

# The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 158 Number 4224

New York, N. Y., Thursday, October 28, 1943

Price 60 Cents a Copy

## The Financial Situation

The so-called Moscow Conferences have now passed the middle of their second week. The "official line" is still one of marked optimism, with announcement of a "drafting committee," which has been assigned the task of placing "final agreements" into written form. Little or nothing, however, is definitely known, and virtually nothing has been officially said, about the nature of agreements, if any, so far reached, or even concerning the subjects under discussion at the daily parleys. The public has been told by many unofficial commentators, but by no official figure, that it is the purpose of these conferences, and perhaps of others to follow, to reach a situation in which Russia, Great Britain, and the United States would work in the closest cooperation and harmony to "win the war" and to "secure the peace." Of course, such generalities are almost meaningless, but we scarcely need be told of the general nature of some of the problems by which any such conference must be faced or of certain more or less immediate objectives which, one must hope, are the chief concerns of the discussions now under way in Moscow.

### Current Problems

The realist has, of course, never found it difficult to understand what have appeared to the uninitiated or the day dreamer to be the peculiarities of British-Soviet, and even more particularly, perhaps, American-Soviet relationships as compared with those existing between Great Britain and the United States. Many who now are deeply impressed with the military achievements of the Soviet armies are much inclined to gloss over, or if they can, forget, the deep distrust which, until relatively recently at all events, has existed between the Soviet Republic, so-called, and virtually the rest of the world. There is no reason, however, why history should be ignored in this, any more than in other, matters. Indeed, he who ignores it will fail to understand the present.

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## From Washington Ahead Of The News

By CARLISLE BARGERON

There is ample evidence that the New Dealers, four horseman-like, are readying for another assault on Industry. Just what is up their sleeve this time remains to be seen.

A few weeks ago, Henry Wallace got terribly agitated about cartels. While our other Big Shots around town were keeping their minds and words high up in the skies with world post-war plans, Henry sounded off on the iniquity

of monopolies and cartels. There seemed to be a relative common-placeness about what he was trying to sell. The other fellows were talking in broad terms of world politics and the four freedoms. Henry seemed to be engrossed in purely mundane, commercialistic things. The rather general opinion around town was that Henry, who had just been given a bad spanking by Mr. Roosevelt, was trying to get on something different by way of attracting attention, and as a result little attention was paid to what he was saying.

But down at Dallas, Texas, the other day, Henry had come to the point of discovering a definite plot on the part of the cartellists and monopolists, about as dastardly a thing as you would expect to hear. Wall Street—gosh, we had not heard of that whipping boy since early in Wendell Willkie's 1940 campaign—Wall Street was planning, according to Henry, to gobble up the country's entire transportation system—the railroads, airlines, waterways, the bus and truck traffic—grab them all

up into one huge monopoly. This plot, we gathered from Henry, was about as important as anything Hitler might have done to us, had it not been for the alertness and daring of the New Dealers.

We went around town trying to find out about this plot, and while there were many to say that undoubtedly "Wall Street" might be up to something like this, no one had yet seen an overt act.

About this same time, a Department of Justice representative, Wendell Berge, was out in the Middle West making speeches about a gigantic drug monopoly he had dug up. What got us to really wondering what it was all about was when Mr. Roosevelt, announcing the filling of a vacancy on the Securities and Exchange Commission a week ago, said he knew of a plot to destroy the SEC.

There are other and more sinister plots to be discovered, we are informed. Another anti-monopoly crusade is on and you ought to hear Thurman Arnold's comment on it. Thurman has been

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## Post-War Public Works Vital, Says Robert Moses

Robert Moses, Commissioner of Parks of the City of New York, in a statement read before the 21st Annual Convention of the American Institute of Steel Construction at Rye, N. Y., on Oct. 21 warned that "cuts in Government spending, cancellation of war contracts, and the demobilization of armed men and plant workers are bound to produce the most serious unemployment problems of our history," and

added that pump priming in the form of Government-sponsored public works will be required after the war to stimulate business and help stem unemployment.

The Commissioner's statement, in full, follows:

"There is a tendency on the part of big business to assume that if Government restrictions are released after the war, private initiative and capital can take care of the entire post-war employment problem. It is even claimed that the present tremendous employment figures can be maintained, and that the rate of spending can be continued without very much reduction after the Government expenditures drop from around \$100,000,000,000 a year to \$30,000,000,000 or \$40,000,000,000; men in the armed forces and in industry will be taken care of without any public works relief work, home relief, bonuses, increased unemployment insurance and other security benefits, all by the unbeatable American spirit of free enterprise.

"The sooner your industry and others get away from this hokum, the better off you will be. Cuts in Government spending cancellation of war contracts, demobilization of armed men and plant workers, no matter how gradual and humane, are bound to produce the most serious unemployment problems of our history. These problems are not to be laughed off by fine phrases. Neither stainless steel, nor plas-



Robert Moses

tics, nor electronics, nor Beardsley Ruml's new tax-cutting plan, individually or severally, will turn the trick. It requires a combination of all forces, public and private, which make men, machines and money work, which facilitates the exchange of goods and the flow of credit, marshaled for the greatest test to which we have ever been put. The best brains of the country will be none too good for the solution of this problem.

"Your industry will need public works for stimulation, pump priming and retooling in the slump period of at least 18 months following the end of the war. Personally, I have never been able to figure out what difference it makes to you where you get your orders, so long as you get them. Why is an order for steel for a private structure any better than an order from a municipality or a semi-public agency, or even a foreign government? It takes steel to make automobiles manufactured by private corporations. It also takes steel to make roads built by public agencies. It so happens that the steel which goes into the reinforcement of concrete is just about the simplest and easiest thing for you to make, and I should think you would be glad

to get orders for it in the period immediately following the war, in which you need just such orders for the simplest products you can turn out.

"New York City has taken the lead in planning post-war improvements. Your industry has helped us to break down our designs into men, materials and equipment. We are going to find out, for example, just how much steel goes into this program, how fast it can be obtained, and how many men will be employed on the job and back of the job in its use. We can then schedule our improvements realistically and not assume that a whole lot of men will be employed if there is no material for them to work with. So far we have found that we shall require over 400,000 tons of structural steel for the New York City post-war program and over 250,000 tons of reinforcing steel. This represents sizable orders for one municipality and is an indication of how much steel would be needed for the whole country if we had a genuine nation-wide public works program.

"I am strongly in favor of applying every possible stimulus to private business and industry, big and small, to make plans now for post-war expansion. Public works, however necessary and however compressed to afford employment, are not a permanent solution of our post-war economic problems, but they are a very

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## Capitalism vs. Communism

Roger W. Babson Says, "Learn From Russia"

Great events have been going on at Moscow. Let us hope that the leaders of the three nations represented will have faith and courage enough to agree. Three things are true: (1) That so-called "permanent peace" can come only when the world is under one powerful government. (2) That this cannot at once come about but will take many generations. (3) That it is now possible to divide the



Roger W. Babson

world into three spheres of influence:—The United States, responsible for the Western Hemisphere; Great Britain, responsible for Europe; and Russia, responsible for Asia and the Far East.

Let us assume that World War II brings about these three spheres of power. This should give us peace for many years. Within fifty years from now, however, these three groups will get fighting among themselves which will result in knocking out one of them. One hundred years from now the two remaining groups will get into war and one will whip the other. That nation will then rule the world and there will be real peace. Different sections will try—at different times—to get free, and civil wars or insurrections will take place; but they will always be put down. Gradually some form of universal democracy will develop but it surely will not be our "survival-of-the-weakest" brand which we are sponsoring today by the "Atlantic Charter." At least, this is what Stalin is today telling Cordell Hull and Anthony Eden.

Religion will also be a determining factor in bringing about World Peace. Yet, we hear very little about religion today in the council of nations. In short, the nation or race which has the best religion will, in the end, come out "top dog." This, however, will be the religion which teaches its followers that good land, good children and good brains, as well as good character, are the assets worth-while. Money, planes, tanks and battleships will not save America. The only way we can hold down the Japs is by raising more and better children than they do.

### When Selecting Investments

The curse of the democracies is the desire for an "easy life" combined with so-called "security." Yet these two things never went together and never will. Britain

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## Ways To Latin-American Approach

By LUIS G. LEGORRETA

President of Mexican Bankers' Association and President of the Banco Nacional de Mexico

Some of the economic points of view in the relations between the United States and the Latin-American countries were dealt with by Luis G. Legorreta at the American Bankers' Association War Service Meeting, the latter part of last month and in his remarks relative to the two plans that have already been published on the question of international commerce and exchange—the American and British—he set forth “the standpoint from which Mexicans as far as I have been able to interpret the general feeling would like to see these problems judged.”

Besides having something to say in his speech regarding the maintenance of a silver market, Mr. Legorreta in the concluding portion of his address stated that “we should endeavor to strengthen the attitude and further the aims of the financiers and bankers of every country in the direction that they must interest themselves in the study and solution of the problems of their clients and of their country as a whole. The hope was expressed by the speaker that the banks of the United States will use their influence toward helping to convince their clients that the best means of establishing lasting harmony in the field of Latin-American investments is by interesting local capital to the highest possible extent.”

Mr. Legorreta spoke as follows: It is a matter of deep satisfaction to the Mexican Bankers' Association to have the privilege of appearing before this Convention here today, and I need hardly express the keen honor I have felt personally, in accepting the invitation of your esteemed president, Mr. Hemingway, to address these few words to you.

Our satisfaction is all the greater because we recognize this event as one of the numerous practical and positive proofs of the efforts that are now being made all over the United States to improve the existing relations between the Latin-American countries and this great nation. And I myself feel a private and personal satisfaction when I call to mind the profound differences which we Mexicans cannot fail to observe in the American attitude towards Mexico today as compared with that of a few years ago. When, in 1936, a delegation of Mexican Bankers of which I was a member, attended an American Banking Convention at San Francisco, Calif., Mexico was almost completely ignored; for all the notice that was taken of her, it seemed as though she might have been a country situated at the other end of the earth.

When I chose the title for this address, I may have made a mistake in using the expression “Ways to Latin-American Approach;” I should rather have said: “positions” or perhaps “attitudes” which should be assumed if that closer approach is to be achieved. In effect, what I wish to submit to you are not exactly specific measures, but rather points of view, or attitudes from which Mexico, as a Latin-American country, could desire that her economic relations with the United States might be judged. It would take too long to discuss here such detailed and specific means; moreover, it will be better to leave these to the wider knowledge and experience which

the United States and her people can bring to bear upon these matters. I trust, therefore, that these points of view, or attitudes, if we may call them such, which I shall endeavor to lay before you, may serve at least as a contribution towards the eventual solution of these problems.

One of the greatest obstacles that has hampered the maintenance of cordial relations between the Latin-American countries and the United States has been the frigid and selfish attitude taken up heretofore by banks, financiers, and business men in general; we have considered ourselves as eminently practical, and we have assumed a disdainful attitude towards everything in the activities of banking and financial operations that we did not regard as practical business, or immediate profit. All that which did not signify an immediate increase in profits did not appear to us to belong to our sphere of action. So we held ourselves apart from social, intellectual and cultural problems, and our indifference was so great that it created, as it was bound to do, an atmosphere that proved fatal to cordial economic relations with other nations. At the same time, it brought about a growing distance between those of us who called ourselves “practical men,” and others who, from their social or cultural outlook, strove to foster and develop ideals and standards that were more lofty and more worthy than simple money-making.

You will note that I have been speaking in the past tense. I say that we “considered” ourselves practical men. If I have chosen to speak thus, it is because I am convinced, and I feel sure that you are also, that the banks and the financiers have had their eyes opened; that we are no longer “practical men” in the old-fashioned sense of the term. We are now practical men in a real sense, we are, or at least we wish to be, really men, really human. By this I mean that we have come to realize that the people we are called upon to serve, and for which we labor, as well as that social world which surrounds us, and the nations with whom we maintain relations, cannot be considered solely in their economic aspect; there are other human factors that must be taken into consideration, and these are loftier and more potent than questions of mere money, or the purely material side of existence. We have arrived at the conviction that we have been serving the public only in one-half of its needs, while we have neglected the other half, which is the more valuable of the two; we have come to comprehend that the study of human life, if it is to be complete, must embrace every kind of human problem, that is to say, every kind of social problem, and that economy, to which we had restricted our studies and our activities is, after all, only one part of the subject.

Today, the panorama is very different. The banks, the financial concerns, and, in a word, all those of us who represent capital, have come to understand that the life of a nation, and the relations between one nation and another, are linked together into one indivisible whole, and therefore, if we neglect one important part of these, and restrict ourselves to the

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## Urges Joint US-Canada Post-War Planning

If Canada and the United States could synchronize their post-war planning on many economic fronts, it would redound to the mutual benefit of the peoples of both countries and set an example for the rest of the world, Thomas I. Parkinson, President of the Equitable Life Assurance Society of the United States, said on Oct. 18 at a rally in Montreal opening Canada's Fifth Victory Loan Drive.

Mr. Parkinson declared that the relations between the United States and Canada have reached such an advanced stage that whatever rivalry there may be between them may appropriately be thought of in terms of an exchange, “the ideal type of reciprocity.”

He also warned that the gravest threat to freedom within Canada and the United States today lay in inflation. The following regarding his remarks was reported in the Montreal “Gazette” of Oct. 19:

Mr. Parkinson praised Canada for the effectiveness of its anti-inflation campaign and for its success in getting the masses of Canadians to invest their surplus earnings in Victory Bonds.

Some individuals were worried, the speaker said, because the democracies were inefficient and were so late in getting started in this war. But now the democracies were catching up with and passing the peoples who were supposed to have found great strength in dictatorship, he added.

“Not only have we reached and passed them in imagination and in invention and in production of the very implements that they have made famous in the world, but we are going still further ahead . . . And I am here to tell you that out of the labors of free enterprise will come ever more and greater inventions that will be more destructive.”

Mr. Parkinson reminded the gathering that business leaders had been doing their part. The implements which were so vital to the success of the armed services were the product, not of government or government activity, but of free enterprise and private business and their great plants and research laboratories.

Mr. Parkinson praised the anti-inflation measures instituted by Canada, but, he pointed out, “It is no use for us to collect taxes and put ceilings on wages and prices, no use having care for the economic position of your citizens if you are constantly pumping in billions of new inflationary money and pushing it up, and that is what selling bonds to the banks does. You know that unless you come through this war without inflationary currency, you face the possible crash of your financial system and the loss of representatives and free government.”

## Coal Pact Rejected

The National War Labor Board, according to an Associated Press dispatch from Washington, on Oct. 26, rejected the wage schedule in the proposed Illinois soft coal agreement and countered with a proposition which it said would increase the miners' earnings \$1.12½ cents a day for a work week of 40 hours or less or about \$10 for a six-day week at 8½ hours a day.

The Board, the dispatch further stated, also set a deadline of Thursday morning (Oct. 28) for the return of miners now on strike to their jobs and said that the President would be notified then of all mines that are idle, presumably as a prelude to seizure by the Government.

## The State Of Trade

The heavy industries generally made a better showing last week than in the preceding week, with electric power production reaching a new peak. The retail trade continues active and at figures substantially above last year. However, the coal situation is again looming as a menace. Expressing deep concern over current coal strikes as dangerous to the war effort, the War Production Board said recently that if the situation is not solved swiftly, steel plants, shipyards and munitions factories may be forced to close for lack of fuel.

With 20,000 miners on a wildcat strike in Alabama and 15,000 others out in Indiana, Kentucky, Ohio, Illinois, Pennsylvania and Arkansas, the feeling of apprehension prevailing in many quarters seems well warranted. WPB's warning came from Acting Chairman Charles E. Wilson, who said in a statement that he regarded the strikes as “even more dangerous” than the shutdown of last spring. “Any prolonged closing of the Alabama and Indiana mines,” Wilson declared, “would give the whole war production program a serious setback—which means a setback to our fighting forces at a time when they are attacking the enemy on every front.”

Production of electricity rose to an all-time high of 4,382,268,000 kilowatt hours in the week ended Oct. 16 from 4,341,754,000 in the preceding week, according to the Edison Electric Institute. The old record of 4,359,610,000 kilowatt hours was made in the week ended Sept. 25. The latest total was 17.9% above the year ago output of 3,717,360,000 kilowatt hours. Consolidated Edison Co. of New York reports system output of 223,700,000 kilowatt hours in the week ended Oct. 17, an increase of 36.3% over the 1942 comparative of 164,100,000.

Carloadings of revenue freight for the week ended Oct. 16 totaled 912,328 cars, according to the Association of American Railroads. This was an increase of 6,052 cars from the preceding week this year, 11,077 cars more than the corresponding week in 1942 and 10,556 cars under the same period two years ago. This total was 116.73% of average loadings for the corresponding week of the ten preceding years.

Steel production in the United States is scheduled this week at 100.6% of rated capacity against 100.7% last week, according to the American Iron & Steel Institute. Failure of the steel output to increase, the Institute noted, reflects loss of blast furnaces and open hearth output in Alabama because of labor difficulties. At 100.6%, steel production for the week is expected to total 1,753,400 net tons against 1,755,200 last week and 1,729,500 in the like 1942 week.

Retail trade was moderately active last week, with gift lines for the holiday season featured, according to Dun & Bradstreet, Inc. Weather aided sales and volume was well above the preceding week and a year ago. Official opening of spring merchandise showings, bringing an influx of buyers to the markets was reflected in the substantial increase of activity in wholesale lines. Under pressure, because of small stocks and increasingly heavy civilian demand, merchants are confronted with the further problems of labor shortages and slow deliveries.

Department store sales on a country-wide basis were up 5% for the week ended Oct. 16, against the comparative 1942 week, according to figures made public by the Federal Reserve Board. Store sales were up 13% for the four-week period ended Oct. 16, compared with last year.

Department store sales in New York City in the week ended Oct. 23 were 13% 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. 16, sales of this group of stores in-

creased 12% over the like 1942 week.

Employment in August reached a record high of 63.9 millions, but inductions into the armed services exceeded the number of men released from construction jobs, trade and agriculture, so the manpower problem became increasingly critical, according to the National Industrial Conference Board. The seasonal decline in agricultural employment was small in comparison with the corresponding month in previous years, the board discovered.

“The August, 1943, level of employment was fully eight million above the total number of persons comprising the nation's normal labor force,” the report said. “In August, 1941, about a million persons were unemployed and fully 1.5 millions were in WPA or other emergency activities.”

## Security Is Peace Goal Of Europe Says Masaryk

Jan Masaryk, Minister of Foreign Affairs and Vice Premier of the Czechoslovak Government in London, at a meeting in Carnegie Hall in New York City, said that security is the principal post-war objective which all the occupied countries of Europe will seek after the war, according to the New York “Times” of Oct. 26, which also said:

The meeting was held by the American Friends of Czechoslovakia to commemorate the 25th anniversary of the founding of the Czechoslovak Republic. Joseph E. Davies, former American Ambassador to Russia, also spoke.

“I'm violently opposed to balance of power between great peoples when I pay the bill,” Dr. Masaryk said. “I am opposed to spheres of influence. I want Czechoslovakia to be the sphere of influence for Czechoslovak people. I am glad the Moscow conference is off the record. I don't want to know what it is they decide about us so long as it is nice, and I have reason to hope that it won't be not nice. If the little countries are not settled, are not secure, then there is no security for the big ones.”

## Russia Sees Re-Education Of Germans

An article in the Soviet Embassy Bulletin forecast a long period of re-education for Germany until the Germans “will really devote themselves to peaceful labor,” said an Associated Press dispatch from Washington on Oct. 25, which added:

Nazi atrocities in Russia demand “the creation of conditions under which the guilty may expiate their crimes by labor and return to standards of human society,” the article said. It was written by Ilya Ehrenburg, who is considered an unofficial spokesman for Russian policies.

The Soviet press has published a collection of 200 documents giving evidence of German crimes in 1941, the article disclosed. It repeated recent Soviet declarations that the German people as well as leaders are responsible and must pay.

The article was taken here as showing Soviet willingness to cooperate with other nations in policing Germany and refitting her for a place in the family of nations.

## Long War Seen By House Members After Hearing Military Leaders

House members after hearing a grim and graphic account by top-flight military leaders of the war since Pearl Harbor believe that a terrific struggle lies ahead, said Associated Press advices from Washington on Oct. 20 appearing in the New York "Herald Tribune" from which we also take the following:

The legislators assembled in the Congressional Library auditorium to hear off-the-record talks by Gen. George C. Marshall, Secretary of War Henry L. Stimson and other military men, among them a private, J. R. Oden, who gave a personal-experience account of the Sicilian landing in which he was wounded. Movies of fighting and of other phases of the war were shown.

House members reported the military men supplied this information as part of the over-all picture:

1. Siberian Bases—Even if Russia would permit the United Nations to build or use airports at Vladivostok, Japan has a half million men within a short distance, a consideration which would make their defense difficult.

2. German Air Arm—The Germans no longer accept battle with our fighter planes—not, as one member put it, that "they are scared or have given up"—but because they are saving their fighters for splitting bomber formations and tackling bombers, in some cases by head-on collisions.

3. The Pacific Sky—Japan is building planes faster than we are destroying them.

4. Manpower—Japan's manpower problem has not yet become as serious as this country's. The island empire has not called all of its eligible draftees or young men between the ages of 17 and 20.

5. General—Transportation of supplies remains one of the chief war problems, with big losses in landings and with planes still a long way from supplanting ships.

Not only was there no attempt to refute statements made by the five globe-girdling Senators upon their return from an inspection of war fronts, one member said, but there was no reference to their report.

"Straight from the shoulder" . . . "very convincing" . . . "highly informative" . . . "no fancy stuff, just straight talk"—these were some of the descriptions with which Congressmen tagged the background report.

"General Marshall gave us the impression that we are in one hell of a war," said one member.

Representative Harris Ellsworth (Rep., Oregon) summed up what seemed to be the sentiment of most of his colleagues when he said that the program had "debunked a lot of optimism."

From House Majority Leader John W. McCormack (Dem., Mass.) came the assertion that the House members had been given a "keen insight" into the War Department's problems. He said he thought that the greater part of the information could and should be made public.

Republican Leader Joseph W. Martin, Jr., of Massachusetts, said: "It was a splendid, informative talk, and we got a bit of good out of it."

A reporter and editor himself before he was elected to Congress, Rep. A. S. Mike Monroney (Dem., Okla.) termed the War Department's account the "most realistic job of reporting done on the war." "They didn't pull any punches," he said; "they didn't try to sell us on anything."

Particularly impressing many of the legislators was a detailed report of enemy production and reserves of war material. In what some members interpreted as an effort to dispel hopes for a crack-up within Germany itself, figures were presented to show that production of munitions—particularly of locomotives and submarines—is still high despite the bombings. There was emphasis, too, on the

huge war contribution of Russia. It was illustrated by charts showing disposition of troops, with only a small percentage of Nazi soldiers in Italy and in western Europe, as compared with the number arrayed in the East against the Red Army.

Secretary Stimson limped slightly in addition to Secretary Stimson and General Marshall, whose subject was "The Military Situation," included Major-Gen. George B. Strong, who talked on "The Strength of the Axis"; Brig-Gen. F. A. Armstrong, who discussed "Strategic Bombing: Germany"; Lieut.-Col. Emmett O'Donnell, on Far East air problems; Brig.-Gen. Lawrence S. Kuter, on the general air war, and Major-Gen. W. D. Styer, on logistics.

