,457 | 21,027 | 21,446 | 18,657 | 19,142 |
| Utah | 609 | 687 | 564 | 6 | 2 |
| Western Pacific | 2,234 | 2,480 | 2,140 | 5,020 | 5,255 |
| Total | 138,565 | 145,198 | 137,200 | 106,423 | 104,684 |

| Railroads | Total Revenue Freight Loaded | | | Total Loads Received from Connections | |
|-------------------------------|------------------------------|--------|--------|---------------------------------------|--------|
| | 1943 | 1942 | 1941 | 1943 | 1942 |
| Southwestern District— | | | | | |
| Burlington-Rock Island | 350 | 804 | 183 | 168 | 297 |
| Gulf Coast Lines | 5,642 | 4,700 | 3,339 | 3,143 | 2,977 |
| International-Great Northern | 2,486 | 3,974 | 1,968 | 3,502 | 2,747 |
| Kansas, Oklahoma & Gulf | 261 | 423 | 193 | 1,183 | 1,090 |
| Kansas City Southern | 5,734 | 5,157 | 2,840 | 2,977 | 2,669 |
| Louisiana & Arkansas | 3,108 | 3,637 | 2,511 | 2,559 | 2,213 |
| Litchfield & Madison | 326 | 258 | 356 | 1,558 | 1,170 |
| Midland Valley | 699 | 946 | 765 | 304 | 203 |
| Missouri & Arkansas | 170 | 225 | 220 | 496 | 378 |
| Missouri-Kansas-Texas Lines | 6,286 | 5,992 | 5,119 | 6,341 | 5,516 |
| Missouri Pacific | 18,323 | 20,411 | 18,133 | 19,320 | 21,543 |
| Quahar Aome & Pacific | 72 | 101 | 78 | 279 | 266 |
| St. Louis-San Francisco | 9,660 | 10,416 | 9,704 | 10,724 | 8,683 |
| St. Louis Southwestern | 3,166 | 3,627 | 3,299 | 6,538 | 6,352 |
| Texas & New Orleans | 13,625 | 13,307 | 7,150 | 5,413 | 4,729 |
| Texas Falls & Southern | 4, | | | | |

Items About Banks, Trust Companies

Paul Windels, partner in the law firm of Spence, Windels, Walsler, Hotchkiss & Angell, and formerly Corporation Counsel of New York City, has been elected a Trustee of the Bowery Savings Bank, New York City.

Theodore T. Neilson, Manager of the Lincoln Square branch of the Corn Exchange Bank Trust Co., New York City, died on October 12 at the Medical Center in New York. He was 67 years old. Mr. Neilson's banking career extended over 50 years, 20 of which he was Manager of the former Colonial Bank.

Eugene W. Stetson, President of the Guaranty Trust Company of New York, has announced the appointment of William Towson Taylor as Vice-President. Mr. Taylor has just resigned as President of the Union Trust Company of Springfield, Mass., to become effective Jan. 1, 1944, to accept his appointment with the Guaranty Trust Company. He will be associated with the company's banking relationships in Pennsylvania, Ohio and West Virginia. Mr. Taylor was graduated from Columbia College in 1921 with the degree of A. B. and from Columbia Law School in 1923 with the degree of LL. B. For about a year after his admission to the Bar in 1923, Mr. Taylor engaged in general practice of law with O'Brien, Boardman, Parker & Fox, in New York City. During the years from 1924 to 1928, he was Assistant to the Dean and Secretary of the Faculty of Law of Columbia University. From 1928 to 1941, Mr. Taylor was Vice-President of the Commercial National Bank & Trust Company of New York, and since Feb. 1, 1941, he has been President of the Union Trust Company of Springfield, Mass.

Mr. Taylor received the decoration of Chevalier de L'Ordre de la Couronne of Belgium for activity in connection with the reconstruction of the library of the University of Louvain. He is a Director of the Lincolnfield Mills Corp.; a member of the Executive Council, Massachusetts Bankers Association; Chairman of Massachusetts Region No. 4 United States Treasury War Finance Committee; member of the Banking Division of the National Industrial Information Committee; Corporator of the Hampden Savings Bank, Springfield, Mass.; member of the Board of Trustees of Springfield College; Vice-President and Director of the Springfield Chamber of Commerce, and has various other affiliations.

