

# The Commercial and FINANCIAL CHRONICLE

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## The Financial Situation

"The Economist" of London, that financial organ conceived in orthodox economic thinking, fathered by stalwarts of the laissez faire school, and nurtured through all its earlier years to world-wide renown by men under the influence of the best of typically British financial knowledge and wisdom, has recently made a remarkable discovery—a particularly remarkable discovery for an organ which in the days gone by has done perhaps as much as, if not more than, any other publication to spread the doctrines of sound economics throughout the world.

In an issue recently reaching this country this honored magazine observes that in its columns, and everywhere else for the past century and half or more, the question of productivity has been sadly neglected. "It is not only in 'The Economist' that this most important of all economic topics has been strangely ignored," it remarks. "In the discussion both of publicists and of professional economists it has also been left aside. On the trade cycle, on poverty and the need for a redistribution of income, on international trade—on all these there is a mountain of literature, popular and scientific, polemical and objective. But on 'The Nature and Causes of the Wealth of Nations' disproportionately little has been written since 1776 (when Adam Smith's epoch-making book of that title appeared). Even the vast literature of Socialism has, until very recently indeed, left the subject alone. The Socialist has discussed ad nauseam how to redistribute the output of the community, and he has had plenty to say about how to make it regular. But as for what determines the size of the output, and why it is larger in some countries than in others, and what can be done to control it, he has had almost nothing to say. He (Continued on page 1380)

## From Washington Ahead Of The News

By CARLISLE BARGERON

A rather definite view that a person gets traveling around the country is that some Republican industrialists, having thrown up the sponge, are inclined to vote for Roosevelt for a fourth term. They have worked it out in their minds by way of justifying what they plan to do, that Roosevelt has been a good war leader, and that is the most important thing in the world.

The more you talk with them, the more you realize that this is not their real thinking: they have got tired of thinking for themselves, they have got tired of private enterprising. Confronted now with going short of war orders which have been a very easy way of living, they realize that that private enterprise system of which they have been prating, they have nothing to offer to. When it comes to thinking up ways to make a living and giving other people means of making a living they are sunk. Their attitude, therefore, is nuts about the private enterprise system, I am making a good living now, without worry or thinking, and therefore I think Mr. Roosevelt is the best man in the world to run the world in the future. Let him do the thinking, as long as I can make money. It is truly amazing how many



Carlisle Bargeron

of that type of mind one runs into around the country. It is somewhat amusing in view of the fact that they, themselves, have been screaming bloody murder about Labor taking over this country and making it a Labor (Continued on page 1388)

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## International Business Conference On Post-War World Trade And Commerce Opens Nov. 10

Eric A. Johnston, President of the Chamber of Commerce of the United States and member of the Sponsoring Committee of the International Business Conference, announced on Sept. 18 that representative groups of outstanding business personalities from United States and neutral nations will attend this world-wide gathering at the Westchester Country Club, Rye, N. Y., November 10-18, to discuss post-war world trade and commerce.

"Governments are holding conferences on post-war plans," Mr. Johnston said. "Business, too, must get ready for the return to peace. It should go ahead with its own program." He added:

"With this in mind, business organizations of some 40 nations, comprising all the United Nations, have been invited to send representatives to an International Business Conference this fall. Twenty-eight of them already have accepted. Each is sending a maximum of six delegates and six technical advisers to the meetings. They, and we, are most vitally interested in a prompt rebirth of international trade.

"There will be big changes in the post-war world of trade. Germany and Japan will not be major factors in world markets in the immediate years following the cessation of hostilities. Other nations will loom larger than they did before the war.

"International trade is conducted mostly by business men. They know far better than any other group how it should be operated. Governments can do only so much. Business must carry on from that point."

Mr. Johnston spoke in behalf of a Sponsoring Committee, composed of the presiding officers of four leading United States business organizations which called the Conference. Other members of the committee are Eliot Wadsworth, Chairman, American Section, International Chamber of Commerce; Robert Gaylord, President, National Association of Manufacturers, and Eugene P. Thomas, President, National Foreign Trades Council. These men will select and will make public in the near future the names of the six United States delegates to the Conference.

Although the International Business Conference is not officially sponsored by governments, Secretary Hull said in a letter when the project was first considered:

"I have no hesitation in saying Gross and Net RR. Earnings for April \*1337 Cotton Ginnings Prior to Sept. 1. \*1337 Bank Debts for August. \*1383 August Dept. Store Sales in N. Y. District \*1383 NYSE Bond Issue Values at Aug. 31. 1383 Changes In Holdings of Reacquired Stock \*1383 \*These items appeared in our issue of Sept. 25 on pages indicated.



Eric A. Johnston

that I regard the general purpose of such a conference as you propose as highly desirable, in the sense that it is very important, in my view, that the fullest possible consideration should be given to the establishment of sound and forward looking post-war reconstruction policies."

Topics on the Conference agenda will be wholly international in scope. While the scores of delegates will develop the full scope of their own discussions, subjects so far suggested include: Commercial policy of nations; Currency relations among nations; industrialization in new areas; Transportation and communication; Raw materials; Cartels; Encouragement and protection of investments.

It is announced that views of the sponsoring organizations — all of which represent both small and large business men and concerns — already have been defined clearly. They are opposed to monopolistic practices; they advocate a gradual abatement of wartime government controls in the United States, the expansion of trade between nations and preservation and development of competitive capitalistic systems.

Temporary Conference headquarters, in Room 716, 10 Rockefeller Plaza, New York City, is receiving cablegrams of acknowledgment and acceptance, which

indicate that the Western Hemisphere will be represented in full, with delegates arriving not only from all Latin-American countries, but also from Canada and Iceland. From United Nations, word comes that such notables as John Dodd, M. P., President of the British Association of Chambers of Commerce; Chang Kia-ngau, former Governor of the Bank of China; and Dr. Joao Daudt d'Oliveira, President of the Federation of Associations of Commerce of Brazil, will head delegations from their respective countries. A Swedish group, led by Sigfrid Edstrom, World-Chairman of the International Chamber of Commerce, plans to sail soon. Members of the Chinese delegation already are en route.