Secretary Stimson limped slightly as he entered the auditorium, after slipping on the marble steps of the library as he was entering the building.

## National Rehabilitation Advisory Council

Appointment of a national Rehabilitation Advisory Council has been announced by Federal Security Administrator Paul V. McNutt. The new Council, made up of 20 outstanding leaders in training for the handicapped, will, it was stated, advise the Office of Vocational Rehabilitation, recently established in the Federal Security Agency, in connection with the expanded Federal-State program of rehabilitation for the handicapped. Administrator McNutt pointed out that as a war-time measure an additional concern is to enable handicapped men and women to work in war industry.

Approximately 1,500,000 persons may be eligible for rehabilitation under the program, according to an estimate presented to the Advisory Council at its first meeting, held on Oct. 8. Rehabilitation programs to which the Federal Government makes grants are already in operation in all the States, Hawaii, Alaska, and Puerto Rico; it is anticipated that participation in the expanded program will be equally nationwide.

At the opening meeting of the Council, Mr. McNutt stressed the importance of developing more effective means of meeting the needs of the physically handicapped, and in particular of building up a good program for physical restoration in cases of remediable defects. He added:

"This is a decided expansion as far as Federal support is concerned, and in most States will represent a substantial change in emphasis. The program should go far toward helping the handicapped to become self-supporting—taxpayers instead of tax-consumers—and to prepare themselves for taking part in the nation's war effort."

From the announcement we also quote:

"The current expansion in this field is the result of the Barden-LaFollette Act, passed in July. This law, which substantially strengthens and extends earlier legislation, provides Federal aid to State administered vocational rehabilitation programs for remedial treatment of physical handicaps, as well as for job training. The Federal contribution to States with approved plans cover State administrative expenses for the program; the entire cost of rehabilitation in the case of certain war disabled civilian, and half the cost for other persons. State Boards of Vocational Education

are designated as the agencies for the administration, supervision and control of State programs for vocational rehabilitation, with the exception that administration of rehabilitation for the adult blind is committed to State Blind Commissions or similar agencies where such bodies have the necessary authority under State law."

This program for the rehabilitation of civilians serves to round out Federal provisions for the handicapped, providing care for those not included in the Veterans Administration program, recently authorized by Congress, for vocational rehabilitation at Federal expense for discharged veterans of the present war who have service connected handicaps.

Members of the Rehabilitation Advisory Council include representatives of various fields—corrective surgery, physiotherapy, occupational therapy, psychiatry, guidance and welfare agencies, education, labor, management—State Directors of Vocational Rehabilitation, and agencies concerned with such conditions as blindness, tuberculosis and hearing defects. They are:

Claud M. Andrews, President, National Rehabilitation Association, Tallahassee, Fla.

Dr. Roma Cheek, Executive Secretary, Commission for the Blind, Raleigh, N. C.

Dr. A. W. Dent, President, Dillard University, New Orleans, La.

Dr. Kendall Emerson, Managing Director, National Tuberculosis Association, New York, N. Y.

W. F. Faulkes, Chairman, State Rehabilitation Advisory Council, Madison, Wis.

Dr. M. E. Frampton, New York Institute for the Instruction of the Blind, New York, N. Y.

Miss Bell Greve, Executive Secretary, Cleveland Association for Crippled and Disabled, Cleveland, Ohio.

Stanwood L. Hanson, Assistant Vice-President, Liberty Mutual Insurance Company, Boston, Mass.

Jay Hormel, President, George A. Hormel and Company, Austin, Minn.

E. Jay Howenstine, Executive Secretary, National Society for Crippled Children, Elyria, O.

Monsignor John O'Grady, Secretary National Conference of Catholic Charities, Washington, D. C.

Howard Russell, Director, American Public Welfare Association, Chicago, Ill.

Colonel John N. Smith, Jr., Director, Institute for the Crippled and Disabled, New York, N. Y.

Dr. George S. Stevenson, Council on Rehabilitation, American Psychiatric Association, New York, N. Y.

Dr. George D. Stoddard, State Commissioner of Education, Albany, N. Y.

Miss Marjorie Taylor, First Vice-President, National Occupational Therapy Association, Curative Workshop, Milwaukee, Wis.

Frank G. Thompson, Director, State Department of Registration and Education, Springfield, Ill.

Dr. Philip Wilson, New York Society for Relief of the Ruptured and Crippled, New York, N. Y.

Miss Catherine Worthingham, President, American Association of Physiotherapy, Leland Stanford University, Palo Alto, Calif.

Miss Betty Wright, American Society for the Hard of Hearing, Washington, D. C.

## Delano Renamed As Comptroller Of Currency

The Senate on Oct. 21 confirmed the nomination of Preston Delano, of Massachusetts, to serve another term as Comptroller of the Currency. President Roosevelt renamed Mr. Delano on Oct. 14. Mr. Delano has served in the post since September, 1938, when he succeeded J. F. T. O'Connor. For several years prior to that time he was Governor of the Federal Home Loan Bank Board.

## Investigation Of Lend-Lease Operations Throughout World Begun By Senate

An investigation of lend-lease operations throughout the world by the Senate Appropriations Committee, in conjunction with the Truman War-Investigating Committee, has been broadened to include also the foreign activities of the Office of Inter-American Affairs, the Reconstruction Finance Corporation, the Export-Import Bank, and other related agencies of the Government.

The Senate Appropriations group had voted on Oct. 15 to conduct an inquiry into lend-lease and Senator McKellar (Dem., Tenn.), Chairman of the Committee, said the investigation probably would begin Nov. 1. A subcommittee composed of Senators Tydings (Dem., Md.), Truman (Dem., Mo.) and Nye (Rep., N.D.) was named to set out the scope of the inquiry and decided to carry it beyond lend-lease activities.

In Associated Press Washington advices the following was reported:

"The primary purpose will be to give Congress and the people an over-all picture of how American dollars are being spent abroad by all agencies," Senator Nye said. "We don't know enough about what this country is doing abroad and what it may have promised to do."

As for the original lend-lease investigation plan, committeemen had said it probably would cover complaints—such as were heard following the recent war-front tour of five Senators—that all was not well in the use of American supplies shipped to Britain and others:

Senator Nye predicted the inquiries would be "more or less private hearings" so as not to "stir up international strife."

Before voting the foreign spending inquiry, the Senate Appropriations Committee heard from Senator Mead (Dem., N. Y.), one of the Senators who toured the war fronts.

Senator Mead reportedly favored letting the Truman committee pursue the lend-lease inquiry alone. Others, notably Senators Tydings (Dem., Md.) and Nye, argued it was an Appropriations Committee responsibility because that committee has approved lend-lease appropriations totaling approximately \$24,000,000,000.

Leo T. Crowley, Foreign Economic Administrator, denied on Oct. 20 that lend-lease was engaged in "unsound operations" and said that most, if not all, of these rumors about the program are "thoroughly unfounded" and "a discredit to those giving them credence or circulation."

Mr. Crowley appeared before the subcommittee of the Truman group, consisting of Senators Mead and Brewster (Rep., Me.).

The following regarding his testimony is from Associated Press Washington accounts:

Mr. Crowley said that of \$15,235,000,000 worth of goods transferred and services rendered to lend-lease countries, 51% was "finished munitions," 21% industrial products, including such things as machine tools and chemicals, and 14% agricultural products. Repairs to ships largely accounted for the rest.

Mr. Crowley described lend-lease as "an investment of American money and materials in the saving of American lives and the lives of the soldiers of every nation needing weapons with which to fight the Axis."

"The lend-lease program is carried out only after full consultation, with the guidance of our top military, navy, shipping and other experts," he continued.

"Tanks or guns or airplanes or trucks or foodstuffs or other supplies are sent to the Soviet Union, to Britain, to China, or to others of the United Nations, because the Congress and our military strategists believe that these weapons can be most effectively employed against our enemies in the hands of our allies."

Conceding that mistakes had

been made, Mr. Crowley invited Congressional suggestions for improvement.

"The Foreign Economic Administration," he told the Senators, "has no stubborn attachment for any policy, plan or program which the facts demonstrate is incorrect or contrary to our best interests as a nation and as a member of a coalition fighting a war of survival against dangerous enemies."

## FDR Assails Puppet Rulers Of Philippines

President Roosevelt denounced on Oct. 22 the puppet government set up in the Philippine Islands on Oct. 14 and reaffirmed the United States policy to drive the "treacherous invading Japanese" from the Philippines and establish a truly independent Philippine nation.

In a prepared statement, the President said the United States never will consider as legal any action of the former collaborationist "Philippine Executive Commission" nor the present so-called "Philippine republic."

The text of the President's statement follows:

"On the fourteenth of this month a puppet government was set up in the Philippine Islands with Jose P. Laurel, formerly a justice of the Philippine Supreme Court, as 'president.' Jorge Vargas, formerly a member of the Philippine Commonwealth Cabinet, and Benigno Aquino, also formerly a member of that cabinet, were closely associated with Laurel in this movement.

"The first act of the new puppet regime was to sign a military alliance with Japan. The second act was a hypocritical appeal for American sympathy which was made in fraud and deceit and was designed to confuse and mislead the Filipino people.

"I wish to make it clear that neither the former collaborationist 'Philippine Executive Commission' nor the present 'Philippine republic' has the recognition or sympathy of the Government of the United States. No act of either body is now or ever will be considered lawful or binding by this Government.

"The only Philippine Government is that established by the people of the Philippines under the authorization of the Congress of the United States—the Government of the Commonwealth of the Philippine Islands. At my request, the principal executive officers of the commonwealth were transferred in 1942 from Corregidor to Washington.

"Further, it is our expressed policy that all the resources of the United States, both of men and materials, shall be employed to drive the treacherous, invading Japanese from the Philippine Islands, to restore as quickly as possible orderly and free democratic processes of government in the islands, and to establish there a truly independent Philippine nation.

"Our sympathy goes out to those who remain loyal to the United States and the Commonwealth; to that great majority of the Filipino people who have not been deceived by the promises of the enemy and who look forward to the day when the scheming, perfidious Japanese shall have been driven from the Philippines. That day will come."

## Nation Must Turn Back To Thrift To Meet War Debt, Heimann Declares

"While we cannot yet determine the size of our national debt at the close of the war, we should start making plans now for servicing and amortizing this obligation," declares Henry H. Heimann, Executive Manager-on-leave of the National Association of Credit Men, in his current "Monthly Business Review." He says further that the efficiency of the financial plan adopted will largely affect our post-war economic program and will be as "fundamental to a happy life and the consequent welfare of our nation as the air we breathe."

"It will require hard work and the practice of real thrift to service this debt and to begin an amortization program," Mr. Heimann declared. "Service the debt and amortize it we must if we are going to keep faith with our people and maintain our own respect."

Mr. Heimann further said:

"The question the people of this country should be considering now is how best to accomplish these purposes. What should be our great objective to insure the financial health of our nation in the more peaceful days to come? I would put as a first condition the need for regenerating such a sense of thrift and economy that the prodigal sons will be so out of step with the spirit and thought of the nation as to get no appreciable hearings. We must return to the sound fundamentals of life that so characterized the days and years of the pioneers of our country. We must begin to glorify thrift; preach the virtue of economy of government and life as distinguished from the policy of subsidy and largess which, unfortunately, has fastened itself upon our people during the immediate past years."

"There is one agency and one alone that can and must take the leadership in such a program. That agency is the Federal Government of the United States. Unless in the peaceful years ahead, the Federal Government carefully weighs every expenditure, practices thrift in a true sense and goes promptly about balancing the budget, all of the preachings about the necessity of the average man and woman saving to liquidate the costs of the war may fall on deaf ears. No one, to the best of my knowledge, has ever tried to defend the spending policy on a permanent basis. Its very introduction was characterized as a temporary necessity. The fact that it cannot be permanent is so obvious it should need no argument."

"Let me state it as simply as I can in plain everyday language. We could not have had a spending policy, unless in the years prior to the inauguration of a spending policy, thrift had actually been practiced. If thrift had not been practiced, what would you have to spend? If thrift had not built up surpluses of money, material and credit, how could you distribute these funds or these goods and services? If thrift had not built up credit, how could you espouse a spending program? Without credit you would not be able to gather together the needed sums for a paternal distribution. Yes, unless, in the long years of our history our people had saved and our government had balanced its budget, you never would have heard of a spending policy because there would have been nothing to spend."

"Let's go a step further. If people thought we were adopting a spending policy as a permanent program we would not have been able to put it into effect. The funds were forthcoming, based upon a credit resulting from a thrift period and the further confidence that a thrift period will return. If it were not to return and if people did not believe it will return, no one would be willing to loan money to the government."

In the post-war period America can only help those nations which practice thrift and handle their affairs in such a way as to create

a desire for industry and complete faith in their obligations, Mr. Heimann pointed out.

"Volumes have been written about the need for monetary stabilization," he continued. "But all of the conferences or all of the international agreements or all of the banks of international character that may be established cannot possibly bring this much talked about stability unless each and every nation handles its own affairs in such a way as to merit the confidence and respect of other people."

"How can you stabilize the money of any nation when that nation is constantly running in the red? The truth is that you cannot even stabilize it for a day unless you know it is only running in the red for a brief period and you presently see or think you see the improvement it will register in the months ahead. In effect you then discount the deficit much as you do with a business organization, that is reasonable in character, which reports losses for off-season months."

"We sometimes fail to realize that the simple, wholly fundamental traits of economics mean so much to our world condition and the status of the inhabitants of this globe. Would it have been possible, as an example, for dictatorships to have arisen had each nation followed these fundamentals?"

## N. Y. Factory Jobs Pay Steady In Sept.

Factory employment and payrolls in New York State remained at practically the same levels between August and September, according to a statement issued Oct. 15 by the State Department of Labor. Tremendous seasonal gains in employment and payrolls at canneries in the State coupled with increases at war plants just barely offset losses among most consumers' goods industries. The figures from the Department also state:

"The index of factory employment was 160.7 in September which represents an increase of 0.3% over August and a gain of 7.4% over September of last year. The corresponding payroll index was 293.2, an increase of 0.6% from August and of 22.2% from last September. These indices are based on the average of 1935-1939 as 100 and are computed by the Division of Statistics and Information. Average weekly earnings were \$45.45 in September compared with \$45.06 in August. The above statements are based on preliminary tabulations covering reports from 2,750 manufacturing firms throughout the State."

The announcement further said: "Very large increases in employment and payrolls at canneries as they reached the peak of their season and some increase in the production of meat products completely overshadowed losses in the manufacture of dairy, grain-mill products, baked goods and beverages. The increases for the food group were 8.3% in employment and 4.7% in payrolls. The tobacco industry showed employment and payroll gains of 4.4% and 8.5% respectively."

"Although employment in the clothing industry as a whole was slightly higher this month, payrolls dropped more than 2%. Manufacturers of women's dresses hired more workers but employment was lower in most other branches of the industry includ-

ing men's clothing, millinery and children's wear. The decrease in payrolls was accounted for largely by declines among women's suit, coat and skirt firms, where wages are higher than in the more numerous dress shops. Many apparel firms did not work on Labor Day, another factor which affected their payrolls. A few lingerie manufacturers reported material shortages.

"Employment and payroll decreases were evident in the textile, lumber, paper and leather goods industries. Printing and publishing houses had fewer employees but higher payrolls for the month. In the chemical group, employment dropped in plants making drugs, cosmetics, insecticides and industrial chemicals and increased in the paint, soap and fertilizer industries. Payrolls advanced in cosmetic firms because of overtime. For the chemical group as a whole, employment was 1.6% lower while payrolls were 0.5% greater. In the stone, clay and glass industry, employment decreased 1.4% and payrolls remained practically the same. The influence of employment decreases among plants manufacturing abrasives and insulators was great enough to overcome increases in the glass and tile industries."

"Among the war industries, additional workers were hired for the manufacture of ships, munitions and electrical and communication equipment. Employment decreased in the non-ferrous metals, aircraft and photographic and optical goods industries. In the metals and machinery group as a whole, employment increased 0.6% and payrolls, 1.5%."

### New York City

"Total employment in manufacturing industries in New York City increased 1.5%; this was in contrast to a drop of 0.4% upstate. Payrolls advanced 1.7% in the City. Large employment increases in aircraft and shipbuilding more than offset declines in most of the non-durable goods industries. Other war plants which hired additional employees were those in the iron and steel group and those manufacturing communication equipment. Although employment decreased in plants making scientific instruments, payrolls were higher because of wage-rate increases ranging from 6 to 9%. In the metals and machinery group, employment was 4.9% greater and payrolls were 4.6% higher."

### Upstate Districts

"Syracuse was the only upstate industrial district to show any marked increase in employment and payrolls during the month. Increased activity among some of the war industries in the area was responsible for the gains. In the Kingston-Newburgh-Poughkeepsie district, textile and clothing factories again showed declines in employment and payrolls, but these were counterbalanced by increases at war plants. In the Binghamton-Endicott-Johnson City area, employment and payrolls continued to decline in the shoe industry and to increase in the metals and machinery group, resulting in a net decrease of 0.1% in total employment for the district. Payrolls advanced slightly."

"In the Albany-Schenectady-Troy district there was increased employment in war plants and declines in civilian goods industries. The district as a whole showed a drop of 0.1% in employment and 1.9% in payrolls. The food industry in Rochester showed large employment and payroll gains and the metals and machinery group slight increases. These advances, however, were offset by decreases in the production of clothing, paper and photographic supplies."

## House Group Votes Increased Excise Taxes—Rejects Rise In Personal, Estate And Gift Taxes

Action by the House Ways and Means Committee during the past week, in virtually scrapping the Treasury's \$10,500,000,000 tax program, left little likelihood that the new revenue bill would provide more than \$2,000,000,000 unless a Federal sales tax or some other new method of taxation is adopted.

The Committee approved on Oct. 26 increased excise taxes estimated to yield \$1,439,500,000.

The principal increases adopted included taxes on alcoholic beverages, higher postal rates and stiffer excises on so-called luxuries. However, the group rejected all proposals for any increases in tobacco or gasoline levies and refused to tax soft drinks, candy and chewing gum.

Regarding the increases, the Associated Press advices from Washington reported:

Under the Committee's action, the air mail rate would go up from 6¢ to 10¢ per ounce; second-class mail rates from 1¢ for each two ounces to 1¢ per ounce; third-class mail, 1.5¢ and 2¢ for each two ounces to 3¢ and 4¢; money orders—now 6¢ to 22¢ per order—to 10¢ to 37¢; registered mail, now 15¢ to \$1 per article, to 20¢ to \$1.35; insured mail, now 5¢ to 35¢ per article, to 10¢ to 70¢; and c.o.d. mail, now 12¢ to \$1.20 per article, from 24¢ to \$2.40.

The schedule, if approved by Congress, would provide other excises as follows:

Jewelry, now 10% retail, to 15%; furs, from 10% retail to 25%; luggage, handbags, wallets from 10% of manufacturers' price on luggage only, to 25% of retail price; toilet preparations (soaps, tooth and mouth washes, dentifrices, etc.), not now taxed, to 10% of manufacturers' sales price; other toilet preparations (lipstick, etc.), 10% retail to 25%.

Local telephone, now 10% of bill, to 15%; long distance phone, 20% to 25%; telegraph, radio and cable, 15% on domestic operations to 20%; international operations, 10% to 15%; leased wires, 15%, to 20% (news wires exempted).

Transportation of persons, 10% to 15%; transportation of property, the present 3% rate repealed. General admissions, now 1¢ for 10¢, to 3¢ for 10¢.

Cabarets, 5% of charge, to 30%; club dues, 11%, to 20% of charge; bowling, \$10 per alley, to 20% of charge; billiards, \$10 per table, to \$20 per table.

Distilled spirits, from \$6 a gallon to \$10; beer, \$7 a barrel to \$8; wines (under 14% alcoholic content), 10¢ to 15¢ a gallon; 14 to 21% content, 40¢ a gallon to 60¢; over 21%, \$1 to \$2 per gallon; sparkling wine, 10¢ per half pint to 15¢; other wines, 5¢ per half pint to 10¢.

Emphasizing that the action on alcoholic beverages was purely a war measure the Committee adopted a resolution saying that within six months after the President declares hostilities have ended, the levies on liquor, beer and wine shall return to their levels of Jan. 1, 1943.

The question of increasing corporation normal and surtax rates still awaits Committee action. The Treasury has requested that these combined corporation levies be raised to yield \$1,100,000,000 more, but this is considered unlikely.

The House Committee had voted on Oct. 22 not to increase individual income tax rates and on Oct. 25 decided against raising estate and gift taxes. The Treasury proposed to raise \$6,500,000,000 in additional levies on personal incomes and had requested that \$400,000,000 additional be raised by lowering the estate and gift tax exemption from \$60,000 to \$40,000 and by increases in rates.

In voting against increases in personal income tax rates on Oct. 22, the House group at the same time approved a formula for integrating the present Victory tax into the normal income tax structure, so that the revenue yield would be about the same.

Under the plan, the present 5% Victory tax would be abolished but the normal tax rate on individuals would be raised from 6 to 10% and the 10% earned income credit would be disallowed. The following regarding this action was reported in Associated Press Washington advices of Oct. 22:

"Whereas the Treasury had proposed lifting the Victory tax in such a way that the tax burden would be removed from some 9,000,000 low-income persons, the House Committee voted specifically that this group must go on paying taxes, although they apparently will now be called income taxes rather than Victory levies."

"The resolution on merging the Victory and income taxes, approved 16 to 8 and to be effective Jan. 1, 1944, said:

"It is the sense of the Committee that whatever individual income tax plan is adopted by the Committee there shall be no additional burden imposed on the individual taxpayer except such incidental burden as results from integration of the Victory tax."

"Representative Cooper (Dem., Tenn.) explained the Victory tax integration action as follows:

"1. Repeal the Victory tax.  
2. Increase the normal tax rate from 6 to 10%.

"3. Disallow the earned income credit.

"4. Permit married persons filing separate returns each to take only a single person's exemption.

"5. Provide that no tax shall be less than 3% of the net income in excess of a personal exemption of \$500 for single persons, \$700 for married persons and a credit for dependents equal to \$100 each.

"The exemptions in paragraph 5 would affect only those persons with earnings not large enough to be embraced by the regular income taxes, on which the current exemptions of \$500 for single persons, \$1,200 for married and \$350 for each dependent were not changed.

"The boost in the normal tax rate from 6 to 10% was calculated to cover the Victory tax obligations of persons with earnings within income tax levels.

"Colin F. Stam, head of the Congressional advisory staff on taxation, said the merged tax structure would return the Treasury about \$12,000,000 more than the present system of imposing the levies separately, and when spread over 44,000,000 taxpayers the added burden on any individual could not be great."

Representative Doughton (Dem., N. C.), Chairman of the House Ways and Means Committee, said on Oct. 21 that he had received assurances that the Administration would make every effort to find and eliminate all unnecessary expenditure in the Government. This economy pledge was given after many in the House and Senate, particularly Republican members, voiced their opposition to increased taxes until wasteful spending of public funds was stopped.