Nathan S. Jonas, of Brooklyn, N. Y., retired Chairman of the Board of the Manufacturers Trust Co., New York City, died on October 17. Mr. Jonas, who was 75, was widely known for his philanthropies, and was a leader in civic affairs. His banking career began in 1905 when he helped organize the Citizens Trust Co., of Brooklyn, serving as its first President.

From the Brooklyn "Eagle" of October 18 we take the following: "The Manufacturers Trust Company was the outgrowth of the humble Citizens Trust Company, the realization of a well-conceived and definite plan of expansion.

"Mr. Jonas' plan was not to open new branches which would have to build up new clienteles in face of keen competition. He determined to wait patiently until he could purchase established banks which for one reason or another had come on the market.

"The first merger was that in 1912 of the Broadway Trust Company with \$4,000,000 resources and the Citizens Trust Company, with resources of only \$2,000,000. Next came the merger with the Manufacturers National Bank of Brooklyn, at which time the name was changed to Manufacturers Trust Company. In 1929 Mr. Jonas be-

came Chairman of the Board.

"For a time in 1930 negotiations for merger of the Manufacturers with the Bank of United States, the Public National Bank & Trust Co. and the International Trust Company were conducted, but the deal never culminated.

"The end of his control of the bank came in 1931, when it was suddenly announced that the working control of the Manufacturers Trust Company had passed to a group headed by Harvey D. Gibson.

"Mr. Gibson became President in January, 1931. Mr. Jonas resigned as Chairman of the Board in August, 1931, and soon after ended his connection with the financial institution he had created."

The philanthropies of Mr. Jonas included founding the Jewish Hospital and the Brooklyn Federation of Charities.

James O. Hagen, a Director and member of the Finance Committee of the Suffolk County Trust Co., Riverhead, L. I., died on October 10 at the Columbia Presbyterian Medical Center, New York City. He was 62 years old.

Two new directors, Arthur C. Hoyt and Wilfred L. Richardson, were elected at a meeting of the Board of Directors of the County Trust Company of White Plains, N. Y., held October 13. Mr. Hoyt was formerly President and a director of the First National Bank of Pleasantville and the former Secretary-Treasurer of the Johns Manville Corp. Presently, he is President and a director of R. S. McMannus Steel Corp. of Buffalo and also Vice-President, Treasurer, and director of Vapre Corp., a bottle gas manufacturing concern at Brewster. Mr. Richardson was associated for over 30 years with the First National Bank of New York, specializing in loans and credits and more recently was Vice-President and director of the First National Bank of Pleasantville.

The Manufacturers & Traders Trust Co., Buffalo, N. Y., announces the addition of George A. Newbury, Edward W. Miller and John N. Garver to its Board of Directors. Mr. Newbury, a Buffalo attorney, has been legal counsel for the bank for a number of years, while Mr. Miller and Mr. Garver are Vice-Presidents of the bank.

Arthur P. Bartholomew, Secretary-Treasurer of the Eastman Savings & Loan Association, Rochester, and a member of the New York State Banking Board, died on October 10 at his home in Rochester. He was 62 years old. Mr. Bartholomew had served on the State Banking Board since his appointment by Governor Lehman in October, 1942. He was renamed by Governor Dewey. Mr. Bartholomew had a long and successful career in the savings and loan business. In January, 1921, he was instrumental in organizing the Eastman Savings and Loan Association of Rochester, a part of the Eastman Kodak Co. As Secretary-Treasurer and Managing Director, he guided the destinies of the Association. Mr. Bartholomew was prominent in local financial and civic circles, having served as President of the Monroe County League of Savings and Loan Associations and as President of Group Two of the New York State League of Savings and Loan Associations.

The Glenville Bank, Scotia, N. Y., has received permission from the State Banking Department to increase its capital stock from \$75,000, consisting of 3,000 shares having a par value of \$25 each, to \$100,000, consisting of 4,000 shares with a par value of \$25 each.

At a meeting of the Board of Directors of the State Street Trust Company of Boston held October 18, Ernest W. Lay, Auditor of the bank for several years, was elected Treasurer to succeed the late Walter F. Pickett, and C. Wendell Holmes, Assistant Treasurer, was promoted to Auditor.