The following countries have been invited to the Conference: Argentina, Australia, Bolivia, Brazil, Canada, Chile, China, Colombia, Costa Rica; Cuba, Dominican Republic, Ecuador, Egypt, Eire, El Salvador, Great Britain, Guatemala, Haiti, Honduras, Iceland, India, Iran, Iraq, Mexico, New Zealand, Nicaragua, Panama, Paraguay, Peru, Portugal, Russia, Spain, Sweden, Switzerland, Turkey, Union of South Africa, Uruguay and Venezuela.

Since businessmen in enemy-occupied nations, now in progress of being liberated by Allied armies, are not yet free to travel abroad, invitations to them have been deferred. It still is hoped, however, that the liberation process may be completed in time for them to send delegates to the Conference on the same basis as nationals of other countries.

## Four-Point Program For Corporate Taxes For Transition Period

National Planning Association Recommends (1) An Optional Deferral of Current Income And Excess Profits Taxes For One Year, (2) Elimination Of Excess Profits Taxes As Soon As War Ends, (3) Elimination Of Capital Stock Taxes And (4) Reduction In Normal And Surtax Rates On Corporation Incomes.

Urging that "a transitional corporate income tax program must be made ready now, and appropriate measures be adopted to give

unincorporated business the same advantages given incorporated business," the Business Committee on National Policy of the National Planning Association, of which Beardsley Ruml, Chairman of the Federal Reserve Bank of New York and Treasurer of R. H. Macy & Co. is chairman, has drafted a



Beardsley Ruml

report recommending changes in Federal corporation taxes during the transition period. The following are the four specific recommendations with respect to the taxation of corporate income and the reasons given in support of the recommendations:

1. War Tax Settlement Proposal: After partial victory has been won, with the cessation of hostilities in either hemisphere, the due dates for Federal income and excess profits taxes on earn- (Continued on page 1381)

# "Why A New League Of Nations Will Not Ensure Permanent Peace"

Editor, Commercial and Financial Chronicle—

Dear Sir:

In your issue of March 9, 1944, on page 1017, you published an article "Why A New League of Nations Will Not Ensure Permanent Peace," by Alexander Wilson, and invited comments thereon.

May I say in the first place that there seems to me considerable inconsistency between the so-called realistic approach in one section, and the idealistic with its emphasis on religious principles on the other?

I frankly admit that there have been acts on the part of all nations, not excluding our own, which are to be condemned. In the early part of his article, Mr. Wilson mentions some of our own acts, and yet he somehow throws our acts in the background and assumes that our position is always noble and just, while the other countries are to be condemned.

I thoroughly agree that the formation of a League of Nations, or its equivalent, will not automatically bring the millenium. On the other hand, it seems to me that the chance of a decent world is far greater with such an organization than without it. The implication which Mr. Wilson gives is that all we have to do is to hold aloof. See that portion of his article where he talks about our being mixed up in the racial and religious feuds and hates of Europe. Does he not realize that even though we have sought to hold aloof, yet we were inevitably brought into World War I and World War II? Our chance of preventing such a war in the future is infinitely greater in a world organization than without it. He must remember, too, that while the League of Nations did not succeed in every case, it unquestionably prevented a considerable number of incipient wars from breaking out.

I should like, also, to call attention to the fact that although Mr. Wilson objects to hatred, he does not object to attacks on the "Roosevelt dynasty" and its acts.

It appears to me that the intent of this article is subtly to argue the case for isolationism, to attempt to bring us back to an America First point of view. Throughout it are the sneers at other countries, including our allies, and these come at a most unfortunate time in the world's history.

In short, I wish to say that it seems to me that such an article as this is purely negative in character. It emphasizes the difficulties which face us (and these I do not deny exist), but without in the slightest giving any heed to the other alternative.

May I also say that just as there are clearly evident attacks on President Roosevelt's administration, so the hostility to Russia and Communism is thoroughly evident?

I am rather interested, too, to observe that the four quotations on the cover deal in three instances with the imperative need of a permanent peace. In the case of the quotation from Theodore Roosevelt there is the emphasis on need of carrying a big stick, and then tucked among them is a quotation from George Washington's Farewell Address which, of course, fits in with the entire isolationist position which your author takes.

I say very promptly that I realize that when such an organization is created there will be difficulties. The millenium will not come immediately, but nonetheless it is the only road toward peace. We shall move forward toward it steadily. Those who preach a League of Nations ought not to be condemned for their idealism. If you do, then you should remember that it is ideals that have been preached by the great religious teachers of all time. Such statements

as are set forth in the article are expressions of ideals, and certainly the Declaration of Independence, the Constitution of the United States, and Lincoln's Gettysburg Address, all express American ideals. You cannot attain the goal at which you aim, or even move forward to it, unless you base your forward steps on the expression of ideals.

In the middle of his article, our author has a paragraph headed "Two Effective Agencies Which May Perpetuate World Peace." I do not see that except for the vagueness of the aims, they are any nearer to, or any different from, the League of Nations ideals. I join with him in not wishing our organization to be a four-power compact. But that is not proposed today. In other words, he attacks the League of Nations, and then proposes a League of Nations, but one which is without power or strength.

In short, I do not see what this article accomplishes other than to seek with cunning to undermine the efforts of those who are seeking the only path toward peace which this distracted world has before it, namely, a society of nations.

MONROE E. DEUTSCH,  
Vice-President and Provost,  
University of California.  
Sept. 20, 1944.

## FDR Tells Slav Congress Day Of Liberation Near

In a message on Sept. 15 greeting the Second American Slav Congress, President Roosevelt stated that "the day of liberation of the peoples of Slav blood in Europe draws near, and with it the time for administration of retributive justice on their Nazi enslavers." The President added:

"As you rejoice at the liberation of kith and kin from Nazi yoke and the bringing of Axis oppressors to the bar of justice, I am sure you will be impressed with deepened sense of the duties and responsibilities which we must all assume if a just and enduring peace is to be made.