## The Financial Situation

(Continued from first page)

There was a time when a great many of the citizens of the so-called western powers, in most countries at least, a substantial majority, were fully convinced that one of the cardinal principles of the communist system as found in Russia was the conversion of the remainder of the world—that, whatever Russian officials might say, the controlling groups in Russia were active virtually throughout the world to overthrow existing governments everywhere in favor of communism. This general suspicion, or even belief, along with general antagonism to any such revolutionary regime as that existing in Russia, led to attitudes and policies in dealing with Soviet Russia, which were a little odd at times to say the least. Russia, in her turn, was certainly never fully free of suspicion of the so-called capitalistic countries, and her observance of the amenities of diplomacy was, on more than one occasion, far from perfect. The ruthlessness of the Russian Baltic diplomacy, and the undisguised cynicism of Russia's dealings with the Hitler regime, could scarcely fail to shake the faith of many observers in any agreements reached with such cold-blooded "realists."

### Russian vs. British Interests

These, of course, are some of the elements in the background which naturally have added to the difficulties of reaching a complete meeting of minds between Great Britain, the United States and Soviet Russia. But other factors likewise enter the situation. At points, British and Russian interests have long threatened to collide. They still need delicate and careful handling. Then there is Eastern Europe. Current accounts, to which one must give considerable credence, have Russia determined to assert predominant interest in these regions. England in the past has not been willing to leave this section of the world wholly in other hands. Indeed had she been willing to give Hitler a "free hand" there, it is possible that no world war would now be raging. It may well be, as many believe, that England, always the realist, is now ready to concede Russia whatever she is insistent upon in Eastern Europe, in return for concessions elsewhere doubtless. Whether anything approaching a full accord with Russia concerning such matters has been reached by Great Britain is another matter, or, for that matter whether the basis for such an accord has been fully laid. Meanwhile, the United States, having no direct interests in these regions, has nonetheless ventured to assert itself in the interest of

certain ideals which almost certainly do not very greatly impress the old line statesmen in either Russia or Great Britain, but which they may feel worth accepting in practice, for the time being at all events, if by doing so they may gain other advantages of importance to them. On the whole this latter possibility would appear to apply more to the British Empire than to Russia.

### Winning the War

These are some of the factors which are without question making themselves felt at Moscow at present. They are all matters that need attention. The situation would be different if all these matters, or at the least most of them, could be left strictly for the peace table discussions. Such, however, does not appear feasible since some of these factors are already rather obviously having a bearing upon the conduct of the war itself, and may well be influential in fixing the day when fighting will cease. Apparently means have been found so far as Italy is concerned to avoid some of the friction that occurred in North Africa, or at least to prevent it from appearing on the surface, but it is plain enough that situations exist in the Balkans which are hurting the cause of the United Nations, and that these situations are the more difficult to deal with effectively in the absence of some sort of working understanding between Russia on the one hand and the United States and Great Britain on the other.

What one must hope as to all this is that all countries involved, our own certainly by no means excluded, have the good sense not to undertake to settle all the problems of the world for all time upon an occasion such as this. It is not very likely that the Russians or the British, for that matter, are particularly impressed with the four freedoms and the like. It is more than likely that the representatives of both countries are too wise in the ways of world politics to imagine that any way will now be found to guarantee the peace throughout the coming centuries, or to be greatly tempted to give up important immediate advantages against the hope of discovering some magic peace formula. It is particularly important, it seems to us, that whatever effort may be made now to lay a basis for future understanding among the three powers participating in these conferences, the attention of all involved be concentrated at this time upon doing what is necessary now to promote military success in the greatest possible degree. It may well be that in some de-

## Post-War Public Works Vital, Says Moses

(Continued from first page)

necessary incident if we are to avoid relief and the inevitable disappointment and recriminations which are bound to result from the assumption that bankers and business men, all by themselves and without any Government help, can be trusted to meet the challenge. Among other things, private industry will be pretty busy after the war settling its accounts with the Government and finding out what it owns and what belongs to the Defense Plant Corp. and other Government loaning agencies. "The cooperation of the steel industry with the City of New York on the city's post-war program shows that there need be no conflict between business and Government in post-war planning. Steel has taken the lead, and other industries are bound to follow. The important thing now is to stop vamping about the great new world of inventions, mechanization of everything in sight, and effortless living, and concentrate on a resumption of hard, competitive work on a larger and better scale than before the war. Steel has probably been the greatest single product in the winning of the war. It has an equally great role to play in peace. We began to get real war production when we stopped talking and got down to business. The same logic must apply to post-war plans."

### New Lend-Lease Pact Of Allies With Russia

A third lend-lease protocol extending the agreement between the United States, Great Britain, Canada and Russia was signed in London on Oct. 19. The agreement provides for the supply of armaments, equipment, materials and food stuffs to the Soviet Union and, it is understood, for lend-lease in reverse from Russia. This was the first time that Canada joined the United States and Britain in signing the aid agreement, although it was explained Canadian supplies had formerly formed part of the lend-lease commitment of the United Kingdom and in some cases of that of the United States. Two former agreements of this kind had been signed—the first one in Moscow in October, 1941, and the second in Washington in October, 1942. The present continuing agreement was signed by John G. Winant, U. S. Ambassador to London; Oliver Lyttleton, British Minister of Production; Sir Alexander Cadogan, British Permanent Under-Secretary of State for External Affairs; Vincent Massey, Canadian High Commissioner in London, and by Russian Ambassador Feodor Gusev and Dmitri Borisenko, head of the Russian supply mission in London.

gree so-called political questions can not be wholly avoided, but after all the main objective now is to win the war. That, none of us must for a moment forget, in any interest we may take in post-war affairs or in any hope that we may be able to muster that the war will be over without too great a further delay.

The degree of real success attained in these Moscow conferences may well be a measure of the degree in which all parties in attendance are ready to act realistically together, and are able to summon confidence in the good faith of one another—despite past episodes.

## From Washington

(Continued from first page)

kicked upstairs to the Court of Appeals and he tells anyone who cares to listen that the purpose was to get him away from his anti-monopoly activities.

This new crusade is of considerable significance, we think, in the light of Industry's great worry as to whether it is going to be given a real opportunity to provide the necessary post-war employment or whether it is to be hamstrung to justify the apostles of a Government operated economy. Manifestly, it is going to be a herculean task of absorbing the millions of returning members of the armed forces together with those millions who have gone into war industry. Manifestly, too, if Industry can't do it, the Government is going to do it. And certainly there are influential forces within and without the Government who are pressing for a continuation of the deficit spending program, who are pressing that we take the next step of Government buying into the country's key industries. As such, men as Senator George have repeatedly warned, we can't have an economy half free enterprise and half government-operated. Industry's problem is that the overwhelming majority of the people want to see Industry given the opportunity to do the job, but that these influential forces have already concluded that it can't do the job, and the more their philosophy prevails, the more Industry will be restricted, the more its opportunity will be curtailed.

It might be said that we are pretty imaginative to be attributing such an ulterior motive to the anti-monopoly agitators. But all one has to do is to recall what happened in the Christmas holidays of 1937. The pump priming billions had ceased to prime. There were 10,000,000 or so unemployed. The great CIO which had been built up around John L. Lewis was floundering because it had on its hands an army of workers who had been "given the right to bargain collectively with their employer" but they had no employer to bargain collectively with.

The New Dealers had to act. They did. There in the quietness of the Yuletide when most people were trying to express and feel good will towards their fellow men, Bob Jackson and Harold Ickes sprang to the mikes and created an awful disturbance about just having discovered that the monopolistic practices of Industry—Steel and Automobile particularly—were responsible for the "recession." Out over all our broad country, the New Deal legions took up the chant. An anti-trust crusade was on. It had not gone very far when Bob was promoted to be Attorney-General, but with considerable fanfare the irresistible Thurman Arnold was brought in to carry on the job. He was given the build up of a Hollywood actress and proceeded to work.

But in a few months, the New Dealers had thought of something else, the crusade died in their bosoms, but not in Thurman's. It came rapidly to pass that Thurman and his staff of young lawyers were the only people in town still concerned in trust busting and they got to be the most unpopular people in town. For some reason the New Dealers wanted to turn the thing off. They had served the purpose of diverting attention from the recession; now they wanted to harp on something else. In his job now of life time security, Thurman still burns up.

But the witch-burners are off again. Yet it is doubtful if any Administration in our time has done so much to foster monopoly as the New Deal.

A matter of importance to the anti-Willkie forces is that the plan to head him off in the New Hampshire primary, in March, has com-

## Capitalism vs. Communism

(Continued from first page)

cannot survive living on dominated colonies; nor can the United States survive if our college graduates are content with less than three children. The hope of every nation lies in good soil, large families and good male providers. The more who till their own land and the fewer who live on inherited wealth, the better the nation will be. We will never develop a strong race so long as so much of our radio time is devoted to teaching people to take pills instead of to live properly; or to worship soft hands instead of hard work.

Now, "What has Moscow to say about investments?" you ask. Well, I'll tell you:—Stalin's program should teach us to invest our money in good land and in useful enterprises, avoiding big cities; to be content with a moderate rate of income and not speculate. The main result of World War II will be to make us all more realistic—for which change we may thank Moscow. Notwithstanding some false economic ideas which Russia practices, Stalin has cut out fakes, wastes and speculation. Let us do the same. Buy stocks only when the price paid is less than the actual book value. When considering investments we should not merely ask, "How much is a company earning or paying?" Let us also ask, "How much useful service is it rendering?"

### Capitalism and Communism May Both Survive

As I look out of my window I see two families of animals, viz—a squirrel's nest and a bee-hive. The squirrels live by a strictly capitalistic system—each little family making its own individual home and laying up for itself alone a winter's supply of food. The bees on the other hand operate on a purely communistic system, each bee working solely for the good of the group as a whole. **Yet, both groups live together peacefully in the same yard of my home.**

In the same way these two opposite economic systems can get on peacefully together provided both will put production before profits and character before ease. This means that if we will live, work and invest usefully here at home we need not fear Russia. A good "milk cow" can always hold her own against any "Moscow."

### N. Y. Analysts to Meet

The New York Society of Security Analysts, Inc., announces that at its general meeting scheduled for Oct. 29, John Kaib, partner of Adolph Lewisohn & Sons, will speak on "Contrasts, Now and 1918."

At the Investment Forum on Nov. 1, Russell Leavitt, Chairman of the Board of Moody's, will speak on "The How and Why of Moody's Ratings."

On Nov. 3, Andrew Fletcher, Vice-President of St. Joseph Lead, will speak on lead mining.

On Nov. 5, Joseph C. Rovensky, Vice-President of the Chase National Bank, will address the group on "Preview of the World Picture."

All meetings are held at 12:30 p.m. at 56 Broad St., N. Y. City.

pletely collapsed. The Big Four—the two Senators and the two Representatives—together with the Governor, who had heretofore run as unpledged delegates-at-large and who with their machinery could keep the delegation from being pledged to Willkie, have decided to stay out altogether and let others go to the convention. The field is therefore wide open and every candidate for delegate is either willing to be a pledged Willkie delegate or committed to him.

### FDIC Income For Half Year Totaled \$37,331,063

Net income of the Federal Deposit Insurance Corporation for the six months ended June 30, 1943, amounted to \$37,331,063, according to the report of the Board of Directors of the Corporation, issued Oct. 15. The income from deposit insurance activities amounted to \$40,198,522 during this period, including assessments of \$32,239,954 paid by insured banks and interest earned and profits from sale of securities of \$7,908,568 after de-

ducting provision for amortization of premiums. Other income amounted to \$101,254. Expenses and losses during this period amounted to \$2,968,713, of which \$812,171 represented deposit insurance losses and expenses and \$2,156,542 represented administrative expenses and other charges.

The directors' report also revealed that net income for the year ended June 30, 1943, amounted to \$69,873,494. Income from deposit insurance activities for the year amounted to \$75,518,334, including assessments paid by insured banks of \$61,107,906 and \$14,410,428 representing interest earned and profits from sale of securities less provision for amortization of premiums. Other income amounted to \$204,457. Total losses and expenses for the year amounted to \$5,849,297, represented by deposit insurance losses and expenses of \$1,647,480, and administrative expenses and other charges of \$4,201,817.

As to the corporation's activities during its entire period of operation, the report said:

"The surplus of the corporation as of June 30, 1943, was \$369,519,276.58, resulting from an excess of income over expenses and losses during the entire period of operations. From the beginning of deposit insurance on Jan. 1, 1934, total income has amounted to \$445,983,413, including assessments of \$351,312,803 paid by insured banks and \$94,396,763 derived from interest earned and profits from sales of securities, after making provision for amortization of premiums, and other income of \$273,847. Charges to surplus have amounted to \$76,464,137. Net deposit insurance losses and expenses amounted to \$44,856,422, resulting from the difference between total disbursements of \$282,262,876 actually made or pending to depositors of closed insured banks in settlement of their claims and to merging banks or receivers of closed banks for loans or purchases of assets, including expenses incident thereto, and estimated recoveries of \$237,406,454. Administrative expenses and other charges have amounted to \$31,607,715."

### Johnson Resigns As Small Plants Head

Robert W. Johnson, Chairman of the Smaller War Plants Corporation, has submitted his resignation to Donald M. Nelson, Chairman of the War Production Board, effective October 1.

Mr. Johnson, who recently resigned as a Brigadier General in the Army in order to deal more effectively with the armed forces in obtaining contracts for small companies, is head of Johnson & Johnson, surgical supply firm. He has been Chairman of the SWPC since January.

At a press conference on September 23, Mr. Johnson said that the Corporation had been a "political football" but that it has been made into "a job." United Press Washington advices reported the following:

Small business, he said, is generally in a stronger position than it has been for 25 years, despite idle facilities in many plants. There will be fewer failures and bankruptcies this year than in any normal year, he commented.

He said there are some 8,000 to 10,000 small factories which have unused capacity for war production. Between 4,000 and 6,000 of these may be classified as in a distressed condition. Their chief hope of surviving lies in orders for

civilian goods, according to Mr. Johnson.

He suggested this plan to best serve the future needs of small business:

1. An adequate commercial banking service to enable small business to obtain venture capital.

2. Adjustment of the economic system to allow free expression of initiative and enterprise.

"In other words," he said, "it is not so much a question of what to do for small business as it is to rearrange our domestic economy in such a way as to give it a clear path and an open road."

In his current report to the WPB Chairman, Mr. Johnson cites the following five problems as still facing the SWPC, according to a Washington dispatch to the "Wall Street Journal" of October 1:

1. Provision of additional tax legislation to allow small plants to set up surplus funds large enough to tide them over the period of post-war conversion.

2. Enactment of legislation on termination clauses in Government contracts which will assure a fair and expeditious settlement of contracts in force both during and at the end of the war.

3. Proper control of subcontract cancellations and channelization of additional materials as they become available into the small plants for production of essential civilian goods.

4. Equitable disposition of Government owned facilities and equipment and of surplus supplies and equipment held by Government procurement agencies at the end of the war.

5. Sufficient study to alleviate complex problems which may result from dislocations arising out of the impact of the war on the country's economy.

Mr. Johnson's discharge from the Army was noted in these columns August 19, page 711.

### FDR Lauds China

President Roosevelt sent two congratulatory messages to Generalissimo Chiang Kai-Shek on Oct. 9—one in celebration of the 32nd anniversary of the founding of the Chinese Republic and the other on the inauguration of the Generalissimo as President. Both events were observed on Oct. 10 in Chungking.

The anniversary message follows:

"I am happy to convey to you and to the people of China on the anniversary of your national revolution for freedom the greetings and congratulations of the people of the United States. I take this opportunity to give expression to our warm regard for Your Excellency and the Chinese people who have persevered so long and courageously in the struggle against aggression and who continue the struggle, joined by the peoples of other United Nations, confident of achieving victory through wholehearted and cooperative action."

The other message, on the inauguration, follows:

"On the occasion of your inauguration as President of the Republic of China, I gladly convey to you my congratulations and best wishes for your success and personal well-being. Your elevation to the highest office in the Government of the Republic of China is recognition of the inestimable service you have rendered the Chinese people in the past and of the services you are to render in the future in leading them to victory, peace and freedom."

### Questions On Allied Military Currency Answered By Treasury

Answers of Treasury experts to some of the questions regarding the issuance of "Allied Military Currency" were reported on Oct. 24. The queries were raised by Dr. Walter E. Spahr, Professor of Economics of New York University, in a pamphlet distributed by the Economists' National Committee on Monetary Research, of which he is Secretary.

According to a special Washington dispatch, Oct. 24, to the New York "Times" by John H. Crider, some of the questions and the answers supplied by Treasury experts follow:

Did or did not the Treasury issue this Allied military currency?

No. It was issued by the Allied commander but printed by the Bureau of Engraving and Printing. If the Treasury had not printed it, General Eisenhower would have had to pay the American Bank Note Co. or some other firm to print it for him.

If the military authorities can require, and spend, such currency as they think they need and they can induce, or force, our Treasury to supply the requested currency, is this not the first time since our Constitution was established that the military authorities, with the cooperation of the Treasury, have ever exercised this power?

The Treasury and the Army were never before faced with a similar situation. The Treasury's bureau printed the money; the Army of Occupation issued it. All currency used to pay troops or for supplies that ordinarily would be charges against the Army is deducted from the War Department's appropriation. The Treasury loses nothing, but the War Department is out just as if it had paid from its own funds. But since, under international law, the occupied country should pay for occupational forces, this is according to established practice.

As these yellow silver certificates (the "spearhead currency") were issued, was a corresponding amount in value of the regular silver certificates retired?

Yes, and it is reflected in the Treasury's daily statement.

How are these yellow seal certificates redeemable?

Silver, just like all silver certificates.

Does the Treasury plan to issue additional supplies of these yellow seal notes as our military forces enter other countries?

Yes. From what source comes the authority to declare this money (the Allied military currency) legal tender in Sicily?

International law, which vests it in the commander of the occupying forces. Actually, the Allied Military Financial Agency issues the currency as General Eisenhower's agent.

It is important, according to Treasury experts, to distinguish between the two uses made of the Allied military currency. When it is used to pay for items ordinarily paid for by the Army, it is charged against War Department appropriations. When it is used to pay local garbage collectors, employees of water works, local constables and such, it is charged against a budget of costs for local operations prepared by the Allied Military Financial Agency.

In effect, the issuance of the military currency enables Italy to pay as she goes so far as costs of occupation are concerned, because it is likely that the United States will insist upon any Italian Government making good for all of this currency which has been distributed to the Italian people.

When the war in Italy ends, the Allies will have a large bill to present to the country. Most of it will be for the items which are being paid for with the military

### Record Employment Of 63,900,000 Increases Manpower Problems, Says Conference Board

Manpower problems turned increasingly critical in August, according to the National Industrial Conference Board, whose figures made available Oct. 21 reveal that employment in that month rose to a record high of 63,900,000. Inductions into the armed services outstripped the release of civilians from construction projects, trade and agriculture. The seasonal decline in agricultural employment was small in comparison with the corresponding month of previous years.

The Conference Board's announcement further said:

"The Board finds the August level of employment fully 8,000,000 above the total number of persons comprising the nation's normal labor force. Just one year earlier only 2,700,000 more were at work or in uniform than would normally have constituted the labor force, while in August, 1941, about 1,000,000 persons were unemployed. At that time in 1941 fully 1,500,000 were in WPA and other emergency activities. Today, operations of WPA have been discontinued except for about 40,000 project workers retained on emergency activities in Puerto Rico and the Virgin Islands.

"By August of the current year at least three of every five persons 14 years of age and over were actively employed on either the fighting or home fronts. Of every 1,000 persons of productive age, 606 were employed by government or private industry, as against 474 at the beginning of the defense program in mid-1940, 525 in August, 1941, and 558 last year.

"Only about 4,400,000 males in these age groups remained outside the labor force, excluding those in penal and other institutions. About 60% of these were to old or for other reasons unable to work, while the remainder were almost entirely youngsters who have returned to school. In contrast, over 34,000,000 women in these age groups were outside the labor force, of whom less than 7% were too old or otherwise unable to work. Excluding school girls, there remained about 29,000,000 able-bodied women engaged in their own housework, or only a 1,000,000 less than the corresponding estimate of a year ago.

"Only in manufacturing, transportation and public utilities did civilian employment increase in August of this year. The number on manufacturing payrolls rose by 38,000, primarily in the aircraft and automotive industries and in food processing. Total factory employment advanced to slightly more than 16,300,000, a gain of about 1,250,000 over the past year and of almost 6,000,000 since the outbreak of World War II four years ago.

"In the construction industry the employment level has now dropped below its pre-war (August, 1939) level. The seasonal reduction in farm employment in August was only 124,000 as against 300,000 for the same month last year. In the past, the seasonal decline in August has been the equivalent of about 2.5% of the number at work on farms in July, compared with a decline of only 1% of this year."

A question is whether the Italians would be more likely to back up the military currency or to pay in dollars, pounds or gold the occupational bill of indemnity that the Allies will present to them when the fighting is all over.

The pamphlet issued by Dr. Spahr was referred to in our Oct. 7 issue, page 1405.

### FDR Accepts Memphis Offer To Give Food To People Of Italy

President Roosevelt has advised Mayor Chandler of Memphis, Tenn., of the acceptance of the latter's offer that the people of Memphis stand ready to contribute food to the people of Italy and other peoples who are liberated from Axis domination. Mayor Chandler had made the offer on Sept. 8 in extending congratulations on the surrender of Italy. In his reply of Oct. 11, Mr. Roosevelt said that this support of voluntary resources will of necessity be delayed for some months since complete government control is necessary to assure speedy and efficient action in providing essential supplies to civilian populations.

In his letter to Mayor Chandler, as given in the Memphis "Commercial Appeal" of Oct. 18, President Roosevelt said in part:

"You will be glad to know that our Allied forces have considered the needs of the civilian population in laying their plans for military operations and have included in their military supplies the food and other basic necessities essential to the maintenance of life of the people freed from the Axis yoke. At the earliest date considered practical it is the intention of our military commanders to bring official civilian agencies into liberated areas to assist with the task of relieving distress and aiding in the rehabilitation of these countries.

"During the period of military action, and for a few months thereafter, it will be necessary to maintain complete governmental control of the procurement and shipping of essential civilian supplies in order to assure speedy and efficient action. I know that it is the intention, however, to draw upon the generous support of voluntary resources to aid in the problem at the earliest possible date, although this will of necessity be delayed for some months.

"Very sincerely yours,  
FRANKLIN D. ROOSEVELT."

### ABA Library Adds Theses Of Graduate School Of Banking

Twenty-nine theses prepared by members of the graduating class of 1943 of the Graduate School of Banking, institution for advanced banking studies conducted by the American Bankers Association for bank officers at Rutgers University, have been added to the permanent collection of G. S. B. theses in the library of the Association, it is announced by Dr. Harold Stonier, Executive Manager of the A. B. A., who is Director the the school.

The theses are available for study and examination by all bank officers and staff members, and may be secured for one week's use upon written application to the Association's library in New York City. In all more than 300 specially selected theses, written by G. S. B. students in fulfillment of one of the school's graduation requirements, are now available through the Association's library.

To be placed in the library's collection, a thesis must be passed upon and recommended for that purpose by a faculty board of the Graduate School of Banking.

## Ways To Latin-American Approach

(Continued from page 1710)

production of economic progress, we are failing in a human and a patriotic duty, and are creating future problems for our country.