Alfred L. Ripley, Chairman of the Board and former President of the Merchants National Bank of Boston and active in banking circles for more than 50 years, died on October 13 at his home in Andover, Mass. He was 84 years old. A native of Hartford, Conn., Mr. Ripley was a Professor of Latin and German at Yale University in 1888, from which he was graduated 10 years earlier. The following additional information regarding his career was reported in the Boston "Herald" of October 14:

"He gave up teaching in 1890 to go into banking with the Hide and Leather Bank in Boston, of which his father was President. When the bank merged with the State National Bank, he became President of the new organization.

"After another merger, with the Merchants National Bank, Mr. Ripley became Vice-President, and in 1917, President, until his resignation in 1929, when he was made Chairman of the Board, a position he held at the time of his death.

"From 1923 to 1931 he was President of the Boston Clearing House Association, and from 1923 to 1937 he was a Director of the Federal Reserve Bank of Boston.

"Mr. Ripley also was Trustee and Vice-President of the Provident Institution for Savings, Trustee of William Underwood Co. and Director of the Franklin Company.

"He was Trustee and President of the Board of Trustees of Phillips Academy for many years. In 1900, he became a member of the Prudential Committee of Yale University, and in 1905 a member of the Finance Committee.

Charles A. Rathbone, Cashier of the Haverhill (Mass.) National Bank, and Treasurer of the Community Chest and National War Fund Drive, died suddenly on October 9 at Pine Point, Maine, where he had gone on a vacation. Mr. Rathbone, who was born at Norwich, Conn., was 61 years of age. He was a President of the Boston Chapter of the American Institute of Banking and had served for three years on the National Executive Committee of that organization. According to Haverhill newspaper advices, which also stated:

He was with the State National and Merchants National banks of Boston for 12 years, later becoming Treasurer of the Norwood Trust Co., a position he held for two years. After a short tenure of office with the First and Old Detroit National Bank, Detroit, Mich., he returned to New England, in 1919, as Assistant Cashier of the First National Bank of Haverhill. He was made Cashier in 1920. When that bank failed to open after the bank holiday in 1933 he was placed in charge of the bank as conservator by the Comptroller of Currency. He closed up the affairs of the First National Bank when the final portion of a 43 1/4% dividend was paid to shareholders who paid an assessment on their stock.

He joined the staff of the Haverhill National Bank in 1933. He became Cashier July 1, 1940, succeeding Otis E. Little.

He was Secretary-Treasurer of the Merrimack Valley Clearing Association.

Stockholders of the Mechanics National Bank, Providence, R. I., voted on October 19 to place the bank in voluntary liquidation and the Industrial Trust Co., Providence, has arranged to purchase the assets and assume the liabilities.

Shirley Harrington, President of

the 120-year-old Mechanics National, explained that for some time the Industrial Trust has owned more than two-thirds of the \$500,000 capital stock of the Mechanics. The June 30, 1943, statement listed total resources in excess of \$8,709,000 and deposits of over \$7,978,000.

According to the Providence "Journal" the Mechanics National Bank will continue existence as a corporate entity to liquidate remaining assets for the benefit of stockholders.

The same paper reports Mr. Harrington as stating in a letter to stockholders that if liquidation is approved, it is possible on the basis of the June 30 statement of condition that stockholders will ultimately receive about \$36.50 per share for their holdings. Par value is \$25 a share.

Ralph W. Chapin, Secretary of the State Savings Bank, Hartford, has been elected President of the Mutual Savings Bank Association of Connecticut. Other officers elected were: Vice-President, Grosvenor Ely, President of Chelsea Savings Bank of Norwich; Secretary, William J. Lum, Secretary-Treasurer of the Dime Savings Bank of Wallingford, and Treasurer, Jesse B. Stinson, Groton Savings Bank of Mystic.

Dean H. Travis, Assistant Vice-President of the Manufacturers Trust Co., New York City, has been elected President and a Director of the First National Bank & Trust Co., Summit, N. J. Mr. Travis, who has been an officer of the Manufacturers Trust for the last 11 years, succeeds the late William Durling. Mr. Durling's death was referred to in our issue of April 29, page 1608.