"I trust, therefore, that all of your deliberations may be inspired by wise counsel and constructive action to further the great objective of hastening victory as a preliminary to peace on earth and goodwill to men."

The Second American Slav Congress was held at Pittsburgh, Sept. 23 and 24, the President, observing that the Congress "to whose members I send hearty greetings meets under hopeful auspices this year."

## Large Gains In NY Savings Deposits During August

Deposits in the mutual savings banks of New York States reached a new all-time high of \$6,709,152,208 as of Aug. 31, with a net increase in August of \$86,010,000. For the first eight months of this year the Savings Banks Association of the State of New York, the mutual savings banks of New York State have had a deposit increase of over \$542,000,000, an average monthly gain of almost \$68,000,000 and an approximate 11% increase over the deposit liability as of Dec. 31, 1943. The month of August, it is added, also produced another record in the net gain of 29,116 in accounts. This figure brings the total of accounts now open to 6,406,907. During the month of August the savings banks sold War Bonds in the amount of \$13,596,000, bringing their total for the year to \$178,865,000.

## Financial Advertisers Meeting Oct. 25-29

The post-war role of banking in the national economy, more effective methods of selling banks' facilities to the public and the services which these institutions can render returning veterans under the G. I. Bill (Veterans Readjustment Act of 1944) will be among the principal subjects for review at the 29th annual convention of the Financial Advertisers Association at the Edgewater Beach Hotel in Chicago, Oct. 25 to 29, according to an announcement Sept. 18 by Preston E. Reed, Executive Vice-President. Featured also are sessions planned to improve bank techniques in public relations, employ relations, advertising, and publicity. The meeting is being streamlined under the general theme of "What's Ahead?" and the entire program has been planned to emphasize the role of banks in war bond sales and other war and post-war activities.

John de Laitre, Treasurer of the Farmers & Mechanics Savings Bank, Minneapolis, heads the program committee, and J. Lowell Lafferty, Vice-President of the Fort Worth National Bank, Fort Worth, Texas, is General Convention Chairman.

One of the features of the meeting is a classroom session each morning with Dr. Harry W. Heppner of the College of Business Administration, Syracuse University, Syracuse, N. Y., conducting a discussion of how banks can more effectively present their services to the public and other public relations problems.

The morning sessions will be followed by one-hour programs, each conducted by a Vice-President of the Association.

Mr. Lafferty will conduct the program on war bonds, Dale Brown, Assistant Vice-President, the National City Bank of Cleveland, will preside at the forum on employ relations, and Swayne P. Goodenough, Vice-President of the Lincoln-Alliance Bank & Trust Co., Rochester, N. Y., will conduct the final session which will be devoted to a resume of discussion at all previous departmental sessions.

At the four luncheon meetings scheduled, members will hear discussions of trends in post-war finance and banking, possible results to be expected from the Bretton Woods Conference, methods for building sound public relations programs for banks and similar topics. Among the speakers will be E. S. Patterson, President, First-Central Trust Co., Akron, O., and Dr. Arthur Uppgren, Vice-President of the Federal Reserve Bank of Minneapolis.

Afternoon programs will be given over to a series of departmental and clinic sessions. Attendance at the three departmental meetings will be limited to secure informal round table discussion of the subjects under review and each will extend over three afternoons. The trust development program is under the direction of J. L. Chapman, Trust Officer, City National Bank & Trust Co., Chicago, and savings development is being planned by a group headed by Lester B. Johnson, Advertising Manager, American Trust Co., San Francisco. The commercial banking development program has been developed by a committee of which Frank R. Warden, Vice-President, Central National Bank & Trust Co., Des Moines, is Chairman.

Six clinic programs are being scheduled for the first afternoon and each one will be repeated on the two following days. Attendance will be limited to 15 each. Clinic subjects and those who will conduct these open forum discussions are: Advertising, J. M. Easton, Second Vice-President, the Northern Trust Co., Chicago; Em-

## The State Of Trade

Apprehension has been expressed on various occasions by the thinking few over the carefree manner some workers under the hysteria of a temporary war boom are at present dissipating their newly-acquired spending power. Luxuries that heretofore their modest incomes prevented them from enjoying are being bought up with utter abandon and without consideration for value received in many instances.

The urge to spend today with little or no thought for tomorrow is indeed strong, and well-intentioned counsel given in the interest of such individuals and for the welfare of the country is frequently not encouraged. The post-war period will impose many burdens upon our economy, and the great need for conserving excess purchasing power today will go far toward holding our country in good stead tomorrow.

Fred W. Lawrence, President of the savings division of the American Bankers Association, taking cognizance of this tendency, sounded a warning the present week against what he termed the "intoxicating atmosphere of profligate spending of tomorrow's income in which the nation has been living for years."

Addressing the ABA's second war service meeting, Mr. Lawrence declared that "if post-war plans based on improvement of credit machinery to serve the needs of industry, trade and agriculture are to prove anything more than a stop-gap, it must be recognized that savings of the people are the true foundation for credit."

"No one knows better than the banker," he asserted, "that the impulse to spend needs little encouragement. The stern logic of the thrift lesson is the imperative need for a reasonable withholding of some present consuming capacity to insure the stability and permanence of a more rational volume tomorrow. Thus only can savings become truly dynamic."

Mr. Lawrence declared that credit "must find its support in an accumulation of both capital and purchasing power, each of which represents the savings of someone. Unless the volume of those savings bears some relation to that of credit expansion the economy is headed for trouble."

"The streams which supply both these reservoirs should be fed by a steady flow of individual and collective savings and not a succession of flood and drought. If the credit of this Government of ours is an exception to that rule it will be the first time in human history it has occurred, though by no means the first time the experiment has been tried."