Do not fear, I beg you, that this talk of mine is going to degenerate into a discourse on sociology; it would be absurd and even impossible on my part to attempt such a thing. I merely wish to point out that one of the greatest aids that the banking interests can offer to their country, is to press straight forward in this new attitude that I am describing, and which consists in not despising the human and social problems that beset our country, but rather to strive to further the study of their solution, in collaboration with the men who are directly bearing the responsibility of those problems.

If all those men who are responsible for determining the ways and means by which these problems are to be met and overcome will only endeavor to keep this attitude in view, we may rest assured that the resolutions taken in the economic field will be sound and adequate.

I will now deal with some of the economic points of view in the relations between the United States and the Latin-American countries.

I refer in a concrete manner to the two plans that have already been published on this question of international commerce and exchange—the American plan and the British one. In connection with those, I wish also to set forth the standpoint from which Mexicans, as far as I have been able to interpret the general feeling, would like to see these problems judged.

The first impression created by these plans is that they are so tremendously complicated that it will be very difficult indeed to put them into practice immediately at the close of the war. It may be that the need for presenting them in a complete form has led the experts to go into all necessary details. It is nevertheless indisputable that the complicated situation created by the war in the currents of international trade, makes it impossible to attempt to organize these immediate post-war measures into one perfect and complete plan. It would thus appear expedient to select two or three of the fundamental points that both plans include and to initiate experiments with these, even in the knowledge that this might bring about undesirable precedents or problems; in any case, the situation thus created would be better than a general state of chaos.

I am of the opinion that such a post-war experiment, involving as I have suggested, two or three fundamental points only, should be characterized by an extreme liberality throughout, so as to make allowance for all those anxieties, difficulties and readjustments which each and every Latin-American country will have to face. Later on, through the medium of this same initial experiment, new plans or measures might be introduced as they became advisable or necessary. The three fundamental points on which the initial project would be based might be summed up as follows:

The reaching of a decision regarding the expediency of initiating the proposed experiment by means of a clearing or center for liquidations, similar to the one proposed in the English plan (and which is fundamentally equivalent to the stabilization fund foreseen by the American plan), but with one basic difference. Instead of one clearing, there would be two, one for this continent and the other for Europe, including possibly other continents. The reason is obvious: in this hemisphere we do not have the tre-

mendous complications that other continents will have and, therefore, we need not be mixed with their particular problems, which can be better solved by an European clearing. In this way, the principal objections that have been raised against the English plan would disappear. Once the two clearing-houses were in operation, the United States, or the Board of Managers of the Inter-American clearing house, would be the authorities responsible for establishing and controlling the liquidations with the European clearing.

If it should be decided to have a separate clearing-house for the American nations, it could later be determined whether it were preferable to retain that clearing-house, or to prepare the foundation of the Bank for International Liquidations which has already been proposed for the purpose of regulating and controlling international credits, or alternately, to initiate the formation of the fund for international stabilization which is provided for in the American plan.

The second of these fundamental points might be the fixing of the quota or limit for overdrafts permitted to each country represented in the clearing which, in fact, plays the same role as the stabilization fund. These quotas might be fixed in dollars, which would be the simplest plan, because the United States, being the leading or key country in America (as John H. Williams said), all nations in this hemisphere are accustomed to final international liquidations in dollars. But it would be all the same to create some international unit such as "Unitas" or "Bancor." For the fixing of the quotas, it would not be feasible to lay down hard and fast rules for all the countries concerned, owing to the exceptionally abnormal situation created by the war, and therefore the most practical method of fixing them for an initial experiment of, say two years, would be by inviting each country to apply, through its Central Bank, for its corresponding quota, accompanying its request by a statement setting forth the bases it has taken for the fixing of that quota, such as for example, if present holdings of gold, the statistical records of its foreign commerce, its trade balances in recent years, the plans and projects it has in hand for agricultural or industrial expansion, and so on. It is obvious that each individual country should be in a better position to understand its own particular problems and its estimates for the future in the field of international trade, than any arbitrary body which attempts to fix them in accordance with fixed rules and regulations. Within the limits of a liberality that becomes essential, if crises and friction are to be avoided between the United States and the countries in question, what are the serious consequences to be feared for the United States from a liberal and elastic acceptance of the propositions of the Latin-American countries for that two-year period?

The third fundamental point might be the determination of the system of voting to be adopted in the clearing-house. Such voting should be as democratic as possible, more especially in the matter of the reduction or the reimbursement of the overdraft which had been stipulated in the initial experiment. This reduction should not be asked except by a majority of votes, simply computed by each country. In the case of a proposed increase in the quota or overdraft permitted, a unanimous vote instead of a majority vote, should be insisted upon only when the requested increase over the initial quota were really alarming, such

as for example when it amounted to more than 50%. Here I wish to mention what has been called the French plan, prepared by French experts residing at present in the United States.

The French plan calls also for simplicity and for a few experimental measures which it suggests should be started even before world peace. I am afraid that the rules therein suggested are still too complicated, and I insist it would be much better to add new regulations to those fundamental agreements as I have described, after discussion in the light of that experimental period, than to try to enforce a complicated plan with unavoidably frequent modifications.

If these three fundamental points are applied by the United States in the liberal spirit that it is to be desired, it will naturally follow that, in an atmosphere of satisfaction, such as will then be created in each of these countries, their respective representatives in the clearing will be enabled to discuss, in the light of practical experience, the best means of guiding and directing the activities of the clearing-house towards the desired goal, which is the handling of these liquidations on a gold basis. The employment of gold in the immediate post-war period will be very difficult, even if the United States consent to the use of their reserves, and it is evident that the concession of credits is to be preferred for the purpose of this initial and practical experiment.

And here a question arises that is very important for Mexico, and not without importance for the United States also. I refer to the matter of silver.

Great interest has been aroused in mining circles both in the United States and in Mexico over the maintenance of a silver market. The purchases of silver have become the aim of very vigorous attacks by certain important experts in the financial world, who would like to put an end to these operations. It would take too long to discuss this controversy here, but above and beyond all the arguments and technical studies, we have before us positive facts, in the shape of resolutions taken by the London Conference, and also by the American Treasury, in favor of continuance of these silver purchases, and moreover, of not withdrawing support from the producers of silver.

These facts should give us cause for reflection. It is not to be supposed that this silver buying can constitute such a grave error; there must be serious and prudent motives behind such a policy.

I, therefore, wish merely to observe the great interest that Mexico has in the matter, and to express the hope that the problem may be approached, not under the light of past prejudices, but in a spirit of serenity and calm. With a view to making Mexico's position better understood, which cannot well be attempted at this conference, the Mexican Bankers' Association has prepared a memorandum, an English translation of which we have requested the Secretary of your Association to kindly distribute to you.

All the foregoing refers to general problems in the field of international commerce and exchange; now, I wish to offer a commentary on the direct relations obtaining between the American banks and financiers and the Latin-American countries.

The system of industrial and financial investments in Latin-American countries, which were formerly made as direct investments of American capital in branch or subsidiary concerns in each country, or in industrial undertakings with capital that was integrally American, has undergone a rapid change in recent years, and the tendency now is to make investments in participation

with local capital in the country concerned. Mexico has expressed in various ways her approval of this system, but it will not be amiss to repeat here that one of the most solid formulas for the fostering of Latin-American collaboration with the United States consists in helping American capitalists and industrialists to see that the best way to foment cordial relations is by inviting local capital to participate in all kinds of undertakings and enterprises promoted or supported by American capital. It is natural that the American industrialist or investor should be reluctant to relinquish the control of any investment he may make in a Latin country; nevertheless, the profound and painful lessons we have all received from past experience furnish the best of all proofs of the fact that friendship between the two peoples demand the abandonment of that attitude, and demand moreover a greater show of confidence on the part of American investors in the capacity and honesty of local people, even going in many cases to the length of relinquishing such control, and leaving it in their hands. In cases where it may not be possible to convince the American investor of the wisdom of such a step, it is desirable that there should be at least a sharing of the capital investment on a fifty-fifty basis.

It is futile to deny that the banks exercise an enormous influence over all their friends and clients who are contemplating investments outside the United States, and banking institutions may thus play a very important part in the solution of all these problems.

In conclusion, I would like to sum up the points I have been making in this address, as follows:

First. We should endeavor to strengthen the attitude and further the aims of the financiers and bankers of every country in the direction that they must interest themselves in the study and solution of the problem of their clients and of their country as a whole, and that they do not restrict themselves solely to the economic aspects of the same.

Second. We should make representations, or at least should support the monetary and financial authorities in each country, in the establishment of only a few bases, which shall be fundamental, and yet at the same time sufficiently simply and liberal, and which will serve for the planning of that initial experiment in the immediate post-war period, which will have later as its purpose the solution of the problems concerned with the stabilization of exchange and with the fostering of international trade.

Third. We hope that the banks of the United States will use their influence with their clients, and that they will help to convince them that the best means of establishing lasting harmony in the field of Latin-American investments is by interesting local capital to the highest possible extent.

## Swiss Shoot Down U. S. Flying 'Fort'

Swiss anti-aircraft fire definitely shot down one American Flying Fortress when a group of Fortresses fought a battle with German fighters over Swiss territory on Oct. 1, a Swiss Army communique announced, according to an Associated Press dispatch from Berne, Oct. 1, from which we also quote:

"The communique declared that bombs were dropped in various parts of eastern Switzerland, and added: 'Crashes also took place in these areas as the result of an aerial battle between American Fortresses and German fighter planes. Reports so far show only material damage was caused by the bombs.'

"Air alarms were sounded in a number of Swiss localities."

## Large U. S. Area Used For War Purposes

The United States is using an area approximately the size of New Hampshire, Vermont, Connecticut, Massachusetts, Rhode Island and Delaware for war purposes, it was reported in United Press Washington advices of Oct. 19, which further stated:

Since July 1, 1938, the Government has taken or is in the process of taking 11,254,384 acres for exclusive use by the Army, Navy and Coast Guard. In addition, 10,507,892 acres have been transferred from the public domain, including mining claims and grazing lands.

To acquire these parcels of land the Government had to remodel its ancient land title law, putting land transactions on an assembly line basis.

Norman M. Littell, Assistant Attorney General in charge of the lands division, said today his office requires an average elapsed time of only six days and four minutes from the time a request reaches the division to the moment title is vested or possession ordered by a United States District Court.

During the last fiscal year the lands division wrote 70,000 title opinions in direct purchase and condemnation cases. This year it will run to 95,000.

Some of the best and some of the worst land in the United States has been acquired. Some owners offered to give their property or sell at a reasonable price. Others demanded more than the Government thought it was worth. Often juries had to decide how much to pay.

Sites ranged from a fraction of an acre on the New England coast for a gun emplacement to 3,111,140 acres for the Tonopah bombing range in Nevada.

## More Locomotives On Order Oct. 1

Class I railroads on Oct. 1, 1943, had 23,896 new freight cars on order, the Association of American Railroads announced on Oct. 23. Of this number there were 7,003 plain box, 2,825 automobile box, 3,294 gondolas, 12,812 hoppers, 1,200 refrigerators, 200 stock, and 1,557 flat cars. On Oct. 1, last year, the roads had 36,437 freight cars on order.

New locomotives on order on Oct. 1, this year, totaled 1,067, which included 438 steam, three electric, and 596 Diesel locomotives. On Oct. 1, 1942, they had 840 locomotives on order which included 314 steam and 526 electric and Diesel.

Class I railroads put 20,432 new freight cars in service in the first nine months of 1943, compared with 56,081 in the same period last year. Those installed in the nine months of 1943 included 9,621 hopper, 7,721 gondola, 2,085 flat, 135 automobile box, 816 plain box, four refrigerator, three stock, and 47 miscellaneous freight cars.

The railroad's also put 483 new locomotives in service in the first nine months this year, of which 298 were steam, 15 electric, and 170 Diesel. New locomotives installed in the same period last year totaled 575, of which 232 were steam and 343 were electric and Diesel.

The ODT also reported 50 new locomotives on order on Oct. 1, and 18 new locomotives installed in the first nine months of this year by other than Class I carriers. This brings the total of new locomotives on order on Oct. 1 to 1,117 and the number installed in the first nine months to 501.

## Labor Has Program To Maintain Full Employment During Period Of Demobilization, Says A. F. Of L.

"The American Federation of Labor has already developed and is perfecting programs which it believes are imperative for the future maintenance of full employment in the termination of war contracts," Boris Shishkin, Economist of the AFL, told the Institute on Post-War Reconstruction at the New York University auditorium on Oct. 20.

Mr. Shishkin said that the AFL is also working on specific plans for disposal of war inventories and surplus materials as well as to guide in the actual reconversion of production facilities to peacetime enterprise. Demanding passage of the Wagner-Murray-Dingell social security bill, Mr. Shishkin also urged that an Assistant Secretary of Labor be appointed and that a post-war employment division be created under him in the Department of Labor.

"Reconversion and demobilization programs are the two master keys to post-war employment," said Mr. Shishkin. "Training and retraining programs which fit their design are essential to open the gates toward real jobs after the war. There will be drastic curtailment in aircraft, shipbuilding, and machine tool production. On the other hand such industries as textiles, apparel and housing will expand. Hundreds of thousands of welders, riveters, turret lathe operators, tool and die makers and others will have to be retrained and readjusted to fit them for peacetime job opportunities. A joint effort by labor, management and the government to develop in advance and at least in the outline, post-war manning tables indicating the probable shifts of job opportunities would help make the transfer orderly and prevent avoidable distress."

In discussing labor's attitude toward free business enterprise, Mr. Shishkin said that while the workers are determined that there shall be no chronic unemployment when the war is won, they want to assure this without remaking the system of private enterprise.

"But," he continued, "they refuse to trust the future of their livelihood to a natural interplay of natural forces, to the magnetic powers of business confidence and to the ability of prosperity, their prosperity, to come from around the corner."

"While labor looks to a system of free enterprise it asks that such a system be developed and created by design and not by accident; that it be achieved by pooling creative efforts—efforts that are concerted, efforts that are deliberate. Workers conceive of this free enterprise as free not because it operates by heck or by gosh, but because it affords freedom of opportunity under rules commonly agreed upon, rules which are fair and which are honest."

"A system of enterprise which is sure to hit a jackpot every sixteen or seventeen years, but is equally certain to throw a lemon at every intervening year, is not what we want. Opportunity to advance and to gain at unfair expense of the others is not opportunity that we seek. Labor believes that the rules of procedure which assure stable employment at fair wages and fair incomes to workers, farmers, and producers alike can be devised by common consent and made subject to change only by common consent."

"The plain truth is that American labor and American people are more and more aware of the sheer hugeness of our industrial machine and of the organized power of corporate organization which controls this machine. Workers whose job it is to turn the wheels of the various parts of this machine and whose livelihood depends on their operation, realize more than any group that their future and the future of our industrial nation depends on the acceptance of industrial democracy in our industry and of an

economic democracy in our entire economy.

"We have made strides in the years before the war in the direction of both industrial and economic democracy, but the acceptance of a true partnership of labor, management and agriculture was not attained in the pre-war years and has not been achieved in the administration of war production. A relationship of mutuality based on concurrence was not established in the war mobilization program. Looking toward peace we cannot hope to pool our resources unless we learn a way for labor, management and the government to plan together and work out together agreed procedures."

"Labor's first objective now is to formulate a mechanism which would enable representatives of labor and management to join with the government in formulating the basic policies of demobilization, reconversion and reconstruction which will confront us. To this end labor looks to the creation at the earliest possible moment of a national reconversion commission on which labor and management are fully represented and which could guide and assist the nation in the task of reconversion."

## Monetary Pact Signed By Govts. In Exile

Officials of the Netherlands, Belgium and Luxembourg Governments-in-exile signed in London on Oct. 21 a monetary pact stabilizing the rate of exchange between the guilder and the franc at the pre-war level, designed to facilitate economic relations in the post-war period.

Copies of the agreement and an official statement were delivered to the Treasury Department in Washington by representatives of the three Governments on the day of the signing. Included in the delegation were Dr. B. Kleijn Molekamp, Netherlands Minister; Baron Herve de Gruben, Counselor of the Belgian Embassy, and Hugues Le Gallais, Luxembourg Minister.

Speaking for the Treasury Department, Acting Secretary Gaston said:

"I know that Secretary Morgenthau not only will appreciate being informed so promptly of this agreement but will welcome the action taken by the Governments of the Netherlands, Belgium and Luxembourg. As the agreement itself indicates, it is an application of the good neighbor policy which holds great promise for the restoration of economic as well as political order in the world after victory in the war against the aggressors is won. Agreements made in the spirit in which this understanding has been reached will contribute greatly to the stabilization of currencies and to the revival of sound international trade in a reconstructed world."

"It is a manifestation between neighbor nations of the same spirit of cooperation in international monetary matters that Secretary Morgenthau has advocated for application to a broader area. The agreement will itself facilitate the effort to attain understandings of broader scope."

An official statement made on behalf of the three governments follows:

"The Netherlands Government on the one hand and the Belgian and Luxembourg Governments on the other hand (these latter bound

by an Economic Union since July 25, 1921) signed today (Oct. 21) a financial agreement which they believe will have a favorable influence on the development of trade in the post-war period. Following the principles of free economic relations laid down in Article 7 of the Lend-Lease Agreements which both parties have signed, they have for some time studied the possibilities of laying the basis for closer economic cooperation after the war.

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

"Thus, the Governments concerned feel that the exchange of goods and services will take place unhampered by a possible insufficient supply of exchange."

"Appreciating the importance of monetary stabilization, both parties have agreed upon a stable rate of exchange between their respective currencies, which is identical to the rate prevailing before the war."

"This agreement should not be interpreted as an impediment to the adherence on the part of the Belgian and Netherlands and Luxembourg Governments to larger monetary plans but the concluding of this agreement is a first concrete step towards the realization of any international agreement aiming at currency stabilization."

"The Netherlands, Belgian and Luxembourg Governments hope that by signing this financial agreement which includes not only those countries in Europe proper, but also all territories belonging to or mandated to the Kingdom of Belgium or the Kingdom of the Netherlands, they have made a real contribution towards international cooperation and the development of a Good Neighbor Policy; other countries can become parties to the agreement on a basis of reciprocity and it is hoped that in this manner economic relations in the post-war period will be facilitated."

"During a considerable period before the war, closer financial and economic relations between Holland and the Belgo-Luxembourg Economic Union gradually furthered a mutual understanding. During the war, in which these countries faced the same enemy, cordial relations continued and created the atmosphere in which the conclusion of this far-reaching agreement was made possible. On the basis of this agreement, experts of both parties will study the methods to insure friendly trade relations which they hope will ultimately lead to the elimination of trade barriers which might form an obstacle to commerce."

A previous item regarding plans to sign this pact appeared in our issue of Oct. 21, page 1602.

## Heads United States Mission In London

President Roosevelt announced on Oct. 19 the appointment of Philip D. Reed as Chief of the United States Mission for Economic Affairs in London, with the rank of Minister. Mr. Reed, former Chairman of the Board of the General Electric Corp., succeeds W. Averell Harriman, new Ambassador to Russia. He has been associated with Mr. Harriman in London for more than a year and was formerly connected with the War Production Board. Subject to the general supervision of John G. Winant, American Ambassador, the President said, Mr. Reed will be responsible for handling the economic affairs of the United States in the United Kingdom.

## Electric Output For Week Ended Oct. 23, 1943, Shows 17.7% 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. 23, 1943, was approximately 4,415,405,000 kwh., compared with 3,752,571,000 kwh. in the corresponding week last year, an increase of 17.7%. The output for the week ended Oct. 16, 1943, was 17.9% in excess of the similar period of 1942.

Major Geographical Divisions—	PERCENTAGE INCREASE OVER PREVIOUS YEAR			
	Week Ended			
	Oct. 23	Oct. 16	Oct. 9	Oct. 2
New England.....	7.0	8.9	8.0	9.3
Middle Atlantic.....	19.7	18.7	19.7	19.8
Central Industrial.....	15.5	14.4	13.9	14.5
West Central.....	9.2	7.3	6.9	9.5
Southern States.....	19.7	22.2	20.8	22.8
Rocky Mountain.....	14.7	14.9	15.1	13.0
Pacific Coast.....	25.3	26.6	24.5	26.9
Total United States.....	17.7	17.9	17.3	18.4

Week Ended—	DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)					
	1943	1942	% Change over 1942			
			1943	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	1,421,910	1,733,110
Aug 21.....	4,264,825	3,673,717	+16.1	3,230,750	1,436,440	1,750,056
Aug 28.....	4,322,195	3,639,961	+18.7	3,261,149	1,464,700	1,761,594
Sep 4.....	4,350,511	3,672,921	+18.4	3,132,954	1,423,977	1,674,588
Sep 11.....	4,229,262	3,583,408	+18.0	3,322,346	1,476,442	1,806,259
Sep 18.....	4,358,512	3,756,922	+16.0	3,273,375	1,490,833	1,792,131
Sep 25.....	4,359,610	3,720,254	+17.2	3,273,376	1,499,459	1,777,854
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
Oct. 23.....	4,415,405	3,752,571	+17.7	3,340,768	1,533,028	1,824,160

## N. Y. Chamber Urges Increased Reserves For Post-War Plant Reconversion

Legislation to increase post-war reserves to be set aside before taxes and renegotiation which will be sufficient to permit the prompt reestablishment of civilian production and labor employment is urged upon Congress in a report approved by the Chamber of Commerce of the State of New York at its meeting on Oct. 7. Drawn by the Chamber's Committee on Taxation, the report holds that the present 10% post-war refund is "far from adequate" to enable many manufacturers of war supplies to convert their plants to peace-time production. The report also says:

"In order to resume the manufacture of peace-time commodities, industry must make a large investment in peace-time tools. Owing to the present system of taxes and the renegotiation of war contracts, it is impossible for many war industries to set aside reserves for this and other expenses incident to reconversion to civil production. "During present war years there are conditions which must inevitably necessitate huge expenditures or losses in addition to those represented by current expenditures, the impact of which will be felt by many business organizations only in the future years."

"These expenditures and losses—though occurring at a future date—relate in origin to the war years during which the occasion for them is being built up. They, therefore, fundamentally constitute reductions of earnings during such years, even though the amounts properly allocatable to each such year cannot be measured."

To facilitate the transition from war economy to peace economy, the report suggested two methods to Congress whereby adequate tax relief may be granted without permitting abuse of such relief provisions.

"That income taxes shall not be assessed upon an improper basis, it is necessary that reasonable provisions for these expenses and losses shall be allowed as deductions," the report continues. "Since it is not possible to measure with exactitude the amounts of such provisions which should currently be made and deducted from current income, it is evident that such amounts must be determined in each instance by a careful study of the circumstances of each corporation concerned. To prevent misuse of such permissive deductions it is suggested that:

"(1) The amounts deducted from taxable income covering such estimated expenses and losses should be invested in Government bonds of a suitable nature so that

at the expiration of the war these bonds may be converted, making available the cash necessary to cover expenses and losses as then determined. Further, that any such amounts that within a period of say five years after the expiration of the war, have not been used for the purpose for which the deduction was made, shall be taxable in the respective years in which such excess amounts were deducted and additional taxes assessed thereon.

"(a) As an alternate method if Congress should not see fit to authorize such periodic estimated deductions from taxable income, it is suggested that the amounts actually expended after the war to bring the corporate assets to the same condition as would have existed had such expenses been made from year to year, and to meet the types of losses resulting from war activities and the resulting reconversion of assets, shall be allocated to the respective years to which such expenses and losses apply and a redetermination made of the taxes for those years resulting in refunds to the respective corporations."