Charles A. Conrad, Vice-President of the Carteret (N. J.) Bank & Trust Co., died on October 13 at his home in Carteret. Mr. Conrad was one of the founders of the bank in 1923 and also served as a Director of the institution. He was also President and Director of the Carteret Building and Loan Association and First Vice-President and Director of the United Roosevelt Savings and Loan Association.

Stockholders of the Tradesmen's National Bank, Conshohocken, Pa., on October 11 voted approval of a plan of voluntary liquidation. In the Philadelphia "Inquirer" of October 12, the following was also reported:

Assets of the bank will be purchased at face value by the First National Bank of Conshohocken, a competitive organization, and by October 30 the Tradesmen's entire business will have been absorbed by the First National, it was announced.

The Tradesmen's National, a 60-year-old institution, has listed capital of \$100,000, a surplus of \$250,000 and a reserve of \$3,348,820.85.

Davitt S. Bell has been elected a Director in the Farmers Deposit National Bank of Pittsburgh, Pa., according to announcement made October 19 by Arthur E. Braun, President. Mr. Bell is President of the Edgewater Steel Company.

The Lake Shore Trust and Savings Bank, Chicago, which has operated under a State charter since it was founded in 1920, will become a national bank November 30 and change its name to Lake Shore National Bank, Joseph R. Frey, President, announced on October 11.

The following regarding the change is from the Chicago "Tribune" of October 12:

After the change is made the bank expects to distribute in December a dividend of 25% in stock, the effect of which will be to increase the common capital from \$400,000 to \$500,000. At the same time the bank expects to retire \$200,000 of capital debentures held by the Reconstruction Fi-

nance Corporation. After completion of these changes the bank will have total capital funds of approximately \$1,200,000, made up of \$500,000 of capital, \$500,000 of surplus, and \$200,000 of undivided profits. The proposed dividend action is conditional on no change being made before the year-end in the present tax exempt status of stock dividends.

Issuance of the National charter has been approved by the Controller of the Currency, and the conversion is expected to be ratified by stockholders November 10. The change has already been approved by the bank's directors.

"It is felt that the depositors will welcome a National charter," Mr. Frey said. "The conversion will mean no inconvenience for customers. Our present passbooks, records, forms, and checkbooks will be used up before new supplies carrying the new name are issued. Trust powers of the present State bank will be retained under the new charter."

There will be no change in the present officers and directors of the bank, which is located at 605 North Michigan Avenue. Deposits now total \$27,000,000, having increased \$24,000,000 in the last 10 years.

Percival W. Trudeau has been elected a Vice-President of the Industrial National Bank of Chicago, and will be attached to the bank's Commercial Department. Mr. Trudeau, widely known in banking circles, has been in the Administrative Loan Division of the Reconstruction Finance Corporation, and was formerly associated with the Equitable Trust Company of New York and the Foreman State National Bank of Chicago. Mr. Trudeau, who lives in Winnetka, is a charter member of the Robert Morris Associates.

The Board of Directors of the Mercantile National Bank at Dallas, Tex., announced on October 15 the election of S. Marcus Greer to the office of Vice-President.

Suggests 4-Pl. Program For Savings Banks

A four-point program for savings banks to follow was called for by Myron S. Short, President of the Savings Banks Association of New York, in his address opening the 50th annual meeting of that organization at the Lake Placid Club on October 12.

The savings banks, Mr. Short said, should do everything in their power:

"1. To make certain that a large part of excess earnings are brought into them for deposit and investment in War Bonds.

"2. To take the necessary and proper steps within our power to bring about a reduction in the cost particularly of State and local governments.

"3. To prepare for the post-war period; first, by putting our own houses in order; second, by day-to-day planning, and third, by keeping abreast of constantly changing policies of Government and shifting trends in public opinion.

"4. To remove the mortgage moratorium as a discriminatory and unnecessary burden."

Houston Elected To Bankers Club Board

Frank K. Houston, President of the Chemical Bank & Trust Co. of New York, was elected a governor of the Bankers Club of America, at the annual meeting on Oct. 5 in New York City. He succeeds Percy H. Johnston, Chairman of the Board of the Chemical Bank & Trust Co., who retired from the club's board.