**Post-War Instalment Credit**—Greater stimulus is expected to be given to instalment buying in the years following the war than ever before, the National Bureau of Economic Research stated in a bulletin released on Monday of this week. Before the war financing consumer needs and accepting payment in instalments created a \$6,000,000,000 industry, but the war brought regulation of credit and a shortage of goods that cut the instalment credit business by two-thirds.

The extent to which it is likely to revive has been studied by the Bureau in cooperation with the FDIC, and they have now released a report on the question written by Dr. Ernest A. Dauer of the FDIC, which shows that instal-

ment credit concerns withstood the pressure of the thirties better than commercial banks did. Losses on loans in the instalment field were significantly less than in the commercial field, Dr. Dauer reports. Instalment firms, he pointed out, did from 80% to 90% of their business with small borrowers, where this type of loan represented only 30% of the business done by banks.

**Post-War Needs**—No matter what the speed with which industry is converted and job opportunities opened up, some deflation of the income stream will be faced in the transition period, exerting a depressing effect upon agricultural prices, farm income and distributive profits, so states the latest issue of "Survey of Current Conditions," published by the Department of Commerce.

Calling for fast reconversion and quick investment decisions to allow stepped-up civilian production to mesh with declining war output when hostilities cease, the article said the major aim of Government and business must be to prevent deflation from becoming cumulative.

Wage earners in manufacturing under full peace-time employment, states the publication, will receive one-third less than the \$32,000,000,000 in present annual payments, while man-hours of employment under prosperous conditions will be about one-fourth less than at present. In order to maintain that peace-time level, war industries must manufacture five times their present limited output for civilians and double the 1939 output. The article revealed that munitions manufacture over the last year had an average value of \$5,000 a man, against \$2,000 a man in the last year of World War I.

Touching upon the expansion in war income in manufacturing since 1939, it disclosed such income was derived by an increase in employment of 32%; hours, 16%; increased overtime premium, 10%; movement to higher wage industries, 10%, and increase in straight time hourly earnings of 32%.

**Federal Employment**—The Federal Government had 2,938,602 paid civilian employees in the continental United States at the end of July, a gain of 20,315 from June, the Civil Service Commission disclosed. Approximately 384,700 workers were employed outside the continental limits of the United States. In addition to the paid employees, there were 295,433 employees who either get no pay or receive \$1 a year.

**Rise in Latin American Exports**—Commercial exports to Latin America, with the exception of Argentina, have increased by more than 50% over pre-war levels, Leo T. Crowley, Foreign Economic Administrator, reported to Congress this week. Exports to the 20 Latin American republics averaged \$489,000,000 annually in the period from 1936 to 1938, according to the report. This year, on the basis of the first six months, they will run to \$929,000,000. Imports in the earlier period averaged \$535,000,000 annually, while for this year they are estimated at \$1,646,000,000.

Taking issue with the recent proposal made by Winthrop W. Aldrich, Chairman of the Chase National Bank, that United States tariff rates should be reduced substantially, Bertrand W. Hall, Secretary of the American Tariff

(Continued on page 1387)

## Morgenthau Plan To Make Germany An Agricultural State Said To Have Split Cabinet

A plan sponsored by Secretary of the Treasury Henry Morgenthau Jr., which it is stated would have for its object the complete destruction of Germany as a modern industrial State and its conversion into an agricultural country of small farms, is said to have split wide open President Roosevelt's Cabinet Committee on German peace policy. This was learned on Sept. 23, according to Associated Press advices from Washington, as given in the New York "Times," which stated:

Mr. Morgenthau's plan, drawn after his recent return from European battlefronts and England, is reported to have had the general approval of the President since before his Quebec conference with Prime Minister Churchill. It has failed to win support, however, from Secretary of State Cordell Hull and is violently opposed by Secretary of War Henry L. Stimson. Messrs. Hull, Stimson and Morgenthau form the Cabinet committee.

For the time being the dispute over Mr. Morgenthau's plan has so snarled up the Treasury, War and State Departments' work on detailed arrangements for the post-war control of Germany that the three-Power planning by this country, Britain and Russia on long-range German policy has also virtually stalled. This planning, carried on through the European Advisory Commission, had been proceeding along lines other than those advocated by Mr. Morgenthau, as far as American leaders were concerned.

Mr. Roosevelt presented Mr. Morgenthau's plan to Mr. Churchill at Quebec. Mr. Morgenthau and British Foreign Secretary Anthony Eden were present. Messrs. Stimson and Hull were not. Mr. Morgenthau came away from the conference with the impression that Mr. Churchill had found his proposals acceptable, especially since Mr. Eden is reported to hold somewhat similar views.

What Premier Stalan plans with respect to Germany is apparently still not known here. Mr. Morgenthau based his plan on three assumptions with respect to Russia: (a) Russia wants East Prussia and most of Silesia to go to Poland to offset Poland's loss of eastern territory to Russia; (b) Russia wants German labor battalions put to work on Russian reconstruction; (c) with her own huge needs for man-power, Russia is not interested in prolonged military occupation of Germany and would be willing to have Britain, the United States and other Allied countries do the job.

Mr. Hull is known to be determined that whatever plan is decided on finally here must be agreeable to Russia. He feels that it is essential to have British-American-Russian cooperation in immediate post-war Europe as a basis for long-range cooperation in a world security organization.

Mr. Morgenthau's plan is understood by those who have followed its development from the first to include:

1. The removal from Germany to devastated countries of whatever industrial machinery those countries want; the destruction of the rest of Germany's industry.
2. The permanent closing of whatever mines remain in the post-war German State.
3. The cession of the Saar and western German industrial areas to France as well as the cession to Poland of eastern German areas that Russia might want handled in that way.
4. The dissolution of large German landholdings into small farms that would enable the 40,000,000 to 50,000,000 people remaining in Germany to exist largely on an agricultural basis.
5. The refusal by other countries to extend any assistance, economic or otherwise, to the people of Germany so that they would have to make their own

way out of the wreckage of their war on Europe.