The report points out that under either of the suggested methods the Government will not be deprived of any revenue during the war, but will have full use, through taxes or additional bond purchases, of the amounts represented by these revenues.

## Russia Agrees To Renew Diplomatic Relations With Exiled Polish Govt.

The London Evening Standard reported on Oct. 22 that Russia had agreed in principle to resume diplomatic relations with the exiled Polish Government, according to an International News dispatch from London on Oct. 22, which also said:

The newspaper said that the decision was not a direct outcome of the current Moscow conference, but as a result of a joint British and American demarche made in Moscow recently.

### Cotton Ginned from Crop of 1943 Prior to Oct. 18

The census report issued on Oct. 25, compiled from the individual returns of the ginners is shown below:

Number of bales of cotton ginned from the growth of 1943 prior to Oct. 18, 1943, and comparative statistics to the corresponding date in 1942 and 1941.

State	RUNNING BALES (Counting round as half bales and excluding lint)		
	1943	1942	1941
United States	7,791,691	8,182,596	6,857,017
Alabama	794,250	726,768	668,877
Arizona	29,144	28,239	54,944
Arkansas	759,485	962,533	1,026,405
California	39,844	32,572	66,022
Florida	12,752	13,889	13,770
Georgia	675,279	685,474	532,039
Illinois	863	2,573	3,983
Kentucky	6,237	10,018	12,344
Louisiana	594,139	490,785	277,594
Mississippi	1,404,907	1,458,239	1,197,129
Missouri	182,437	289,069	357,076
New Mexico	34,905	24,617	17,798
North Carolina	407,040	397,876	397,231
Oklahoma	179,156	332,717	231,564
South Carolina	528,999	523,374	324,839
Tennessee	315,398	386,135	452,062
Texas	1,815,018	1,801,657	1,211,778
Virginia	11,838	11,055	11,562

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

The statistics in this report include no round bales for 1943; none for 1942 and 528 for 1941. Included in the above are 18,411 bales of American-Egyptian for 1943, 10,130 for 1942 and 11,402 for 1941; also 80 bales Sea-Island for 1943; 435 for 1942 and 2,094 for 1941.

The statistics for 1943 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail. The revised total of cotton ginned this season prior to Oct. 1 is 5,752,635 bales.

#### Consumption and Stocks — United States

Cotton consumed during the month of September, 1943, amounted to 872,109 bales. Cotton on hand in consuming establishments on Sept. 30, was 1,930,298 bales, and in public storages and at compresses 10,432,611 bales. The number of active consuming cotton spindles for the month was 22,631,338.

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

#### World Statistics

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

### Treasury's \$3 Billion Offering To Banks Oversubscribed—Refunding Of \$3.4 Billion

The Treasury Department made public on Oct. 15 final figures on the recent offering of \$1,500,000,000 of 2% Treasury bonds of 1951-53 and \$1,500,000,000 of 3/4% Treasury certificates of indebtedness of Series F-1944. Of the cash subscriptions totaling \$10,916,921,500, banks were allotted \$11,626,007,000 of 2% bonds and \$1,578,537,000 of 3/4% certificates. Subscriptions amounted to \$5,530,856,500 and \$5,386,065,000, respectively.

The Treasury at the same time reported that holders of \$3,148,908,000 of maturing securities exchanged them for either the 2% bonds, 3/4% certificates or 2 1/2% Treasury bonds of 1964-69. The refunding operation was made up of \$1,400,000,000 of 3 1/4% Treasury bonds of 1943-45, called for redemption Oct. 15, and \$2,035,000,000 of 3/4% certificates maturing Nov. 1.

Subscriptions and allotments were divided among the several Federal Reserve Districts and the Treasury as follows:

Federal Reserve District	CASH OFFERING		EXCHANGE OFFERING	
	Subscriptions	Total	Subscriptions	Total
Boston	\$305,127,500	\$83,998,500	\$283,230,000	\$78,608,000
New York	2,027,289,500	520,945,500	2,080,806,000	550,958,000
Philadelphia	398,932,500	112,376,500	316,426,000	91,346,000
Cleveland	394,517,500	118,726,000	382,723,000	113,662,000
Richmond	252,969,000	80,094,000	234,742,000	71,893,000
Atlanta	223,874,000	73,790,500	214,794,000	69,439,000
Chicago	728,096,500	233,190,500	698,571,000	219,434,000
St. Louis	186,945,000	70,995,000	165,744,000	58,920,000
Minneapolis	145,250,500	60,147,000	135,422,000	53,882,000
Kansas City	192,462,000	76,965,000	188,956,000	71,615,000
Dallas	155,602,500	53,580,500	130,593,000	47,261,000
San Francisco	529,790,000	141,208,000	554,048,000	151,519,000
Treasury				
	\$5,530,856,500	\$1,626,007,000	\$5,386,065,000	\$1,578,537,000

The books for both cash and exchange subscriptions in the \$6,435,000,000 financing operation were closed at the close of business on Oct. 8, except for the receipt of exchange subscriptions from holders of \$25,000 or less of the called 3 1/4% Treasury bonds of 1943-45. In this latter instance the books remained open through Oct. 11.

The exchange offering of securities afforded holders of the called 3 1/4% bonds of 1943-45 an opportunity to exchange their holdings either for 2 1/2% Treasury bonds of 1964-69 or for 2% Treasury bonds of 1951-53, and also permitted holders of Treasury Certificates of Indebtedness of Series D-1943, maturing Nov. 1, to exchange them for

3/4% Certificates of Series F-1944. The called 3 1/4% bonds were outstanding in amount of \$1,400,528,250, while the maturing certificates outstanding totaled \$2,035,254,000.

In the case of the cash subscriptions, these were restricted to commercial banks (defined as those accepting demand deposits) which were excluded from participation in the Third War Loan Drive.

The following details were reported in the Treasury's offering announcement of Oct. 6:

"The Treasury Bonds of 1964-69 now offered in exchange for the called Treasury Bonds of 1943-45 constitute an additional issue of the bonds sold during the Third War Loan Drive. They are dated Sept. 15, 1943, and will bear interest from that date at the rate of 2 1/2% per annum, payable on a semi-annual basis on Dec. 15, 1943, and thereafter on June 15 and Dec. 15 in each year until the principal amount becomes payable. They will mature Dec. 15, 1969, but may be redeemed at the option of the United States on and after Dec. 15, 1964. The Treasury Bonds of 1951-53 offered in exchange for the called bonds, and for cash subscription by commercial banks for their own account, also constitute an additional issue of the bonds sold during the Third War Loan Drive. They are dated Sept. 15, 1943, and will bear interest from that date at the rate of 2% per annum, payable semi-annually on March 15 and Sept. 15, in each year until the principal amount becomes payable. They will mature Sept. 15, 1953, but may be redeemed at the option of the United States on and after Sept. 15, 1951. Both the 2 1/2% and the 2% bonds will be issued in two forms, bearer bonds with interest coupons attached, and bonds registered both as to principal and interest. Both forms will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000.

"The Certificates of Series F-1944, offered for cash subscription by commercial banks for their own account, and in exchange for the maturing certificates, will be dated Oct. 15, 1943, will be payable on Oct. 1, 1944, and will bear interest at the rate of 3/4% per annum, payable on a semi-annual basis on April 1 and Oct. 1, 1944. They will be issued in bearer form only with two interest coupons attached, in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000.

"Pursuant to the provisions of the Public Debt Act of 1941, interest upon the bonds and certificates now offered shall not have any exemption, as such, under Federal tax acts now or hereafter enacted."

The following table summarizes the financing:

1. Cash offering for banks:	
A. 3/4% Certificate of Indebtedness dated Oct. 15, 1943, maturing Oct. 1, 1944, in the amount of	\$1,500,000,000
B. Reopen the 2% Treasury Bond of 1951-53 offered in the Third War Loan Drive in the amount of	1,500,000,000
Cash	\$3,000,000,000
2. Refunding:	
A. The 3/4% Certificate of Indebtedness dated Oct. 15, 1943, maturing Oct. 1, 1944, which is also being offered for cash, in exchange for the Nov 1 maturing certificate in the amount of	\$2,035,000,000
B. Reopen the 2% Treasury Bond of 1951-53 and the 2 1/2% Treasury Bond of 1964-69 offered in the Third War Loan Drive in exchange for the 3 1/4% Treasury Bonds of 1943-45 called for payment on Oct. 15 in the amount of	1,400,000,000
(The 2 1/2% bonds are available only to non-bank holders)	
Refunding	3,435,000,000
Total Financing	\$6,435,000,000

### Italy Declares War On Germany—U. S., Britain & Russia Acknowledge Co-Belligerency

Italy formally declared war on Germany on Oct. 13 and was accepted by the United States, Great Britain and Russia as a co-belligerent against her former Axis partner.

Incidentally, as to the designation "co-belligerent," United Press accounts from Washington Oct. 13 stated:

Diplomatic sources explained today the meaning in international usage of the word "co-belligerent" as used in connection with Italy's declaration of war against Germany.

"Co-belligerents," they said, are countries fighting together on the same side.

"Allies" they defined as countries fighting on the same side and bound by an alliance.

With respect to Italy's action on October 13, Premier Marshal Pietro Badoglio informed Gen. Dwight D. Eisenhower, Allied Commander-in-Chief in the Mediterranean area, of the Italian declaration and the acceptance of Italy as a co-belligerent was announced in a joint statement issued by President Roosevelt, British Prime Minister Churchill and Soviet Premier Stalin.

The joint statement emphasized, however, that Italy's co-belligerency cannot "of itself" affect the armistice terms, signed on September 3, since they "retain their full force and can only be adjusted by agreement between the Allied Governments in the light of the assistance which the Italian Government may be able to afford to the United Nations' cause."

The American, British and Soviet Governments acknowledged the Italian Government's pledge "to submit to the will of the Italian people after the Germans have been driven from Italy," the statement said.

In his message to Gen. Eisenhower, Marshal Badoglio said that by the war declaration "all ties

with the dreadful past are broken, and my Government will be proud to be able to march with you on to the inevitable victory."

Marshal Badoglio issued a proclamation to the Italian people saying that the Government, which he heads, will shortly be completed and that representatives of every political party will be asked to participate "in order that it may constitute a true expression of democratic government in Italy." He added that "the present arrangement will in no way impair the untrammelled right of the people of Italy to choose their own form of democratic government when peace is restored."

The White House released the text of the joint statement by President Roosevelt, Prime Minister Churchill and Premier Stalin on Italy's declaration of war against Germany as follows:

"The Governments of Great Britain, the United States and the Soviet Union acknowledge the position of the Royal Italian Government as stated by Marshal Badoglio and accept the active cooperation of the Italian nation and armed forces as a co-belligerent in the war against Germany.

"The military events since September 8 and the brutal maltreatment by the Germans of the Italian population, culminating in the Italian declaration of war against Germany, have in fact made Italy a co-belligerent and the American, British and Soviet Governments

will continue to work with the Italian Government on that basis.

"The three governments acknowledge the Italian Government's pledge to submit to the will of the Italian people after the Germans have been driven from Italy," and it is understood that nothing can detract from the absolute and untrammelled right of the people of Italy by constitutional means to decide on the democratic form of government they will eventually have.

"The relationship of co-belligerency between the Governments of Italy and the United Nations Governments can not of itself affect the terms recently signed, which retain their full force and can only be adjusted by agreement between the Allied Governments in the light of the assistance which the Italian Government may be able to afford to the United Nations' cause."

The granting of a military armistice to Italy and the surrender of its armed forces unconditionally was reported in our issue of September 16, page 1114.

### President Urges More Effort To Reduce Accidents

President Roosevelt, in a letter to the National Safety Congress in Chicago, asserted on October 6 that "the prediction that 89,000 Americans will die from accidents on the home front in 1943 and that more than 9,000,000 others will be injured brings us face to face with the fact that the battle against carelessness still is far from won and that even greater efforts must be made to win it."

In Chicago advices, October 6, to the New York "Times," the following was also reported:

The prediction was made by Colonel John Stilwell, President of the National Safety Council, in a report to Mr. Roosevelt, who two years ago asked the council to conduct a country-wide wartime accident-prevention campaign. The council's drive resulted in a reduction of 7% in the all-accident death toll, as compared with the corresponding period of 1941, Colonel Stilwell reported to the President.

Mr. Roosevelt called the showing "gratifying" and expressed through Colonel Stilwell his "sincere appreciation to the thousands of my fellow Americans who are giving so unstintingly of their time and effort to bring down the nation's accident death toll." The President appealed again to the council "and all other safety forces of the nation to do even more than you have done to stop accidents and speed victory!"

### Head War Studies Group

Shepard B. Clough, Professor of the History Department of Columbia University, has been granted leave of absence to head a committee on war studies which is to be organized by the Social Science Research Council, it is announced by Dr. Nicholas Murray Butler, President of the University. In his new post Prof. Clough will be in charge of collecting all available records and information on the effects of war upon society to be used as reference material by research workers and historians.

This appointment, it is announced, represents the first attempt in this country to develop a complete and accurate body of information of the changes in the economic and social life of a country during wartime, according to the announcement.

The impact of World War II upon America will be the subject of a large part of the special studies, although material from other war periods will also be drawn upon. Prof. Clough will also work out plans for the assembling of necessary records by business firms and local State and community organizations in a form that can be readily used by research personnel.

## Agricultural Department General Crop Report As Of October 1, 1943

Crop yields in the country as a whole are turning out about as expected a month ago. Although aggregate crop production will be about 7% below the phenomenal output of last year, it is now possible to look with some confidence for an output several percent higher than in any other previous season, said the U. S. Crop Reporting Board of the U. S. Department of Agriculture, which also said:

Farmers are harvesting the second-highest crop yields from the largest acreage harvested in ten years. Unfavorable weather could still cause extensive local losses but dry weather during September enabled farmers in nearly all States to push the gathering of late crops and the size of the harvest can be seen more clearly than is often the case at this season of the year.

To meet the bumper demand for direct food crops there are bumper crops of potatoes, rice, beans, peas, and peanuts. Production of the principal oil seeds as a group will be about the same as in 1942 and a third greater than in any other season. This year's wheat crop is only about average but the July 1 carryover was large and wheat stocks on farms on October 1 were 56% above average. There will be more sweet potatoes than we usually grow except in depression periods. Fruit production is lower than in most of the last half dozen seasons but exceeds production in earlier years. Barring severe storm or freezing losses there should be a record or near-record tonnage of citrus fruits to be picked during the next 12 months and also a record tonnage of grapes, but apples, peaches and pears are light crops due chiefly to frosts last spring. Commercial vegetable production not including the large crops of potatoes and sweet potatoes will probably be greater than in any season prior to 1942. A large tonnage of vegetables for canning and processing was produced but it was less than production last year. The supply of market vegetables has been, and still continues, relatively light but the increased number of home gardens augments the supply somewhat.

To feed the record numbers of livestock and poultry there is a corn crop that is expected to exceed 3,000,000,000 bushels and may be about as large as any grown prior to 1942. Adding fairly large crops of oats, barley, and sorghums for grain gives a total feed grain crop of about 115,000,000 tons, about 9,000,000 tons below production last year but above production in other years since 1915 and at least 12,000,000 tons above average production during any 10-year period. Hay production was large enough to provide about the usual quantity per head for the increased numbers of livestock and pastures and ranges show about the usual condition for this season of the year, but hay supplies and reports on pastures and ranges are all much lower than a year ago.

Although the national crop situation appears about the same as it did a month ago, there have been changes in individual crops and local areas. Early fall rains relieved the drought in the south central area from Kentucky and the lower Mississippi Valley as far westward as the central portions of Texas, Oklahoma and Kansas, causing substantial improvement in sweet potatoes, tobacco, late corn, sugarcane and pastures but damaging rice, especially along the Louisiana coast, and causing some loss of cotton. Part of the eastern drought area, extending from New Jersey into Virginia, has had some rain that will help pastures but most crops except some late vegetables were too far advanced to be benefited. Elsewhere the dry fall has been unfavorable for the growth of apples, sorghums, late vegetables and some other late crops as well as for pastures and ranges and the seeding of winter wheat, but was favorable for most farm work and

reports from all areas indicate that harvesting has been pushed rapidly. Early September frosts damaged some corn in the Dakotas and northeastern Ohio and some corn and beans in Michigan but in the main Corn Belt both corn and soybeans have largely escaped frosts through the first week of October. Although the considerable acreage of these crops planted late still needs a week or two more of mild weather, the danger of serious damage from frost has been rapidly declining. The indications at this time are that the harvesting of late crops can be completed at about the normal season.

Harvesting reports show flaxseed to be yielding about 6% less than was expected a month ago, rice and apples each 3% less, cotton nearly 2% less and barley, sorghums, beans, soybeans and peanuts each about 1% less. On the other hand, the estimates of corn, sweet potatoes and sugarcane production are now raised about 3%, the estimates for potatoes and tobacco are up 2% and those for hay are up 1%. The annual total of vegetables shows little change but prospects for some important late kinds show reduction chiefly because of dry weather or early frosts in northern States.

On October 1 farm stocks of oats and corn totaled 25,300,000 tons. Allowing for probable holdings of barley and sorghums for grain and for the corn and sorghum crops being harvested, the farm supply of feed grains in sight October 1 totals 120,000,000 tons, compared with 130,000,000 tons a year ago and a range of from 58,000,000 to 114,000,000 tons in the preceding 15 years for which records are available. Supplies are very large but not large enough for continued liberal feeding of the temporarily expanded numbers of livestock now in flocks and herds.

October reports on stocks of corn and oats on farms show that during the last three months grain supplies have been used at a rate that cannot be continued from supplies in sight. The quantity of feed grains disappearing from farms between July 1 and October 1 was about 17% greater this year than in 1942 and 27% greater than in any of the preceding 20 years for which records are available. From now till the beginning of next year's harvest the quantity of grain that can be fed can hardly exceed the record quantity fed last season without reducing farm reserves to an unusually low level.

Judging from the number of pigs, calves, and lambs saved, chicks and turkeys hatched and weights of animals being marketed, the total production of cattle, hogs, sheep, and poultry during the current calendar year will be slightly more than 50,000,000,000 pounds live weight. This would be 12% in excess of production in 1942 and 27% greater than production in any preceding year. Milk production is expected to be only 1% below last year's peak and egg production likely to be 12% higher than in any past year. This high production of livestock in 1943 plus other uses is requiring a volume of feed grain in 1943 as large as the entire amount produced in 1942. Livestock numbers and rates of feeding will now need to be adjusted to the smaller volume of grain currently available.

Total production of all fruit crops (eight major deciduous for 1943 plus citrus crops for the 1943-44 season) is indicated to be about 10% below the previous season's harvest. All citrus in 1943-44

is expected to total about the same as the 1942-43 harvest. Total tonnage of the eight major deciduous fruits (apples, peaches, pears, grapes, cherries, plums, prunes, apricots) is 16% below the 1942 total. Grapes are a record crop in California, while the United States total production of prunes and plums is 13% above the 1942 harvest. Other deciduous fruits shows percentage reductions from last year as follows: apples, 30; peaches, 37; pears, 23; cherries, 37; apricots, 53. Supplies of fruits are being very closely utilized this year. Needed rains the latter part of September improved citrus prospects in Texas. Production of tree nuts (walnuts, pecans, almonds, filberts) in 1943 is indicated to be 12% more than in 1942 and 24% larger than average.

As the harvesting season for commercial truck crops in the late producing States approaches an end, the total U. S. 1943 production of vegetables for the fresh market is likely to fall about 9% below that of 1942 to a level about 1% above the 1932-41 average. Production of snap beans, carrots, kale, and tomatoes exceeded production of these crops in 1942, with reductions in other crops. The indicated aggregate tonnage of eight important vegetables for commercial processing also shows a reduction of 9% from that of 1942, but exceeds the 1932-41 average by 59%. Of these crops, it appears that only snap beans and beets will be processed in larger quantities than in 1942.

Production of truck crops for the fresh market in areas from which most of the October shipments are to be expected is indicated to be about 4% less than in 1942 but 8% above the corresponding 10-year (1932-41) average. Lighter supplies are indicated for snap beans, cauliflower, onions, celery, cabbage, spinach, and green peppers, which more than offset heavier prospective crops of lima beans, carrots, tomatoes, cucumbers, green peas, lettuce, and beets.

Yields of the principal grass and clover seeds harvested to date have been disappointing and production is below the rather low level of last year. The outcome of the alfalfa seed crop is still uncertain, and there is some chance that the lespedeza crop may be larger than last year. In general, supplies of the principal grass and clover seeds used in northern States will be light, although not seriously short, but larger supplies of winter cover crop seeds were available in time for planting in the South this fall than in any other year on record.

### Corn

The 1943 United States corn crop promises to exceed the 3,000,000,000 bushel mark for the fourth time in history. On October 1, corn production is indicated at 3,055,605,000 bushels—the third largest crop on record, surpassed only by the record 1942 crop of 3,175,154,000 bushels and the big crop of 1920 which totaled 3,070,604,000 bushels. The October 1 forecast is 70,000,000 bushels above the September 1 estimate. The 1943 crop is now expected to exceed the 10-year (1932-41) average of 2,349,267,000 bushels by 706,000,000 bushels. This average, however, includes the two drought years, 1934 and 1936, when production for each of these years was only about half of the 1943 output. These estimates relate to corn for all purposes—grain, silage, forage, hogging and grazing.

September weather was favorable for corn. Moderate to generous rains brought relief to areas affected by drought in the South Central and Mid-Atlantic States. Although rainfall in the Great Plains continued much below normal, temperatures were moderate which was helpful in view of the exhausted soil moisture supplies. West of the Rockies above normal temperatures gave corn much

needed warmth and sunshine. Dry weather, although too cool at times, encouraged ripening over much of the important northern States. Warm weather at the end of the month was particularly beneficial in this respect.

Killing frosts, which occurred during the second and third week of September in some of the most northern States, resulted in considerable soft corn and poor quality silage and fodder in North Dakota, Michigan, New York, the northern and central sections of Wisconsin and spotted areas of Minnesota. Although frosts came earlier than usual for South Dakota and Nebraska, corn was well advanced owing to the dry growing season. In the main Corn Belt frost damage was spotty and mostly light. A large part of this crop is now safe from frost but some late corn still needs a week to ten days to mature.

Despite considerable damage from drought in the extreme western Corn Belt States and in the southern parts of Illinois and Missouri, and damage from frost and early season floods, production in the Corn Belt is expected to reach 2,374,028,000 bushels, the second largest crop on record for this section. Production records are shattered for four States—Iowa, Illinois, Wisconsin and Minnesota—while Indiana and Ohio will harvest near record crops. Yields were turning out somewhat better than expected a month ago in Nebraska and Kansas, but in parts of these States and South Dakota production was reduced materially by drought.

Outside of the Corn Belt net prospects are better than a month ago. The improvement of the crop in the South Atlantic and South Central States was more than enough to offset a decline in the North Atlantic States. In the Western States, further damage occurred to dry land corn in Wyoming, but corn in most other States registered improvement.

Harvest for grain is in full progress in the South, but just starting in the North where the moisture content of corn is a little too high for cribbing operations. Silo filling is nearly completed but has been somewhat behind schedule this season in the important northern silage producing States.