6. The prolonged control of Germany by an Allied military commission.

7. No outright reparations—since a German agricultural State with little or no commerce would not be able to pay them—although the distribution of German machinery might be considered as reparations in some respects.

The principal criticisms that have been leveled against this plan by War and State Department planners is that it will not work because Germany occupies a key position in European economy because of her industrial capacity to produce needed goods and because of the markets that she affords to other European countries. Until Mr. Morgenthau had presented his proposals and won Presidential support for them it had been tentatively planned that Germany would be permitted to function as an industrial State after surrender, but under Allied military and economic controls that would deny her any opportunity to become a great war-making State.

To date Mr. Morgenthau's plan has served chiefly as a basis for hot arguments in the secret sessions of War, State and Treasury and other Government agency experts charged with evolving practical controls for the Reich of the future. It has been instrumental also in bringing about modifications of the basic handbook being prepared by the Government for the guidance of military administrators in post-war Germany.

Post-war Germany is defined by these experts as the German State that will come into existence some time after the armistice. The first period of German occupation is already beginning with the Allies' advance on German soil. It was with this period in mind that General Dwight D. Eisenhower announced the directives for the control of Germany by the Allies' combat commanders.

It is now expected that General Eisenhower will serve as American military chief in Germany until the second period of occupation sets in after the war. Whether that period will be one of three-way occupation under a three-Power commission as originally planned or whether it will follow, Mr. Morgenthau's plan more closely remains to be determined.

Mr. Morgenthau has always been regarded by his associates as an advocate of ruthless handling of Germany after the war. His interest in detailed planning, however, is reported to stem from his trip to England and France a month ago.

### Dr. Campbell On Faculty Of Temple University

Dr. Laurence R. Campbell, Pacific Coast editor for the "Wall Street Journal," has been appointed to the faculty of Temple University's department of journalism. It has been announced by Dr. Robert Livingston Johnson, President of the university. Dr. Campbell, who has taught at Northwestern University, California and Illinois, holds a Doctor of Philosophy degree from Northwestern. The new appointee will begin his teaching duties at the opening of the fall semester, Sept. 28.

## Development Of Missouri River Basin Similar To TVA Advocated By Pres. In Message To Congress

A recommendation that Congress give consideration to action toward the development of the Missouri River Basin along lines similar to that of the Tennessee Valley Authority was contained in a message addressed to the Congress by President Roosevelt on Sept. 21, just before its adjournment. In his message the President enclosed a copy of a resolution adopted by all but one of the Missouri River States asking for legislative

action for the development of the Missouri Basin. It was indicated in press accounts from Washington that the States agreeing to the resolution were Colorado, Wyoming, Montana, North and South Dakota, Nebraska, Kansas and Missouri. Iowa it is said was the one State which did not adopt the resolution. From the "Wall Street Journal" of Sept. 23, however, we quote the following by the Associated Press:

"Gov. Andrew Schoepel, Republican Governor of Kansas, said he was opposed to establishment of a Missouri Valley Authority as proposed by President Roosevelt, and Gov. Lester C. Hunt, Democrat, of Wyoming, said that 'no mention was made of a Missouri River Authority similar to the TVA' at a meeting of valley governors in Omaha last month.

"Gov. Forrest Donnell, Republican, of Missouri, said he had no comment on the proposal at this time. Gov. Sharpe, of South Dakota, also declined to comment.

"The Kansas Governor said that 'the President's proposal does not fit in' with the Missouri River States' Committee's recommendation for basin development.

"Disapproval also was expressed by Gov. Dwight Griswold, of Nebraska, who declared he could not see where the proposed creation of an MVA will solve the problem which is facing the area."

In his message the President stated that "Congress has at all times retained the final authority over the TVA, for the Authority comes before the Congress each year to obtain appropriations to continue its work and carry out its plans." He stated that he had previously suggested the creation of an authority for the development of the Arkansas River Watershed, as well as for the Columbia River Watershed.

The President's recommendation, according to the Associated Press, received mixed Congressional action. From these advices from Washington, we quote:

Senators Murray (Dem., Mont.) and Gillette (Dem., Iowa) already have introduced separate measures to create such a Missouri Valley Authority.

Senator Robertson (Rep., Wyo.) told a reporter he was against "such a Federal setup" and instead favored "State control of waters in the respective States."

Senator Langer (Rep., N. Dak.) said he was "100% for the idea."

Asserting he always had favored "the TVA for the TVA area," Senator Wheeler (Dem., Mont.) said the "question of whether the type of legislation we want for the Missouri River basin would be identical with TVA must be studied in the light of all existing conditions surrounding the area."

The House already has adopted and sent to the Senate a bill embodying recommendations of the Army engineers for a vast development of the Missouri River basin to provide for irrigation, navigation, flood control and other purposes.

A fight developed over a proposal that preference be given to irrigation interests, but the House defeated that plan. A Senate committee likewise has refused to approve it.

A separate measure incorporating the Reclamation Bureau plan for development of the Missouri River basin, at variance on some points with the Army plan, is now in a House committee.

The message of the President to Congress follows in full:

To the Congress of the United States:

I enclose a copy of a resolution adopted by all but one of the Missouri River States, represented in a recent meeting of their Governors and the members of the Missouri River States Committee. In general, the resolution asks for executive and legislative action toward producing a single, co-ordinated plan for the development of the Missouri River Basin "for the greatest benefit of its citizens both present and future, and for the greatest benefit to the United States."

As the Congress knows, I have for many years advocated the establishment of separate authorities to deal with the development of certain river basins where several States were involved. The general functions and purposes of the Tennessee Valley Authority might well serve as a pattern for similar developments of other river basins. The Tennessee Valley Authority was charged by the Congress with the development of practically all of the factors which are important in establishing better living standards and a better life for the people throughout that great watershed.

The benefits which have resulted in Tennessee River Valley include flood prevention, irrigation, increased electric power for farms and shops and homes and industries, better transportation on land and water, reforestation and conservation of natural resources, the encouragement of small businesses, and the growth and expansion of new businesses, development and widespread use of fertilizer and improved agricultural methods, better educational and recreational facilities—and many kindred improvements which go to make for increased security and greater human happiness.

The Congress has at all times retained the final authority over the Tennessee Valley Authority, for the Authority comes before the Congress each year to obtain appropriations to continue its work and carry out its plans.

I have heretofore suggested the creation of a similar authority for the development of the Arkansas River Watershed from the Mississippi all the way west to its source in Colorado.

I have also suggested the creation of an authority to render a similar service in the Columbia River Watershed, including the States of Washington, Oregon, Idaho and Montana.

I now make a similar recommendation for the Missouri River basin.

The resolution very properly asks that the legislation dealing with matters relating to the waters of the Missouri River Basin recognize that it is dealing with one river and one problem, and points out the necessity of a comprehensive development of the Missouri River indicating that there can be no piecemeal legislative program. The resolution asks that "the Congress should recognize now the problem in its entirety as it affects the people of the Missouri River Basin and their economic destiny and that of the United States."

I am in hearty accord with these principles. I hope that the Congress will give careful and early consideration to the creation of this Federal authority to consider the problem in its entirety, remembering always that any appropriations to carry out any plan are and will be within the complete control of the Congress, and that the interest of each of the States in the basin will, of course, be given full consideration. I am

## OPA Is Endangering War Housing Success MBA Declares

OPA's action in banning all but nominal security deposits by tenants of war housing has endangered the success of the balance of this program, H. G. Woodruff, Detroit, President of the Mortgage Bankers Association of America, declared on Sept. 18 and said that the agency's amendment is inequitable to the landlord. The advices from the Association state that:

OPA's amendment No. 33 bans all security deposits by tenants to landlords except \$10 which would replace lost keys, damaged ice trays and minor equipment of this kind. Its action, says the Association, was taken on the assumption that large security deposits have been demanded in many parts of the country although Mr. Woodruff said that it seems clear that in at least 80 or 90% of the war housing no more than one month's rent has been asked for. Mr. Woodruff added:

"This much protection is fair in view of the rapidly shifting occupancy of war housing in many parts of the country—a fact which OPA admitted when it declared that six months' security deposits are excessive and tend to evade the spirit of rent control. Six months' deposits are excessive and absolutely inexcusable; and it seems logical to believe that cases of this sort probably do not amount to a fraction of 1% of the total." He stated that the Mortgage Bankers Association was urging members to request Ivan Carson, Rent Control Administrator, to amend his ruling to permit a minimum of one month's security deposit which he declared owners must have because of the uncertainty of occupancy in many sections.

### ODT To Drop 1,000

The Office of Defense Transportation announced on Sept. 19 changes in its regional and district organization which will release 1,000 clerical workers and result in saving more than \$2,000,000 a year, said Associated Press advices from Washington Sept. 18, which also reported:

ODT said that it was completing arrangements to transfer part of its commercial motor vehicle gasoline rationing functions to the Office of Price Administration. In the future the regional highway organization will concentrate on "transportation phases" of the ODT program rather than on gasoline rationing.

A total of 30 district and field offices will be closed, including the highway department regional office at Kansas City. Regional offices in all areas will be rearranged except in New York.

sure that none of the States in the Tennessee River Basin have lost any of their rights because of the creation of the Authority in that valley.

May I also ask that renewed consideration be given to a study of the Arkansas and Columbia River Basins? The fact has been established that such legislation can do much to promote the welfare of the great mass of citizens who live there—as well as their fellow citizens throughout the United States.

I need hardly point out to the Congress, in addition, how helpful this legislation will be in the creation of employment and in the stimulation of industry, business and agriculture throughout the areas involved, in the days which will follow the end of the war.

FRANKLIN D. ROOSEVELT  
The White House, Sept. 21, 1944.

## The Financial Situation

(Continued from first page)

has either contented himself with the belief that a mere change in the ownership of the means of production would, by some unexplained magic, release hidden powers of production, or else, in company with the liberal economist, he has assumed that the size of the communal output and its rate of growth were acts of God beyond the possibility of human control."

### Strangely Isolated

How strangely isolated the editor of "The Economist" must have been through all these years from the thinking of all serious-minded men save only the Socialists and their fellow travelers! If there is one subject which has occupied thoughtful minds in this country for years past more than any other it is perhaps the utter lack of interest shown by the reformers in productivity. If one subject has been harped on more consistently than perhaps any other throughout the years, not only by the "Chronicle" but by many, many other publications and many other students of public affairs, it is the necessity of constantly increasing productivity if the more abundant life is to be realized. The New Deal—and by implication similar ideas in England which "The Economist" in recent years has regularly supported or sponsored—has been under constant criticism in many quarters precisely because it almost studiously neglected this whole problem of increasing production—even at times advocated reduced production—in the apparent idea that all our difficulties arose out of maldistribution of such goods as were actually produced. All this is an old, old story on this side of the Atlantic—and we strongly suspect that it is not altogether new across the water.

But let "The Economist" proceed: "It is only very recently that these assumptions have come to be questioned—indeed, it is only during the war years that the desirability of subjecting the rate of growth of the national income to the same 'purposive direction' as its fluctuations and its distribution has come under serious discussion. There are three main reasons for the revival of interest. The first, and perhaps the largest, is the realization that the Soviet experiment has succeeded. Ever since the Battle of Stalingrad it has been impossible for even the most inveterate sceptic to deny that Russia, under Communist leadership, has succeeded in breaking the secular trend, in vastly speeding up the increase of its national wealth and power, in asserting human control over the processes that determine the wealth of nations. Even

those who recoil from the methods of Soviet 'direction' must accept the achievement; and it is a natural step to ask whether something of the same sort could not be done elsewhere by less oppressive means."