### Farm Stocks

Stocks of old corn on farms October 1 were 364,844,000 bushels, the smallest since 1938, but still 58 million bushels above the 10-year (1932-41) average of 306,594,000 bushels. Farm stocks on October 1 were 12.6% of the 1942 production of corn for grain. A record disappearance of 447,848,000 bushels from farms occurred from July 1 to October 1. This is 110 million bushels above the previous record disappearance which occurred during the corresponding quarter last year. The 10-year (1932-41) average disappearance for the July-October quarter is 244,160,000 bushels.

### Wheat

The October 1 estimate of all wheat is 835,816,000 bushels which is 14.8% below last year's crop but 13.2% above the average. The 1942 production of all wheat, the second largest crop on record, was 981,327,000 bushels and the (1932-41) 10-year average is 738,412,000 bushels. The spring wheat crop of 301,959,000 bushels is 8.6% above last year's crop and 60.4% above the average, in contrast to winter wheat, which is 24.1% below last year's record crop and 3% below the average.

North Dakota with a 150,659,000 bushel crop leads all States, exceeding Kansas by 2,000 bushels. Montana is third in rank with 71,774,000 bushels, followed by Nebraska and Washington.

The October 1 average yield of all spring wheat is 18.8 bushels as compared with 20.2 bushels in 1942. The production of 301,959,000 bushels of all spring wheat compares with 278,074,000 bushels in

1942 and 188,231,000 bushels, the (1932-41) 10-year average. The 1943 crop is the sixth highest since 1909 and the average yield has been exceeded during that period only by the 1942 yield. North Dakota produced nearly half of the spring wheat crop last year.

Durum wheat production is placed at 36,251,000 bushels as compared with 44,660,000 bushels in 1942 and 26,992,000 bushels the (1932-41) 10-year average. The average yield in the three leading durum wheat States is 17.8 bushels per acre as compared with 21.2 bushels in 1942 and 10.1 bushels, the 10-year average. Durum yield is the second highest since 1909.

### Farm Stocks

October 1 stocks of wheat on farms are estimated at 61.9% of the 1943 crop, or 517,740,000 bushels as compared with 644,146,000 bushels on Oct. 1, 1942, and the 10-year (1932-41) average of 330,927,000 bushels. The October 1 stocks this year are 126,406,000 bushels below the record stocks on October 1 last year. A considerable percentage of the crop was fed to livestock during the past year.

In all of the important States, stocks are lower than last year, but still larger than usual on that date. The estimate of wheat stocks on farms include wheat under loan on farms but does not include wheat owned by the Commodity Credit Corporation or under loan and stored elsewhere.

### Oats

Production of 1,148,692,000 bushels of oats is indicated as of October 1, an increase of 3,632,000 bushels over the September 1 prospects. While 15% below the excellent 1942 crop, an outturn of this size would be about 13% above the 1932-41 average. The indicated yield of 30.3 bushels compares with 35.9 in 1942 and the 10-year average of 28.1 bushels per acre.

Ideal weather for maturing and harvesting the crop improved yields in the late Mountain and Pacific Northwest States, more than offsetting continuing declines in several Northeastern States. Yields turned out slightly better than expected in Michigan, Wisconsin, and Minnesota. In the area eastward from Michigan and Indiana, yields were below average in most States, with Maine the chief exception. In the area south of Virginia and Kentucky and west of Wisconsin and Illinois, yields were mostly above average, with Oklahoma and Texas the chief exceptions.

### Farm Stocks

Oats stored on farms October 1 amounted to 941,092,000 bushels, equivalent to 81.9% of the 1943 crop. Although these stocks are 17% less than the record carryover a year ago, they are nearly 14% above the 1932-41 average for October 1 stocks. Farm disappearance from the total 1943 supply, computed from July 1 farm stocks plus 1943 production, has amounted to 444,044,000 bushels, compared with 418,195,000 and 443,453,000 bushels in the July-October quarters of 1942 and 1941, respectively, and the average for the quarter of 352,525,000 bushels.

### Barley

The preliminary estimate of barley production on October 1 is 330,212,000 bushels. This year's crop is considerably below last year's record crop of 426,150,000 bushels but materially above the 10-year (1932-41) average crop of 243,373,000 bushels.

Weather conditions during September were generally favorable for late harvesting and threshing operations, and threshing is mostly completed in Northern and Western States. Final threshing returns continued to show the results of adverse weather earlier in the season in the North Central

States. In most Western States yields are better than last year with irrigated yields turning out exceptionally well. An indicated average yield for the United States of 21.9 bushels per acre on October 1, compares with 25.4 bushels in 1942 and the 10-year average of 21.4 bushels.

**Buckwheat**

Production, indicated on October 1 at 8,464,000 bushels, is about one-fourth larger than the 6,687,000 bushel crop last year and above average of 7,029,000 bushels. The decline during September was slight, although moderate frost damage occurred in most of the important more northerly buckwheat States. Some lowering of yields from what they would have been is indicated. In other areas, Illinois and the southern fringe of the buckwheat States, drought conditions held yields down. The season in general, however, has been fairly good, and even with the expansion in acreage and moderate but general frosts in September, the indicated yield per acre of 17.2 bushels is only a half bushel below last year, and slightly above average.

**Rice**

A record rice crop is still in prospect, despite a 3% decline in probable production during September. A crop of 69,019,000 bushels, as now estimated, would be 4% larger than the previous record crop in 1942, and 46% larger than the 1932-41 average production.

As harvesting progressed in the southern rice area, prospects declined generally. In Arkansas grassy fields and expansion in acreage beyond that for which curtailed water supplies were available resulted in acreage abandonment and lower yields. In Louisiana heavy rainfall following a Gulf storm resulted in flooded fields. There was some acreage and harvesting loss of lodged grain. Prospective production of fields still in the process of harvesting was lowered by the increased probability of damage by birds and delayed harvest due to scarcity of labor. Frequent showers in the Texas rice area, together with heavy rains and high winds in the wake of a Gulf storm, caused some damage, and harvest was delayed further by scarcity of labor. California prospects were unchanged. Warm, dry September weather brought rice to maturity, so that some was harvested but little threshed before October 1. Harvest is about three weeks later than usual. Production of 56,864,000 bushels in the southern area is 4% below that forecast September 1; the California estimate remained at 12,155,000 bushels.

**Potatoes**

During September conditions continued favorable for the maturing of potatoes and prospective production in the late crop States is indicated to be about 9,000,000 bushels larger than was reported a month ago. The United States potato crop is now placed at 469,545,000 bushels compared with 371,150,000 bushels in 1942 and the 10-year (1932-41) average of 363,332,000 bushels. Both the indicated production and yield per acre (139.6 bushels) for 1943 are the highest on record.

Favorable harvesting weather prevailed during late September and early October in most areas and enabled growers to devote uninterrupted attention to harvesting of the unusually large crop. Vines in many of the important commercial areas have remained green later than usual because of the late plantings and the delayed date of killing frosts. Damage from late blight or other causes this year is much less than usual and the quality is exceptionally good in the important late potato States. Considering the late start in digging, growers in most of the late States have made good

progress in harvesting the crop. In Maine, however, growers are facing a critical situation in attempting to save the all-time record crop of 71,000,000 bushels. Because of green vines, the shortage of labor, and a record-high acreage and yield per acre, only about 37% of the acreage in Maine had been harvested to October 1 compared with 75% in 1942. Existing farm and track storages will not be adequate to handle the large Maine crop, although considerable new storage space was built this year.

In the five Central Surplus Late Potato States the crop generally escaped blight damage and frost injury. Production is 33% above last year and the quality is above average. In Idaho the delayed date of killing frost offset late plantings. The yield is slightly above average, but because of the greatly increased acreage, production is 72% above average. In the other late surplus producing States, except Pennsylvania, producing late States of the Midwest the crop is below average.

There was little change in the crop in the intermediate States from New Jersey to Kansas and production for the group is 5% above average.

**9% Of U. S. Food Output For Lend-Lease**

Lend-lease shipments of food to our Allies during the first eight months of 1943 amounted to 9.2%, in terms of dollar value, of the entire output of the United States, the Lend-Lease Administration reports.

In relation to the total supply of the principal items of the American diet, the Administration said lend-lease shipments of food have been relatively small. A total of 6,579,400,000 pounds of food were shipped from January through August, with meat shipments aggregating 1,462,700,000 pounds and all milk products 2,129,700,000 pounds.

The War Food Administration reported that during August 1,000,000,000 pounds of food and other farm products were delivered to ports for shipment overseas under the lend-lease program.

The British Empire received the largest share of the deliveries—69%. Russia got 23%, North Africa 7%, and Greece, West Africa, the Netherlands and Turkey combined, 1%.

**Life Presidents' Ass'n To Meet In N. Y.**

The Association of Life Insurance Presidents will hold its 37th annual meeting at the Waldorf-Astoria, New York City, on Dec. 2 and 3, it was announced on Oct. 22. The meeting will be attended by leading life insurance executives of the United States and Canada and by State and provincial insurance supervisory officials. The program, geared to the times, will emphasize the part played by life insurance in the war effort, and its increasing responsibilities in the days to come. Modified to meet current demands, the plans provide for greater stress on the business sessions.

Col. Franklin D'Olier, President of the Prudential Insurance Co. of America, Newark, N. J., will be the Chairman of the meeting. He will make the opening address and will preside over the sessions. As is customary at the Life Presidents' annual meetings, Col. D'Olier, as Chairman, will speak on the subject of the central theme. The theme, together with the range of subjects to be taken up by other speakers, will be announced shortly.

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

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on Oct. 19. Following is the tabulation issued by the Stock Exchange:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Allied Stores Corp., 5% preferred.....	212	412
American Hide and Leather Co., 6% cum. convert. pfd.	900	1,700
Associates Investment Co., common.....	38,181	39,032
Associates Investment Co., 5% cumulative preferred.....	648	652
Atlas Corp., common.....	110	4,928
Atlas Corp., 6% preferred.....	2	3
Barker Bros., 5 1/2% cumulative preferred.....	11,294	12,519 (1)
Borden Co. (The), capital.....	89,571	53,567 (2)
Bucyrus-Erie Co., common.....	21,741	21,749
Century Ribbon Mills, Inc., preferred.....	36	116
Crucible Steel Co. of America, 5% convertible preferred.....	2,600	3,300
Detroit Edison Co. (The), capital.....	838	828
Firestone Tire & Rubber Co. (The), 6% preferred.....	13,871	1,871
General Motors Corp., common.....	35,941	44,918
Gimbel Brothers, \$6 cumulative preferred.....	5,811	6,111
Glidden Co. (The), common.....	8,288	10,088
Goodyear Tire & Rubber Co. (The), \$5 conv. preferred.....	15,812	17,612
Holly Sugar Corp., preferred.....	2,790	3,040
Jones & Laughlin Steel Corp., common.....	.....	(3)
Jones & Laughlin Steel Corp., 5% cum. preferred, A.....	.....	(3)
Jones & Laughlin Steel Corp., 5% cum. preferred, B.....	.....	(3)
Madison Square Garden Corp., common.....	26,200	26,400
McClellan Stores Co., preferred.....	5	153
Mead Corp. (The), \$6 preferred, A.....	.....	100
Mead Corp. (The), \$5.50 preferred, B.....	2,797	2,947
National Cylinder Gas Co., common.....	6,811	6,812
National Steel Corp., capital.....	2,455	2,155
Newport News Shipbuilding & Dry Dock Co., \$5 cum. pfd.	15,400	17,900
Norfolk and Western Railway Co., adjustment preferred.....	6,332	6,962
Pittston Co. (The), class A preferred.....	660	880
Plymouth Oil Co., capital.....	7,184	8,284
Real Silk Hosiery Mills, Inc., 7% preferred.....	6,565	6,575
Safeway Stores, 5% cumulative preferred.....	84	87
Safeway Stores, common.....	15,097	15,098
Sheaffer (W. A.) Pen Co., common.....	3,002	2,749
Sinclair Oil Corp., common.....	330,911	330,922
Standard Oil Co. (N. J.), capital.....	4,921	.....
Transamerica Corp., capital.....	1,208,931	1,209,031
Twentieth Century-Fox Film Corp., \$1.50 preferred.....	47,163	50,763
United States Rubber Co., common.....	12	14
Virginia Iron Coal and Coke Co., 5% preferred.....	3,732	4,112
White (The S. S.) Dental Mfg. Co., capital.....	1,482	1,462
Willys-Overland Motors, Inc., 6% cum. conv. preferred.....	60,195	66,395

**NOTES**

- (1) Of these figures 246 shares of the 5 1/2% preferred stock are held directly by Sunland Investment Co., a controlled company.
- (2) Acquired 6,200 and issued 42,204 shares for the purchase of Poinsettia Dairy Products, Inc.
- (3) Acquired and disposed of during the month of September, 10 shares of common, 2 1/2 shares 5% preferred A, and 2 1/2 shares of 5% preferred B.

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

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Air Investors, Inc., convertible preferred.....	2,003	2,118
American Cities Power & Light Corp., A opt. div. ser. 1936	750	2,800
American Cities Power & Light Corp., conv. A opt. div. ser.	200	650
American General Corp., common.....	361,047	366,158
Crown Central Petroleum Corp., common.....	589	591
Esquire, Inc., capital.....	13,500	17,163
Gilbert (The A. C.) Co., preferred.....	2,008	3,360
Hearn Department Stores, Inc., 6% preferred.....	23,774	23,944
Interstate Hosiery Mills, Inc., capital.....	45,714	46,474
Knott Corp., common.....	9,403	10,004
Lane Bryant, Inc., 7% preferred.....	None	5
Mangel Stores Corp., \$5 convertible preferred.....	3,878	3,918
Midland Oil Corp., \$2 convertible preferred.....	10,015	10,115
New York Merchandise Co., Inc., common.....	125,637	125,857
Oilstocks, Limited, capital.....	1,284	1,384
Sunray Oil Corp., 5 1/2% convertible preferred.....	718	1,288
Utility Equities Corp., \$5.50 div. pr. stock.....	10,300	10,500

**Court Rules Associated Press May Limit Membership But Must Modify By-Laws**

A special three-judge Federal Court in the Southern District of New York upheld on Oct. 6 the right of The Associated Press to pass upon admission of applicants but ruled that the news-gathering organization's by-laws "in their present form" are a violation of Federal anti-trust laws.

The court directed that the by-laws of The Associated Press shall be changed to prevent a member in the same field (morning, evening or Sunday in the same city) from presenting any bar to the election in such field.

Other points in the decision (we quote from the Associated Press) were:

- 1. Purchase by The Associated Press of Wide World Photos from The New York "Times" does not violate the anti-trust laws as charged by the Government.
  - 2. The exclusive news exchange contract with The Canadian Press, provided the by-laws are changed as directed, would not be in violation of law.
  - 3. Also if the by-laws are changed, as ordered, the exclusivity of local news of spontaneous origin which members now furnish to The Associated Press as an obligation of membership would be within the law.
- The following additional concerning the case is from Associated Press advices:
- "The Government in its suit had sought to force The Associated Press to abandon its membership structure and make available its news report to all applicants with-

ering — witness the growth of United Press, International News Service and other news-gathering agencies. Nor is there proof that they (the by-laws) have stifled competition between newspapers and other newspaper owners or prospective publishers."

The Court held that if the by-law changes were made as it directed the exclusivity of local news of spontaneous origin furnished to The Associated Press by members would be within the law, but held that such operations under present by-laws were unlawful.

In a statement issued in Washington on Oct. 8, John Henry Lewin, special assistant to the Attorney General, who was a Governmental attorney in the case, said that "it is clear that the Government has won a substantial victory on the main point at issue." He added that "the court held with the Government on all except relatively minor issues."

The case was referred to in our issue of July 5, page 52.

**To Fix Compensation For Seized Ships**

President Roosevelt set up by Executive Order on Oct. 15 an Advisory Board on Just Compensation which will determine for the War Shipping Administration the compensation standards for all vessels requisitioned for use by the Government during the war. It is said that virtually all vessels in the United States merchant marine, have been requisitioned or their title taken over by the WSA. The Board, which will work out the compensation formula, consists of Judges of three United States Circuit Courts of Appeals: Learned Hand of the Second Circuit, John J. Parker of the Fourth and Joseph C. Hutcheson, Jr., of the Fifth.

A White House statement said: "The Board's duties will be to define the standards of just compensation and to establish rules and formulae in accordance with the relevant provisions of the law for the guidance of the War Shipping Administrator.

"Since any litigation which may arise in these matters would in practically all cases come before the Court of Claims and not before the circuits in which these Judges serve, their participation as members of the Board will not disqualify them from their judicial tasks."

**Construction Contracts 57% Below First Nine Months of 1942**

Construction contracts awarded in the 37 Eastern States aggregated \$2,623,839,000 during the first nine months as compared with \$6,111,765,000 in the corresponding period last year, according to F. W. Dodge Corporation in a report issued on Oct. 27, which added:

This represents a drop of 57% with both public and private construction showing approximately the same percentage change. All three of the major categories showed a marked reduction in volume, i. e., non-residential building, down 61%; residential building, down 50%; and heavy-engineering work down 56%. These decreases from 1942 represent the continued decline in needs for new "facilities" in the current high-production phase of the war program.

The month of September showed a total construction figure of \$175,115,000 as compared with \$413,791,000 in the preceding month and \$723,216,000 in September, 1942. The month's volume was the lowest for any month since February, 1938. Non-residential building, residential building and heavy-engineering work were below September, 1942, by 85%, 57% and 61%, respectively.

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES (Based on Average Yields) Table with columns for 1943- Daily Averages, U.S. Govt. Bonds, Ave. Corporate rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R. R., P. U., Indus.), and rows for dates from Oct. 26 to Oct. 25, 1941.

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices) Table with columns for 1943- Daily Averages, U.S. Govt. Bonds, Ave. Corporate rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R. R., P. U., Indus.), and rows for dates from Oct. 26 to Oct. 25, 1941.

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

National Fertilizer Association Commodity Price Average Declines

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on Oct. 25, declined in the week ended Oct. 23 to 135.9 from 136.3 in the preceding week.

The sharp decline in the farm products price index was mainly responsible for the downturn in the all-commodity index. The only items to advance in the farm products group were rye and choice cattle, all other livestock prices, grains, cotton, and eggs declined.

During the week 3 price series included in the index advanced

and 15 declined; in the preceding week there were 14 advances and 4 declines; and in the second preceding week there were 9 advances and 5 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX Table with columns for % Each Group Bears to the Total Index, Group, Latest Preceding Week, Month Ago, and Year Ago, and rows for various commodity groups like Foods, Farm Products, Fuels, etc.

Steel Operations Off Slightly—Production Is In Much Better Balance With Demand

"The trend toward an easier situation in steel still is in progress, with production of finished material achieving fair gains against order backlogs in several products," says "The Iron Age" in its issue of today (Oct. 28), which further reports as follows:

"There was no optimism early this week in the steel industry over the possibility of a settlement in the outlaw coal strike question. While some of the striking miners in the South had returned to work by Tuesday of this week, new outlaw walkouts occurred in other areas, affecting a total of eight States.

"Steel mills making plates, sheets and quality carbon bars remain heavily loaded at the moment, producers confidently expect relief by first quarter through new facilities and the shifting of orders. The transfer of open hearth alloy steel orders to electric furnaces already has aided carbon steel production.

"Subject to possible changes, but probably representing the final program, tin mill product output for the first quarter of 1944 has been set at 626,700 tons. This is higher than the first quarter program in 1942, which although set up for 528,000 tons, finally turned out to be about 567,300 tons.

"WPB has announced its intention to give special scheduling assistance to certain components delaying the farm machinery program. Makers of construction equipment are being urged to increase production of parts and will be assisted by WPB. Railroads are expected to obtain a better break on their rail requirements in the fourth quarter than has been the case for some time.

"With \$8,000,000,000 worth of war contracts cancelled already and twice that amount likely to be scratched out when the European war finally ends, Washington begins to discern the outlines of a real problem. Terminated contracts are flowing much steel and other equipment through the services to the WPB regional offices which are charged with re-distribution."

The American Iron and Steel Institute on Oct. 25, 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 100.6% of capacity for the week beginning Oct. 25, compared with 100.7% one week ago, 100.8% one month ago

Ross Succeeds Haas As Fair Employment Head

President Roosevelt accepted on Oct. 15 the resignation of Mgr. Francis J. Haas as Chairman of his Committee on Fair Employment Practice and named his deputy, Malcolm Ross, a former Southern newspaper man, as his successor. Mgr. Haas has been appointed Bishop of Grand Rapids.

In his letter accepting the resignation, the President wrote to Mgr. Haas:

"I am not surprised that his Holiness Pope Pius XII has called you to this high position. In all the posts of responsibility in which you have served your Government you have shown a humanity and skill which both church and country greatly need in these difficult days."

The President also accepted Mgr. Haas' offer to continue as counsel to the Committee.

The resignation of Monsignor Haas as Chairman of the President's Committee was announced in Washington on Oct. 2. Monsignor Haas headed the group since its creation last May. He was Dean of the School of Social Science of Catholic University, Washington.

In his resignation, Monsignor Haas said:

"The essential rightness of the President's executive order against discrimination because of race, creed, color or national origin appeared clear to me when I took office as chairman of the committee four months ago.

"In that brief period the close experience with the problems of the men and women who have suffered discrimination at the hands of fellow-Americans has deepened my conviction that this practice must be purged from our national life if we are both to win this war and consolidate our life as a democratic nation thereafter."

The President's order setting up the Fair Employment Committee was referred to in these columns June 7, page 2112.

Living Costs Up In 46 Industrial Cities

The cost of living for wage earners and lower-salaried clerical workers in September rose in 46 of 69 industrial cities surveyed by the National Industrial Conference Board. Living costs were lower in 16 of the cities, and remained unchanged in 7 of them.

The Board's announcement made available Oct. 25 further said:

"The largest increase, 1.2%, occurred in Spokane, and there was an increase of 1.0% in 3 other cities. The largest decline, 0.9%, occurred in Detroit. For the United States as a whole, the cost of living rose 0.3%.

"Living costs were higher this September than in September, 1942, in all cities for which comparable figures are available. Macon, Ga., recorded the largest increase during the 12-month period with an advance of 8.3%. The smallest was shown in New Haven, Conn., where it rose only 2.1%.

The cost of living for the United States as a whole stands 4.4% higher than a year ago, and 19.9% above January, 1941."

Moody's Daily Commodity Index

Table showing Moody's Daily Commodity Index values for various dates from Tuesday, Oct. 19 to 1943 High, April 1.