### An Important Conclusion

It is in a sense unfortunate that "The Economist" felt it necessary to add these last sentences. They completely dash any hope that the reader may have had that at length this influential old publication was beginning to hark back to the days when its editors kept their feet solidly on the ground and were not led by the smooth orators into hopeless intellectual jungles! Evidently, one need not hope, indeed one can not hope, that "The Economist" has begun to realize that many of the reforms of recent years effected for the purpose of improving the position of the laboring man may well prove his undoing for the simple reason that they will seriously and persistently retard productivity. Such a conclusion would be a rather logical second stage of "The Economist's" thinking. But it is not to be. What is in the mind of the Editor of that magazine is evidently something wholly different, something which has been coming more and more into evidence here in this country, and doubtless in others, for a good while past—merely the notion that the planned economy of the day should henceforth give more of its attention to increasing production and productivity.

It would doubtless be a gain not to be scorned to have the day dreamers come to their senses about production—or would it led them to be more careful and more sensible in their attempts to make the world over. What we need, however, is for the rank and file of the people to come to the realization that productivity is best cultivated by means which are wholly foreign to all the managed economy ideas now flourishing all over the world. Let "The Economist" and any others who have been neglecting the need for productivity turn once more to Adam Smith and his long line of successors among the orthodox economists to learn how productivity may be nurtured—nurtured most successfully and without the surrender of liberty. The "drive" which increases productivity and enriches the world is a personal, individual matter, not a political or national urge. Each citizen will furnish the "steam" and ingenuity to increase his own productivity if only the politicians and other meddlers will leave him in reasonable se-

## N. Y. C. Banks Organize Bank Credit Group

A \$100,000,000 bank credit group was organized on Sept. 25 by 23 banks of New York City to provide an additional source of bank credit for small and medium-sized business in the reconversion and post-war periods. It is the first such credit group to be organized under the program recently adopted by the Post-War Small Business Credit Commission of the American Bankers Association.

Formation of the group, known as the Bank Credit Group of New York City, was announced by Robert M. Hanes, Chairman of the Commission and former President of the Association, who declared it to be a major step in implementing the constructive work of the Commission.

The purpose of the group, as expressed in the agreement adopted by the member banks, is "to implement, augment and undertake the financing (through loans or other credit accommodations) of small and medium-sized business concerns in the United States during the present reconversion period, which is expected to continue after the cessation of present hostilities, by participating with local originating banks in financing risks so undertaken which may be in amounts, for periods or upon terms or under conditions which may make usual banking accommodations unavailable, whether such local originating banks are within or without the Second Federal Reserve District."

"It should be clearly understood," Mr. Hanes pointed out, "that the Bank Credit Group of New York City will not directly solicit loans, nor will such activity be undertaken by any of its members for the account of the Group." Mr. Hanes added:

"In the reconversion and re-employment periods small business will have many new credit problems: war industries converting to peacetime production, and business generally gearing its activities to new demands for goods and services.

"The entire machinery of the American banking system will be utilized to the fullest extent in meeting these and the other credit

needs of post-war America. The banks of the country have a volume of funds adequate to finance most of the credit needs of industry, business and agriculture. If, however, a local bank is not in a position to extend either part or all of the credit needed it will be encouraged to make use of the credit facilities and the specialized experience of its correspondent banks in larger cities.

"While most of the post-war credit demands will be met by individual banks either directly or in cooperation with their correspondent banks, there may be instances where some banks, because of limited resources, unfamiliarity with the type of credit desired, or barred by legal lending limits or the terms and conditions requested, may be unable to provide the credit needed.

"The Bank Credit Group of New York City was organized to meet such situations. If the banks within the Second Federal Reserve District or in other parts of the country are not in a position, either directly or in cooperation with their correspondent banks, to meet the full credit requirements of their communities they may turn to the Bank Credit Group of New York City or similar groups that are being organized throughout the country as a third source of bank credit.

"The banks of the country are going to make sure that enterprise has adequate credit for every legitimate use and has that credit in the form best adapted to each particular business. Groups of the ablest bankers in the country, representing small and large banks alike, are earnestly at work seeing that this is done.

"The Credit Committee of the Bank Credit Group of New York City does not propose to make bad or reckless loans. Such loans are of no benefit to the borrower, the bank or the community. They simply create debts and losses that someone must bear and they create competition with sound and responsible business which proves disastrous to all concerned and has an adverse effect on the prosperity of the community."

According to the announcement, the credit operations of the Group will be carried on by a commit-

tee consisting of one representative from each member bank. This committee will consider all loan applications. Local originating banks, wherever located, must participate in every loan accepted by the Group. The agreement declares that the Credit Committee, except under extraordinary circumstances, "shall not entertain a financial risk in which the originating local bank shall not have or retain a reasonable share of such risk on the same basis as the members of the Group and does not agree to service the risk for a compensation to be agreed upon and to issue its participation certificates to member banks." The announcement further says:

"The Bank Credit Group of New York City is organized on a voluntary participation basis, and any bank having its principal office in New York City may become a member upon acceptance of the terms of the agreement.

"The operation of the Bank Credit Group of New York City will be explained later to representatives of bank organizations from various sections of the Second Federal Reserve District. A meeting will be arranged through the cooperation of the New York State Bankers Association acting with the Connecticut Bankers Association and the New Jersey Bankers Association, parts of whose memberships are located in the territory covered by the Second Federal Reserve District."

While membership in the Group is open to all banks having their principal office in New York City, the original members of the Bank Credit Group of New York City are as follows:

Bank of the Manhattan Company; Bank of New York; Bankers Trust Company; Brooklyn Trust Company; Brown Brothers Harriman & Co.; Chase National Bank; Chemical Bank & Trust Co.; Commercial National Bank & Trust Co.; Continental Bank & Trust Co.; Corn Exchange Bank Trust Co.; Empire Trust Co.; First National Bank; Grace National Bank; Guaranty Trust Co.; Irving Trust Co.; Lawyers Trust Co.; Manufacturers Trust Co.; Marine Midland Trust Co.; J. P. Morgan & Co. Incorporated; National City Bank; New York Trust Company; Public National Bank & Trust Co., and United States Trust Co.