### Trading On New York Exchanges

The Securities and Exchange Commission made public on Oct. 23 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. 9, 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. 9 (in round-lot transactions) totaled 1,173,866 shares, which amount was 15.91% of the total transactions on the Exchange of 3,687,450 shares. This compares with member trading during the week ended Oct. 2 of 1,133,772 shares, or 16.86% of total trading of 3,363,760 shares. On the New York Curb Exchange, member trading during the week ended Oct. 9 amounted to 276,460 shares, or 14.57% of the total volume on that exchange of 948,681 shares; during the Oct. 2 week trading for the account of Curb members of 247,250 shares was 14.46% of total trading of 854,870 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. 9, 1943		
	Total for week	†Per Cent
<b>A. Total Round-Lot Sales:</b>		
Short sales	84,960	
†Other sales	3,602,470	
Total sales	3,687,450	
<b>B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:</b>		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	315,370	
Short sales	34,190	
†Other sales	257,650	
Total sales	291,840	8.23
2. Other transactions initiated on the floor—		
Total purchases	131,490	
Short sales	15,400	
†Other sales	180,910	
Total sales	196,310	4.44
3. Other transactions initiated off the floor—		
Total purchases	120,480	
Short sales	9,300	
†Other sales	109,076	
Total sales	118,376	3.24
4. Total—		
Total purchases	567,340	
Short sales	58,890	
†Other sales	547,636	
Total sales	606,526	15.91

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

WEEK ENDED OCT. 9, 1943		
	Total for week	†Per Cent
<b>A. Total Round-Lot Sales:</b>		
Short sales	6,025	
†Other sales	942,656	
Total sales	948,681	
<b>B. Round-Lot Transactions for the Account of Members:</b>		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	82,175	
Short sales	1,910	
†Other sales	71,245	
Total sales	73,155	8.19
2. Other transactions initiated on the floor—		
Total purchases	21,825	
Short sales	500	
†Other sales	19,750	
Total sales	20,250	2.22
3. Other transactions initiated off the floor—		
Total purchases	27,805	
Short sales	500	
†Other sales	50,650	
Total sales	51,150	4.16
4. Total—		
Total purchases	131,805	
Short sales	2,910	
†Other sales	141,645	
Total sales	144,555	14.57
<b>C. Odd-Lot Transactions for the Account of Specialists—</b>		
Customers' short sales	0	
†Customers' other sales	39,838	
Total purchases	39,838	
Total sales	27,067	

\*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"

### Wholesale Commodity Index Advanced 0.1% During Week Ended Oct. 16, Labor Dept. Reports

The U. S. Department of Labor announced on Oct. 21 that the Bureau of Labor Statistics' index of commodity prices in primary markets moved up 0.1% during the week ended Oct. 16 largely as a result of higher prices for grains. At 102.9% of the 1926 average the all-commodity index is 3% higher than at this time last year.

The Department's announcement further said:  
**"Farm Products and Foods—**With an increase of 1.3% in the grain markets average prices for farm products rose 0.1% during the week. Oats advanced 4.5%; rye, 2.8%; wheat, 1.2%; and barley, less than 1%. Sharp increases were reported in prices for sheep, for apples and for hay, tobacco, alfalfa seed, and domestic wools. Lower prices were reported for live poultry, in the Chicago market, for cotton, flaxseed, onions, potatoes, and for imported wools.

**"Continued declines in quotations for fresh fruits and vegetables** caused average prices for foods to drop 0.2%. In addition, prices were slightly lower for eggs and for oatmeal. A few important foods, such as flour, dressed poultry and oranges, advanced.

**"Industrial Commodities—**There were very few price changes

reported in industrial commodity markets during the week. Prices quoted for underwear were higher and the index for the textile products group rose 0.1%. Quotations for natural gasoline at Oklahoma refineries continued to advance. In the building materials group, fractionally higher prices were reported for maple flooring and for rosin. Prices for Pennsylvania neutral oil were up."

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. 18, 1943 and Oct. 17, 1942 and the percentage changes from a week ago, a month ago and a year ago:

Commodity groups—	(1926=100)				Percentage changes to			
	10-16 1943	10-9 1943	10-2 1943	9-18 1943	10-17 1943	10-9 1942	9-18 1942	10-17 1942
All commodities	102.9	102.8	103.0	102.9	99.6	+0.1	0	+3.3
Farm products	122.8	122.7	123.6	123.6	107.9	+0.1	-0.6	+13.8
Food	104.7	104.9	105.0	104.5	103.1	-0.2	+0.2	+1.6
Hides and leather products	118.4	118.4	118.4	118.4	118.4	0	0	0
Textile products	97.1	97.0	97.0	97.0	96.5	+0.1	+0.1	+0.6
Fuel and lighting materials	81.8	81.8	81.7	81.6	79.7	0	+0.2	+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	110.2	0	0	+2.1
Chemicals and allied products	100.3	100.3	100.3	100.2	96.1	0	+0.1	+4.4
Housefurnishing goods	104.2	104.2	104.2	104.2	104.1	0	0	+0.1
Miscellaneous commodities	92.9	93.1	93.1	92.6	88.4	-0.2	+0.3	+5.1
Raw materials	112.2	112.1	112.5	112.4	102.0	+0.1	-0.2	+10.0
Semimanufactured articles	92.8	92.8	92.8	92.8	92.5	0	0	+0.3
Manufactured products	100.3	100.2	100.2	100.1	99.7	+0.1	+0.2	+0.6
All commodities other than farm products	98.6	98.6	98.6	98.5	97.8	0	+0.1	+0.8
All commodities other than farm products and foods	97.5	97.5	97.5	97.4	95.6	0	+0.1	+2.0

### 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. 16, 1943, is estimated at 11,750,000 net tons, a decrease of 300,000 tons, or 2.5%, from the output in the preceding week. Production in the corresponding week of 1942 amounted to 11,555,000 tons. 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. 16, 1943 was 1,294,000 tons, a decrease of 19,000 tons (1.4%) from the preceding week. When compared with the output in the corresponding week of 1942, there was, however, an increase of 147,000 or 12.8%. The calendar year 1943 to date shows an increase of 0.8% when compared with the same period in 1942.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended Oct. 16, 1943, showed a decrease of 2,000 tons when compared with the output for the week ended Oct. 9, 1943. The quantity of coke from beehive ovens decreased 2,500 tons during the same period.

	ESTIMATED UNITED STATES PRODUCTION OF COAL (In Net Tons—000 Omitted.)					
	Week Ended			January 1 to Date		
	Oct. 16, 1943	Oct. 9, 1943	Oct. 17, 1942	Oct. 16, 1943	Oct. 17, 1942	Oct. 16, 1942
Bituminous coal and lignite	11,750	12,050	11,555	468,425	459,608	352,388
Total, incl. mine fuel	1,958	2,008	1,926	1,906	1,888	1,448

	ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE (In Net Tons)					
	Week Ended			Cal. Year to Date		
	Oct. 16, 1943	Oct. 9, 1943	Oct. 17, 1942	Oct. 16, 1943	Oct. 17, 1942	Oct. 19, 1929
Penn. anthracite	1,294,000	1,313,000	1,147,000	48,913,000	48,548,000	57,895,000
†Total incl. coll. fuel	1,242,000	1,260,000	1,101,000	46,955,000	46,604,000	53,727,000
‡By-product coke—	1,247,300	1,249,300	1,211,000	50,343,700	49,283,400	†
§Beehive coke—	174,400	174,900	161,400	6,321,600	6,595,700	5,478,500

State	ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES (In Thousands of Net Tons)					
	Oct. 9, 1943	Oct. 2, 1943	Oct. 10, 1942	Oct. 11, 1941	Oct. 9, 1937	Oct. 1923
Alabama	390	397	360	317	256	398
Alaska	5	5	6	5	3	**
Arkansas and Oklahoma	92	85	95	112	94	88
Colorado	150	147	167	161	174	217
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,490	1,520	1,346	1,093	1,154	1,558
Indiana	542	575	512	498	367	520
Iowa	40	40	63	61	86	116
Kansas and Missouri	184	139	167	127	117	161
Kentucky—Eastern	960	972	937	939	872	764
Kentucky—Western	318	302	301	199	166	238
Maryland	35	34	34	36	35	35
Michigan	6	7	8	7	16	28
Montana (bituminous and lignite)	104	96	97	81	70	82
New Mexico	38	35	34	22	32	56
North and South Dakota (lignite)	63	57	68	69	66	*36
Ohio	689	692	707	671	528	817
Pennsylvania (bituminous)	2,874	2,880	2,800	2,943	2,374	3,149
Tennessee	137	140	143	157	110	118
Texas (bituminous and lignite)	3	3	7	7	18	26
Utah	138	124	121	111	91	121
Virginia	402	409	392	430	316	231
Washington	31	28	37	40	43	68
*West Virginia—Southern	2,176	2,212	2,197	2,387	1,962	1,488
†West Virginia—Northern	983	1,002	874	906	605	805
Wyoming	197	192	184	166	148	184
‡Other Western States	2	1	††	††	1	**4

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

\*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.

### NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Oct. 23 a summary for the week ended Oct. 16 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. 16, 1943	
	Total for Week
Odd-Lot Sales by Dealers: (Customers' purchases)	11,979
Number of orders	318,118
Number of shares	12,757,635
Dollar value	
Odd-Lot Purchases by Dealers: (Customers' Sales)	
Number of Orders:	
Customers' short sales	121
Customers' other sales	11,985
Customers' total sales	12,106
Number of Shares:	
Customers' short sales	3,864
Customers' other sales	293,336
Customers' total sales	297,200
Dollar value	10,331,574

Round-lot Sales by Dealers—	
Number of Shares:	Total
Short sales	230
†Other sales	79,570
Total sales	79,800

Round-Lot Purchases by Dealers—	
Number of Shares:	Total
Number of shares	101,020

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

### Cellulose Plastics Talk At Finance Inst.

The contributions of the cellulose plastics industry to the country in both peace-time and war-time and its future in the post-war world were described on Oct. 19 by W. Stuart Landes, Vice-President of the Celanese Corp. of America, in a lecture before the New York Institute of Finance held in the Board of Governors' room of the New York Stock Exchange. Representatives of other corporations active in the plastics field will be heard by the Institute each Monday afternoon during the next several months. It is conducting a special discussion course on this phase of industrial activity. Mr. Landes traced the growth of the cellulose plastics industry from 1868, when Celluloid Co.—the first plastics company in the country—was founded. The speaker also displayed present applications of Celanese plastics and told of many more to come after the end of the war.

### Ton-Miles of Rev. Freight Increased 9% In September

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

In the first nine months of 1943, Class I railroads performed approximately 17% more revenue ton-miles of service than in the same period of 1942, 58% more than in the same period of 1941, and 131% more than in the first nine months of 1939.

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

	Revenue Ton-Miles of Freight (000 omitted)		
	1943	1942	Incr. %
1st 7 mos.	413,697,402	347,112,442	19.2
Mo. of Aug.	64,500,000	58,625,510	10.0
Mo. of Sept.	763,400,000	55,155,436	9.0
Tot. 9 mos.	541,597,402	463,894,249	16.8

\*Revised estimate. †Prelim. estimate.

## Daily Average Crude Oil Production For Week Ended Oct. 16, 1943 Increased 21,650 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Oct. 16, 1943 and 4,411,950 barrels, an increase of 21,650 barrels over the preceding week and 509,700 barrels per day more than produced during the week ended Oct. 17, 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 39,050 barrels. Daily output for the four weeks ended Oct. 16, 1943 averaged 4,368,550 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 4,171,000 barrels of crude oil daily and produced 12,358,000 barrels of gasoline; 1,311,000 barrels of kerosine; 4,265,000 barrels of distillate fuel oil, and 7,608,000 barrels of residual fuel oil during the week ended Oct. 16, 1943; and had in storage at the end of that week 68,182,000 barrels of gasoline; 11,554,000 barrels of kerosine; 42,237,000 barrels of distillate fuel, and 65,518,000 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	*State Allowables	Actual Production	Change from Previous Week	4 Weeks Ended	Week Ended
	October	Oct. 1	Oct. 16, 1943	Oct. 16, 1943	Oct. 16, 1943	Oct. 17, 1942
Oklahoma	318,000	325,000	326,450	400	326,100	364,800
Kansas	294,300	274,800	296,950	+31,350	282,750	302,900
Nebraska	1,800		11,750		1,750	3,500
Panhandle Texas			88,100		96,050	85,300
North Texas			138,300		139,450	140,000
West Texas			354,050		343,750	209,000
East Central Texas			135,250		133,250	91,000
East Texas			368,700		374,350	362,000
Southwest Texas			288,150		275,850	165,400
Coastal Texas			519,350		502,300	311,000
<b>Total Texas</b>	<b>1,871,300</b>	<b>1,884,429</b>	<b>1,891,900</b>		<b>1,865,000</b>	<b>1,363,700</b>
North Louisiana			81,050	450	81,400	97,500
Coastal Louisiana			279,000		278,750	229,000
<b>Total Louisiana</b>	<b>352,700</b>	<b>372,700</b>	<b>360,050</b>	<b>450</b>	<b>360,150</b>	<b>326,500</b>
Arkansas	77,000	75,401	78,350	100	77,450	73,250
Mississippi	50,000		46,400	-1,150	47,950	69,850
Illinois	207,500		209,750	-26,150	220,200	258,300
Indiana	13,800		13,900	250	14,150	16,550
Eastern—						
(Not incl. Ill., Ind. and Ky.)	79,500		74,950	+2,450	75,150	85,450
Kentucky	24,000		22,950	-3,550	24,200	11,200
Michigan	59,000		55,100	+4,000	55,650	65,900
Wyoming	97,000		106,250	+1,100	104,050	90,850
Montana	23,000		21,350	-50	21,450	21,550
Colorado	7,000		7,300	50	7,150	6,750
New Mexico	111,000	111,000	109,350		109,350	99,500
<b>Total East of Calif.</b>	<b>3,586,900</b>		<b>3,622,500</b>	<b>+3,150</b>	<b>3,592,500</b>	<b>3,160,550</b>
California	786,000	\$786,000	789,200	+18,500	776,050	741,700
<b>Total United States</b>	<b>4,372,900</b>		<b>4,411,950</b>	<b>+21,650</b>	<b>4,368,550</b>	<b>3,902,250</b>

\*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. 14, 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. 16, 1943 (Figures in Thousands of Barrels of 42 Gallons Each)

District	Daily Refining Capacity	Potential % Re-Porting	Crude Runs to Stills Daily Average	Gasoline Production			Stocks of Gas Oil and Distillate Fuel	Stocks of Residual Fuel Oil
				at Re-fineries	Finished and Unfinished	Blended Gasoline		
Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas...	2,444	88.7	2,079	85.1	5,868	30,198	20,314	18,672
District No. 1	130	83.9	91	70.0	279	1,532	931	250
District No. 2	47	87.2	40	85.1	124	512	94	153
Ind., Ill., Ky.	824	85.2	747	90.7	2,548	13,622	6,106	3,291
Okla., Kans., Mo.	416	80.1	358	86.1	1,213	6,148	2,462	1,465
Rocky Mountain—								
District No. 3	8	26.9	8	100.0	32	67	25	31
District No. 4	141	58.3	91	64.5	303	1,070	405	692
California	817	89.9	757	92.7	1,991	15,033	11,900	40,964
Tot. U. S. B. of M. basis Oct. 16, 1943	4,827	86.4	4,171	86.4	12,358	68,182	42,237	65,518
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
U. S. Bur. of Mines basis Oct 17, 1942			3,708		11,252	76,587	47,258	78,762

\*At the request of the Petroleum Administration for War. †Finished 58,377,000 barrels; unfinished, 9,805,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,311,000 barrels of kerosine, 4,265,000 barrels of gas oil and distillate fuel oil and 7,608,000 barrels of residual fuel oil produced during the week ended Oct. 16, 1943, which compares with 1,311,000 barrels, 4,616,000 barrels and 7,795,000 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. 17, 1942.

Note—Stocks of kerosine at Oct. 16, 1943 amounted to 11,554,000 barrels, as compared with 11,501,000 barrels a week earlier and 12,509,000 barrels a year before.

## Civil Engineering Construction \$50,755,000 For Week

Civil engineering construction volume in continental U. S. totals \$50,755,000 for the week. This volume, not including construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 30% lower than a week ago, and 42% below the total for the corresponding 1942 week, as reported by "Engineering News-Record" on Oct. 21, which added:

Private construction is 76% lower than last week, but climbs 66% above last year. Public work tops a week ago by 1% as a result of the 5% gain in Federal volume, but is 48% below a year ago.

The current week's construction brings 1943 volume to \$2,649,767,000, an average of \$63,090,000 for each of the 42 weeks. On the weekly average basis, 1943 volume is 67% below the \$8,221,303,000 for the 43-week 1942 period. Private construction, \$372,476,000, is 24% lower than a year ago, and public construction, \$2,277,291,000, is down 70% when adjusted for the difference in the number of weeks.

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

	Oct. 22, 1942	Oct. 14, 1943	Oct. 21, 1943
Total U. S. construction	\$87,995,000	\$72,855,000	\$50,755,000
Private construction	4,425,000	30,113,000	7,333,000
Public construction	83,570,000	42,742,000	43,422,000
State and municipal	3,335,000	4,539,000	3,206,000
Federal	80,235,000	38,203,000	40,216,000

In the classified construction groups, gains over last week are in public buildings, and streets and roads. Commercial building and large-scale private housing is the only class to gain over the 1942 week. Subtotals for the week in each class of construction are: waterworks, \$647,000; sewerage, \$678,000; bridges, \$137,000; industrial buildings, \$724,000; commercial building and large-scale private housing, \$5,025,000; public buildings, \$29,588,000; earthwork and drainage, \$1,605,000; streets and roads, \$4,366,000; and unclassified construction, \$7,985,000.

New capital for construction purposes for the week totals \$1,028,000, and is made up entirely of State and municipal bond sales. The new construction financing for the 42 weeks of 1943, \$3,042,594,000, is 67% below the \$9,554,598,000 reported for the 43-week 1942 period.

## Non-Ferrous Metals — Nov. Copper Allocations Point To Usual High Level Of Consumption

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. 21 stated: "Activity in major non-ferrous metals during the last week centered in copper and lead. November allocations of copper came through in the usual large volume, beginning Oct. 15. Requests for allotments of foreign lead were taken care of on Oct. 18. Prime Western zinc has been in better demand, and production of the

regulating civilian consumption are just about as tight as ever. The problem of easing the regulations is closely identified with an uncertain labor situation.

Aluminum  
"Directive P-8, which relates to the sale and deliveries of pig and ingot aluminum, has been issued by WPB to bring the regulations in line with current controlled materials procedure. The directive became effective on Oct. 1, and supersedes the directive issued May 31, 1943. It defines the conditions under which orders and shipments of pig and ingot may be accepted and the method of reporting shipments on form WPB-2593, formerly CMP-23.

Copper  
"The total quantity of copper allocated for November appeared to be a little larger than that earmarked for October, indicating that consumption of the metal for the war program has not slackened. The labor situation at some of the fabricating plants has improved, according to late advices from the Connecticut Valley.

Lead  
"Sales of lead for the last week were good, although distribution of foreign lead to supplement domestic production was determined in the same period. Consumers who obtained foreign metal were taken care of at the ratio of two tons of corroding for each ton of common. As in recent months, requests for lead were largely for the common variety, which remains tight. The total tonnage allotted for November was somewhat larger than in the prior month.

Zinc  
"The zinc industry at present is more concerned about producing adequate supplies of Prime Western than the higher grades. Earlier in the year the reverse was true. The original program for converting fairly large tonnages of common zinc into High Grade has been altered to the extent that the capacity provided for the task is operating at not more than 50%. Most of the emergency stockpile of zinc consists of High Grade.

Though the position of zinc is regarded as easier, the controls

"Straits quality tin for shipment was nominally as follows:

	Oct.	Nov.	Dec.
Oct. 14	52,000	52,000	52,000
Oct. 15	52,000	52,000	52,000
Oct. 16	52,000	52,000	52,000
Oct. 18	52,000	52,000	52,000
Oct. 19	52,000	52,000	52,000
Oct. 20	52,000	52,000	52,000

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

### Quicksilver

"According to the WPB, producers of quicksilver are concerned about the labor situation on the West Coast. At the recent meeting of the producers Advisory Committee, it was asserted that labor shortages threaten to curtail domestic production in the coming months by as much as 30 to 40%. Consumers showed only moderate interest in this development, largely because they feel that the demand for quicksilver is likely to fall off after the turn of the year. Moreover, they contend that imports could be stepped up appreciably if necessary.

"The price situation in quicksilver was unchanged last week, New York quotations continuing at \$195 to \$197 per flask of 76 pounds.

### Silver

"The silver market in London was inactive during the last week, with the price unchanged at 23½d.

The New York Official for foreign silver and the Treasury's price were unchanged at 44¼¢ and 35¢, respectively. The New York Official for domestic silver was 70¼¢ an ounce troy."

### 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.

## War Dept. Establishes Principle Of Separate Air Force In New Rule

The War Department has established the principle of a separate air force in a new field service regulation declaring "land power and air power are co-equal and interdependent forces; neither is an auxiliary of the other," it was reported in an Associated Press Washington dispatch of Oct. 19. The advices further explained:

Disclosure of this description of the relationship of the two forces came in a revision of the field service regulations entitled "Command and Employment of Air Power," issued as a superseding order for a regulation which had been put into effect as recently as Jan. 18. The revision was printed under a date of July 21.

While not creating a separate air force, a step which aviation proponents have urged repeatedly for some time, the order establishes an equality between the land and air forces, both of them to act under a superior commander in the theater of operations.

The regulations were issued by order of the Secretary of War and signed by General George C. Marshall, Chief of Staff. The War Department made no public announcement of this step.

The principle of a single command is in use at present. An outstanding example is General Dwight D. Eisenhower's position as Supreme Commander in the Mediterranean area through which he has been able to use land, sea and air power in combined operations with tremendous effect.

The new regulation appears to write into the War Department manual a definition of the status of the air force which confirms the experience in actual war operations.

## Revenue Freight Car Loadings During Week Ended Oct. 16, 1943 Increased 6,052 Cars

Loading of revenue freight for the week ended Oct. 16, 1943, totaled 912,328 cars, the Association of American Railroads announced on Oct. 21. This was an increase above the corresponding week of 1942 of 11,077 cars, or 1.2%, but a decrease under the same week in 1941 of 10,556 cars, or 1.2%.

Loading of revenue freight for the week of Oct. 16 increased 6,052 cars, or 0.7% above the preceding week.

Miscellaneous freight loading totaled 404,350 cars, an increase of 3,113 cars above the preceding week, but a decrease of 28,300 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 104,162 cars, an increase of 1,319 cars above the preceding week, and an increase of 13,200 cars above the corresponding week in 1942.

Coal loading amounted to 176,615 cars, a decrease of 2,718 cars below the preceding week, but an increase of 12,395 cars above the corresponding week in 1942.

Grain and grain products loading totaled 61,409 cars, an increase of 1,838 cars above the preceding week, and an increase of 10,946 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of Oct. 16 totaled 41,696 cars, an increase of 609 cars above the preceding week and an increase of 9,111 cars above the corresponding week in 1942.

Live stock loading amounted to 27,230 cars, an increase of 5,171 cars above the preceding week, and an increase of 2,754 cars above the corresponding week in 1942. In the Western Districts alone loading of live stock for the week of Oct. 16 totaled 22,048 cars, an increase of 4,289 cars above the preceding week, and an increase of 1,834 cars above the corresponding week in 1942.

Forest products loading totaled 45,121 cars, a decrease of 351 cars below the preceding week and a decrease of 3,351 cars below the corresponding week in 1942.

Ore loading amounted to 78,293 cars, a decrease of 2,806 cars below the preceding week but an increase of 2,486 cars above the corresponding week in 1942.

Coke loading amounted to 15,148 cars, an increase of 436 cars above the preceding week, and an increase of 947 cars above the corresponding week in 1942.

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

	1942	1941	1940
5 weeks of January	3,530,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
4 weeks of March	3,073,426	3,174,781	3,066,011
4 weeks of April	3,136,253	3,350,996	2,793,630
5 weeks of May	4,149,708	4,170,548	4,160,060
4 weeks of June	3,151,146	3,385,655	3,510,057
5 weeks of July	4,307,406	4,185,135	4,295,457
4 weeks of August	3,554,446	3,487,905	3,581,350
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
Week of October 16	912,328	901,251	922,884
<b>Total</b>	<b>34,233,944</b>	<b>34,957,611</b>	<b>34,012,406</b>

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Oct. 16, 1943. During this period 59 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED OCT. 16

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1943	1942	1943	1942
<b>Eastern District—</b>				
Ann Arbor	284	381	1,542	1,233
Bangor & Aroostook	2,646	1,455	1,492	175
Boston & Maine	7,006	6,197	8,388	15,787
Chicago, Indianapolis & Louisville	1,445	1,546	1,792	2,095
Central Indiana	50	48	24	59
Central Vermont	1,074	955	1,423	2,481
Delaware & Hudson	6,497	6,751	7,167	11,836
Delaware, Lackawanna & Western	7,633	7,323	9,173	11,678
Detroit & Mackinac	325	874	447	1,139
Detroit, Toledo & Ironton	2,112	1,814	2,469	1,271
Detroit & Toledo Shore Line	337	385	398	2,215
Erie	13,606	12,717	16,609	19,014
Grand Trunk Western	3,885	4,459	5,553	7,977
Lehigh & Hudson River	187	201	203	2,451
Lehigh & New England	1,845	1,335	2,226	1,768
Lehigh Valley	9,108	7,912	10,348	15,163
Maine Central	2,445	2,350	3,300	4,000
Monongahela	6,094	5,183	6,557	467
Montour	2,421	2,228	2,298	49
New York Central Lines	55,083	50,929	53,362	55,032
N. Y. N. H. & Hartford	9,536	9,556	12,701	18,954
New York, Ontario & Western	1,480	999	1,238	2,320
New York, Chicago & St. Louis	7,028	8,003	7,471	16,712
N. Y. Susquehanna & Western	626	430	517	2,233
Pittsburgh & Lake Erie	8,050	7,832	8,714	8,055
Pere Marquette	5,588	5,873	6,921	7,578
Pittsburgh & Shawmut	1,055	760	624	8
Pittsburgh, Shawmut & North	419	389	427	367
Pittsburgh & West Virginia	1,251	1,077	1,120	3,006
Rutland	386	397	570	1,281
Wabash	6,926	6,342	6,121	12,697
Wheeling & Lake Erie	5,462	5,891	5,386	4,559
<b>Total</b>	<b>171,990</b>	<b>162,592</b>	<b>185,621</b>	<b>232,807</b>
<b>Allegheny District—</b>				
Akron, Canton & Youngstown	815	729	866	1,393
Baltimore & Ohio	45,372	40,138	41,651	29,905
Bessemer & Lake Erie	5,815	6,477	5,821	2,104
Buffalo Creek & Gauley	290	345	275	2
Cambria & Indiana	1,766	1,863	1,930	5
Central R. R. of New Jersey	7,244	7,371	7,931	20,358
Cornwall	673	705	725	85
Cumberland & Pennsylvania	210	230	301	15
Ligonier Valley	137	134	124	40
Long Island	1,375	1,167	920	4,034
Penn. Reading Seashore Lines	2,023	1,743	1,917	3,150
Pennsylvania System	86,868	82,911	91,647	66,073
Pennsylvania System	15,038	14,652	17,749	26,681
Reading Co.	20,893	21,383	19,808	7,833
Union (Pittsburgh)	4,027	3,638	4,421	11,157
Western Maryland				11,965
<b>Total</b>	<b>192,546</b>	<b>183,486</b>	<b>196,086</b>	<b>172,835</b>
<b>Poconchos District—</b>				
Chesapeake & Ohio	29,364	28,071	29,648	15,266
Norfolk & Western	22,268	22,113	25,076	6,488
Virginian	4,483	4,540	4,639	2,588
<b>Total</b>	<b>56,115</b>	<b>54,724</b>	<b>59,363</b>	<b>24,342</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
<b>Southern District—</b>					
Alabama, Tennessee & Northern	248	328	377	429	411
Atl. & W. P.—W. R. of Ala.	662	805	936	3,059	2,907
Atlanta, Birmingham & Coast	720	777	873	1,140	1,454
Atlantic Coast Line	11,545	10,839	11,640	9,925	9,949
Central of Georgia	3,808	4,420	4,824	4,830	5,325
Charleston & Western Carolina	412	412	494	1,328	1,611
Clinchfield	1,692	1,825	1,822	2,318	2,853
Columbus & Greenville	331	481	393	209	305
Durham & Southern	147	124	212	556	503
Florida East Coast	1,256	855	475	1,351	1,220
Gainesville Midland	46	45	35	97	88
Georgia	1,247	1,434	1,480	3,078	2,545
Georgia & Florida	512	354	394	589	474
Gulf, Mobile & Ohio	4,340	4,548	4,409	4,281	4,821
Illinois Central System	30,470	32,320	28,591	17,130	18,826
Louisville & Nashville	25,370	26,016	27,764	12,497	11,672
Macon, Dublin & Savannah	193	199	212	682	647
Mississippi Central	271	236	181	492	590
Nashville, Chattanooga & St. L.	*3,714	4,048	3,950	*4,784	4,812
Norfolk Southern	1,121	1,118	1,373	2,203	1,614
Piedmont Northern	391	289	501	1,280	1,272
Richmond, Fred. & Potomac	451	532	489	9,870	6,874
Seaboard Air Line	10,477	9,611	10,964	8,469	8,596
Southern System	23,513	24,263	26,340	24,012	25,652
Tennessee Central	620	531	559	997	976
Winston-Salem Southbound	152	124	173	863	999
<b>Total</b>	<b>123,709</b>	<b>126,544</b>	<b>129,441</b>	<b>116,469</b>	<b>117,076</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
<b>Northwestern District—</b>					
Chicago & North Western	20,745	22,313	22,877	15,399	16,012
Chicago Great Western	3,078	2,416	3,139	3,517	4,131
Chicago, Milw., St. P. & Pac.	23,314	23,244	24,560	11,380	11,740
Chicago, St. Paul, Minn. & Omaha	4,075	3,812	4,305	4,800	4,752
Duluth, Missabe & Iron Range	28,526	25,711	21,531	299	457
Duluth, South Shore & Atlantic	1,023	1,112	1,201	518	836
Elgin, Joliet & Eastern	8,643	10,363	10,055	10,718	10,630
Ft. Dodge, Des Moines & South	418	572	565	101	151
Great Northern	28,363	28,722	26,896	5,408	6,615
Green Bay & Western	695	577	722	1,049	833
Lake Superior & Ishpeming	1,660	2,332	2,470	55	63
Minneapolis & St. Louis	2,356	2,610	2,319	2,823	3,231
Minn., St. Paul & S. S. M.	8,075	7,244	8,401	2,554	3,321
Northern Pacific	14,965	13,976	14,496	5,692	5,763
Spokane International	88	274	211	473	670
Spokane, Portland & Seattle	2,696	2,487	2,484	3,714	3,551
<b>Total</b>	<b>149,320</b>	<b>148,445</b>	<b>146,240</b>	<b>68,900</b>	<b>72,758</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
<b>Central Western District—</b>					
Atch., Top. & Santa Fe System	24,680	25,343	25,022	14,394	14,173
Altou	3,737	4,157	3,199	4,156	5,431
Bingham & Garfield	556	596	751	76	125
Chicago, Burlington & Quincy	22,478	22,935	20,837	13,571	14,701
Chicago & Illinois Midland	2,999	2,614	2,907	852	1,033
Chicago, Rock Island & Pacific	13,392	13,717	13,775	12,468	13,023
Chicago & Eastern Illinois	2,540	3,144	3,166	5,358	4,643
Colorado & Southern	1,425	1,239	1,136	2,461	2,392
Denver & Rio Grande Western	4,989	5,308	4,748	6,151	7,320
Denver & Salt Lake	656	868	770	20	14
Fort Worth & Denver City	1,323	1,130	1,195	1,778	1,837
Illinois Terminal	1,962	2,036	2,064	2,031	2,419
Missouri-Illinois	1,261	1,403	1,125	546	528
Nebraska Northern	2,022	2,132	1,894	143	105
North Western Pacific	1,084	1,100	1,298	755	669
Peoria & Pekin Union	9	11	22	0	0
Southern Pacific (Pacific)	32,938	33,209	33,350	15,759	11,426
Toledo, Peoria & Western	321	434	382	1,839	2,053
Union Pacific System	21,396	20,922	23,998	18,980	18,787
Utah	498	509	645	5	2
Western Pacific	2,271	2,586	2,195	4,178	4,938
<b>Total</b>	<b>142,537</b>	<b>145,483</b>	<b>144,479</b>	<b>105,581</b>	<b>105,530</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
<b>Southwestern District—</b>					
Burlington-Rock Island	334	152	169	233	222
Gulf Coast Lines	6,342	4,945	3,342	2,908	2,613
International-Great Northern	2,464	3,762	1,008	3,574	2,644
Kansas, Oklahoma & Gulf	270	441	254	1,543	1,239
Kansas City Southern	5,758	4,690	2,818	2,999	2,911
Louisiana & Arkansas	3,366	3,788	2,495	2,586	2,202
Litchfield & Madison	273	282	336	1,605	1,176
Midland Valley	709	894	736	300	272
Missouri & Arkansas	185	213	200	431	441
Missouri-Kansas-Texas Lines	6,392	6,616	5,141	5,657	5,501
Missouri Pacific	18,317	20,197	18,261	19,332	21,669
Quannah Acme & Pacific	113	103	110	241	265

## Items About Banks, Trust Companies

E. Chester Gersten, President of the Public National Bank & Trust Co. of New York, has announced the appointment of Benjamin Sloan as Assistant Cashier. Mr. Sloan is located at the 39th Street & 7th Avenue office of the bank.

The Trade Bank and Trust Co., New York City, has received authorization from the State Banking Department to increase its capital stock from \$550,000 to \$800,000. The change involves an increase in the number of shares, with a par value of \$10, from 55,000 to 80,000.

The Manufacturers Trust Co., New York City, opened a banking office on Oct. 22 in the Naval Clothing Depot at 3rd Ave., corner 28th St., Brooklyn, for the purpose of cashing checks for the thousands of employees in the Depot as well as Navy personnel stationed there. In addition, the bank will offer deposit account facilities, including special checking accounts, commercial checking accounts and special interest accounts. Bank money orders will also be available.

Stephen F. Casco will be in charge of the office temporarily during the period of organization, and he will be assisted by Matthew McKenney, Jr., who will be in charge permanently. For the time being, the office will conduct business every Friday, and also on the 5th and 20th days of the month.

The Security Trust Co., Rochester, N. Y., announces the following promotions: F. J. Bendon, from Treasurer to Assistant Vice President; David Gales from Assistant Secretary to Treasurer; A. J. Boehme to Assistant Secretary and J. E. Viehman to Assistant Treasurer.

Frederick W. Zoller, former President and Chairman of the Board of the Union Trust Co., Rochester, N. Y., died on Oct. 18 at his home in Rochester at the age of 80. Mr. Zoller retired from the banking business in 1931 after a career of 50 years. He was President of the Union Trust from 1914 until October, 1930, when he was made Chairman of the Board, a position from which he resigned in January, 1931.

Charles J. Bateman, Jr., President of the Somerville (Mass.) Savings Bank, has been elected President of the Savings Bank Association of Massachusetts. Bateman succeeds Harrison G. Taylor, Treasurer of the Worcester Five Cents Savings Bank, who has served as President of the Association for two years.

William D. Stearns has been elected Cashier of the Haverhill (Mass.) National Bank, succeeding the late Clarence A. Rathbone. Mr. Stearns, who was promoted from Assistant Cashier, a position he held 10 years, has been associated with the Haverhill National Bank for 50 years.

The death of Mr. Rathbone was noted in our issue of Oct. 21, page 1628.

George Davidson Jr. has been promoted to Assistant Treasurer of the Bloomfield (N. J.) Bank & Trust Co. at the bank's Watsessing branch, the company announced on Oct. 22. Mr. Davidson went to Bloomfield from the Corn Exchange Bank & Trust Co., New York, in 1924.

The National Iron Bank of Morristown (N. J.) recently observed its 88th anniversary. The institution was organized as a State bank on Oct. 19, 1855, in Rockaway, and was then known as the Iron Bank. It was moved to Morristown in 1858 and was made a National bank in 1865. The bank, which is the oldest in Morris

County, now has assets in excess of \$10,000,000. Its President is George A. Easley.

Davitt S. Bell, President of the Edgewater Steel Co., has been elected a Director of the Farmers Deposit National Bank, Pittsburgh, it was announced Oct. 18 by Arthur E. Braun, President of the bank.

Frederick K. Trask, Jr., Assistant Vice President of the Farmers Deposit National Bank, Pittsburgh, now on leave-of-absence while serving in the Army of the United States, has been promoted to the rank of Lieutenant Colonel, according to an announcement made by the War Department. He is stationed in Kansas City, Mo., where he is a liaison officer for the Army, in charge of War Production loans in the Tenth Federal Reserve District.

John A. Gebelein, President of the Clifton Savings Bank, Baltimore, for 25 years and for a half a century head of the East Baltimore pork-packing concern which bears his name, died at his desk at the bank on Oct. 20. Mr. Gebelein retired from active participation in business about a year ago, but regularly attended board meetings of the bank.

H. Earl Cook, President of the Second National Bank, Bucyrus, Ohio, was appointed Superintendent of Banks for Ohio on Oct. 20 by Gov. John W. Bricker. Mr. Cook succeeds William L. Hart of Salem, who resigned to become Vice President of the Central Trust Co. of Cincinnati (referred to in our issue of Oct. 7, page 1436).

Mr. Cook is former President of the Ohio State Bankers Association and is a member of the State Banking Advisory Committee.

Stockholders of the Upper Avenue National Bank of Chicago will meet on Nov. 18 to consider a plan recommended by the Board of Directors, under which the bank's present 3,000 shares of \$100 par stock would be replaced by 10,000 shares of \$50 par stock. The effect of the plan would be to issue \$200,000 as a stock dividend through the capitalization of a similar amount of accumulated profits. Capital of the bank would be increased to \$500,000 from \$300,000.

In the Chicago "Journal of Commerce" of Oct. 23, the following additional was reported:

The plan, in addition to requiring the approval of stockholders, is contingent on the fact that no legislation is enacted to tax common stock dividends. If the plan is approved, the bank will have capital of \$500,000, surplus of \$400,000, undivided profits of \$85,000, and free reserves of \$60,000.

At a meeting of the Board of Directors, Hiland B. Noyes was named President of the bank to replace Ralph N. Larson, who resigned. Mr. Larson had been on leave of absence while serving as a procurement officer for the United States Navy. Mr. Noyes previously was Executive Vice-President. Albert S. Bonner, President of the Clark Equipment Co., was elected a director of the bank.

The Live Stock National Bank of Omaha, Neb., increased its surplus account from \$750,000 to \$1,000,000 on Oct. 19, it was announced by Alvin E. Johnson, President of the bank. This gives the Live Stock National a combined capital and surplus of \$1,500,000.

In making the announcement, Mr. Johnson recalled that the Live Stock National Bank first opened for business on Dec. 9, 1907—less than 36 years ago—with a capitalization of \$100,000. Since that time, the bank has be-

come established as one of the community's outstanding institutions serving the interests of agriculture, live stock and—in more recent years, industry.

Illustrating the bank's steady progress, Mr. Johnson pointed out that the Live Stock National Bank's surplus account totaled \$100,000 just ten years ago. Deposits were less than \$5,000,000 at that time, whereas today they are in excess of \$50,000,000.

William T. Perkerson, Vice President and Trust Officer of the First National Bank of Atlanta, died on Oct. 17 at his home in Atlanta. He was 68 years old. Mr. Perkerson had seen 51 years of continuous service with the First National Bank and its predecessor institutions—the Fourth National Bank and the American Trust and Banking Co.

The Wells Fargo Bank & Union Trust Co., San Francisco, in its statement of condition as of Oct. 18, 1943, shows total deposits of \$448,208,088, as compared with \$399,920,962 as of June 30, 1943. Much of this increase is represented by temporary deposits of the United States Government, the bank reports. Investments totaling \$299,244,563, of which \$280,183,501 are United States Government securities, compare with total investments of \$272,069,092 as of June 30, of which \$253,484,713 were United States securities. Cash totaling \$126,824,795 compares with \$105,132,592, at the semi-annual period. Other items show little change.

Commendation for employees of the Bank of America, N. T. & S. A., San Francisco, came on Oct. 19 from the Treasury Department for setting a record by selling \$326,918,000 worth of War Bonds in a period of 11 weeks. Telegraphing to A. P. Giannini, Chairman of the Board, Ted R. Gamble, National Director of the War Finance Division, stated: "I wish to acknowledge on behalf of the Treasury the splendid accomplishment of the Bank of America in passing the goal of \$300,000,000 set by yourselves as a six months goal on Aug. 2."

Mr. Giannini, who founded the bank 39 years ago, urged the state-wide staff to continue their efforts despite the fact that the goal has already been exceeded.

In its published report of condition as of Oct. 18, the United States National Bank of Portland (Ore.) records deposits of \$398,585,377, as compared with deposits of \$328,571,625 on June 30, a gain of \$70,013,752. Deposits as of Sept. 30, 1942, were \$244,491,700, indicating a gain in the ensuing 12-month period of \$154,193,676.

## Special Cover For Christmas Bond Gifts

Allan Sproul, President of the Federal Reserve Bank of New York, announced on Oct. 19 that in order to stimulate interest in the purchase of War Savings Bonds of Series E to be given as Christmas presents, an attractive Christmas cover designed for holding bonds intended for Christmas gifts is being prepared by the Treasury Department for distribution to issuing agents who expect a demand for them. The availability of the covers will be widely publicized by State and local War Finance committees.

Mr. Sproul's notice further says: "The Christmas cover will be a simple folder, with a winter scene reproduced from water colors. A printed card as a part of the design will bear the words 'So There'll Always Be a Christmas—My War Bond Gift to You.' There will also be a line for the name of the recipient. The inside will be slotted to hold a bond. The folded size of the cover will be 4 3/4 inches deep by 8 3/8 inches long.

## Banks Will Be Ready To Meet Post-War Demands For Working Capital, Says 'Guaranty Survey'

There seems to be general agreement that the period immediately following the war will be one of large demand for credit to supply working and investment capital, states the Guaranty Trust Co. of New York in discussing the wartime position of the banks in the current issue of "The Guaranty Survey," its monthly review of business and financial conditions in the United States and abroad, published on Oct. 26.

"Whole industries will have to be reconverted to peacetime production," the "Survey" continues. "Inventories of commodities for civilian use will have to be replenished. There will probably be a great pent-up demand for many types of consumers' goods. The branches of industry and trade upon which these demands will be made will require large amounts of working and investment capital, and the normal sources of such capital are the commercial and investment banking systems.

"It is safe to assume that the banks, if given the opportunity, will be ready to meet all sound credit requirements during the post-war period and to accept all reasonable credit risks in connection therewith. But the readjustment of our economy from a wartime to a peacetime basis will be a tremendous task, and one in which the Government must inevitably play a leading part. The groundwork for its successful accomplishment can be laid now by the formulation of tax programs and renegotiation policies that will permit industry to build up adequate reserves for the reconversion of facilities. Conditions of contract and employment termination also will become an increasingly important question as time goes on. These are matters that require immediate attention, so that there cannot be any danger of business entering the post-war period in such a financial position that its further financing will not be a reasonable credit risk.

"Even more important in the long run will be the fiscal policies that the Government adopts when the war emergency is past. No one questions the necessity of large budgetary deficits in wartime. But the nation has been at war, or intensively preparing for war, for only three years; the national budget has been unbalanced for 13 years. The position is sometimes taken that an internal public debt is no burden on the national economy as a whole, since it is a debt that 'we owe to ourselves.' This superficial view takes no account of the fact that the carrying charges on the debt represent a redistribution of income from the taxpayers, who include the millions of individual and corporate producers, to a relatively small group of bondholders. Taxes for debt service, therefore, do constitute a burden on productive enterprise; and the

"In view of paper and labor shortages it is very important that the use of these Christmas covers be limited strictly to bonds that are being purchased as Christmas gifts and not for the enclosure of bonds issued during the Christmas rush in the regular course of business. In the case of corporations issuing bonds to their employees, the covers should only be used for such additional bonds as employees may be purchasing to be presented as Christmas gifts and not for the employees' bonds which the corporation is issuing at the Christmas season.

"A card is enclosed for indicating your reasonable requirements along the lines specified above. In order that preparations may be made for printing and distributing, it will be necessary to have these cards in our hands on or before Nov. 5, otherwise it may not be possible to supply the covers. In the interest of economy and conservation of materials, it is kindly requested that your requisitions be limited to reasonable requirements."

burden may become so heavy that a large part of the incentive to production is lost. In that case the national debt, far from being no financial burden to the nation's economy as a whole, becomes a burden out of all proportion to the amount of money directly involved.

"The theory that prosperity can be induced by Government spending has been tried and found wanting. If deficit financing continues after the war, its effect will be to force the banks, to that extent, to finance the Government instead of private enterprise. In this way the necessary financing may be done; but, if pre-war experience can be relied upon, such methods will not bring true prosperity. They will bring only a repetition of the succession of half-hearted revivals, discouraging setbacks, and progressively impaired confidence that marked the pre-war decade.

### Problems of Readjustment

"This does not mean, of course, that the Government can immediately relinquish its wartime participation and intervention in the business field and leave the national economy to readjust itself. The transition will not be so easily accomplished as that. The Government's withdrawal should be carried on as rapidly as possible of course. But, after such a period of industrial dislocation, credit expansion, price regulation and general economic regimentation as the nation is now passing through, the reestablishment of a foundation on which a sound peacetime economy can be built will require the most painstaking care; and it will necessitate every possible assurance that opportunity in the post-war era will be commensurate with risk and that no unnecessary impediments will be placed in the way of honest enterprise.

"If these requirements are met, no fear need be felt that the banking system will be unequal to its part in the task of post-war reconstruction. Where additional banking capital is needed, it will be forthcoming, provided the basic conditions indispensable to all sound business development are allowed to exist. The question of banking capacity is only one phase of the broader problem of maintaining an economic environment in which business enterprise can carry on in the American tradition.

### The War Outlook

"The outlook for the banks during the remainder of the war period seems fairly clear. While the Government may obtain some additional revenue by further increases in tax rates, the amount that can be derived from this source will probably be small in comparison with the huge totals of war expenditures. As long as the war continues on anything like its present scale, therefore, the bulk of the Government's financial requirements must be supplied by lenders. And, although efforts to encourage purchases of Government obligations by non-banking investors will unquestionably continue unabated and the public may be expected to respond on a scale comparable with that experienced thus far during the war period, it will probably be necessary to depend on the banks for a substantial part of the required funds. How large the aggregate burden may be will, of course, depend primarily on the duration and scale of military operations."