## British Oppose Return To Gold Standard Would Stop Bretton Woods "Racket"

Before a conference in London on Sept. 23 called to coordinate opposition to any return by Great Britain to the gold standard, the declaration was made by Robert Boothby, Member of Parliament, Chairman of the Monetary Parliamentary Policy Committee, that their immediate object was to stop the Bretton Woods "racket." Advice to this effect were contained in a Reuter dispatch from London Sept. 23, published in the New York "Times," from which we also quote:

He [Mr. Boothby] said he had an assurance from Prime Minister Churchill that no final decision would be taken until the House of Commons had had an opportunity of full discussion.

The conference was also called to demand a full public inquiry into various alternative world trading systems that exist, based on a goods standard and not a gold standard.

Among the demands of the conference were that Parliament should reject the Bretton Woods monetary plan as unconstitutional.

It accepted the doctrine of "laissez-faire" which, by assuming conditions of perfect competition, held that the size of national markets was of no consequence but held that in the modern era of mass production that doctrine no longer held good.

It urged that Britain return to a gold standard and would put an end to the sterling era. The onus of restoring equilibrium in the balance of payments was placed on the debtor countries.

Mr. Boothby said that the prob-

lems of international trade and long-term reconstruction were of far more urgent importance. He asserted there could be no hope of international currency stabilization except on the basis of a durable peace and a common economic objective among the participating countries.

At Bretton Woods there were a record number of experts, all gathered together in one hotel, and none of them with any clear directions from the governments they represented, he asserted. No wonder the results were catastrophic, he said.

Further Reuter advices from London in the same paper stated:

Sir Charles Morgan-Webb, former Chief Secretary of the Burma Government, said at a conference here today, held to organize opposition to a return by Britain to the gold standard, that America was going to use her wealth and position and her large accumulation of gold to reduce Britain to a position of subservency.

He added that the most impudent thing about the Bretton Woods proposals was that they made the dollar the supreme international currency.

curity that he can have what he produces.

### Our Own Record

And let us hear no more of lessons in economics that Russia and her valiant stand against Hitler have taught the world. The Russians have fought with unexcelled valor and determination. All honor to them. They have proved themselves capable of doing much more in the way of feeding, clothing and arming themselves under extremely adverse circumstances than any one had expected—including Hitler. But let us not lose our perspective. The Russian production record appears miraculous to us and to the world largely because it was Russia that did it, a Russia which the world supposed was largely impotent. There is nothing in the production record which, as a production record, can even remotely compare with our own.

Only the New Dealers here and abroad have neglected productivity. The way to assure good and increasing productivity is to heed its real friends.

## Caffery Appointed As Ambassador To France

President Roosevelt announced on Sept. 21 the appointment of Jefferson Caffery, former Ambassador to Brazil, as "representative of the United States, with the personal rank of Ambassador, to the de facto French authority now established at Paris."

Advices Sept. 21 from Washington to the New York "Times" stated:

The appointment of Ambassador Caffery, it was said at the State Department, does not constitute recognition of Gen. Charles de Gaulle's organization as the Government of France or even as a provisional government. It was pointed out that since we entered France, the French Committee has taken the name of "Authority."

Nevertheless, the designation was interpreted as indicating the way the wind was blowing; that is, in the direction of some more advanced form of recognition than now exists.

It is understood that the French question was discussed at the recent Quebec conference by President Roosevelt and Prime Minister Churchill and that tentative plans have been drawn within the Government looking to provisional recognition of General de Gaulle. To become effective, however, these plans are represented as requiring approval by higher authorities and by President Roosevelt himself.

The White House announcement of Mr. Caffery's appointment, said:

"The President has appointed Mr. Jefferson Caffery as representative of the United States of America, with the personal rank of Ambassador, to the de facto French authority now established at Paris. Mr. Caffery succeeds Mr. Edwin C. Wilson, who was representative of the United States of America to the French Committee of National Liberation at Algiers. It is expected that Mr. Caffery will proceed to his new post in the near future."

It was noted in advices to the New York "Herald Tribune" on Sept. 21 from its Washington bureau that as instructions went out for reopening of the American Embassy in Paris, the French delegation representing General de Gaulle in Washington announced that Henri Hoppenot, its head, would reopen the French Embassy in Washington in special ceremonies on Sept. 22. It was added that, reoccupied by Mr. Hoppenot with permission of the State Department, the chateau had been closed since the departure of Gaston Henri-Haye, Vichy's Ambassador, in November, 1942.

With the reopening of the Embassy on Sept. 22 the French Tricolor was raised on the building and, said the New York "Times," seals that had been placed on the Embassy were removed by the representatives of the Swiss protecting power; Henri Hoppenot, chief of the delegation of the French Committee of National Liberation took charge of the Ambassadorial residence under arrangement with the United States State Department, it was stated in the "Times" account from Washington, in which it was also said:

At the same time the offices of the Chancellery of the French Embassy in Wyoming Avenue were reopened and occupied by the delegation's staff.

Reoccupancy of the Embassy does not constitute resumption of diplomatic relations with France, the State Department has made clear, but taken with the appointment of Jefferson Caffery as United States representative in France with rank of Ambassador, the ceremony here today was another step toward the resumption of normal relations between the two countries.

The French flag was raised on the Ambassadorial residence by Xavier de la Chevalerie, who served with Brig.-Gen. Jacques-Philippe Leclerc when the French crossed from Lake Tchad in North Africa for the French campaign in Tripoli. M. Hoppenot, smiling

from the window, acknowledged the applause from members of the Embassy staff and a number of French people who gathered for the occasion.

Among them were Mme. Hoppenot, M. Philippe Baudet, counselor of Embassy, and Mme. Baudet, Francois Briere, First Secretary; Henri Claudel, attache and son of former Ambassador Paul Claudel, and Mme. Francois Charles-Roux.

Also present was Rene Girault, former chef of the Embassy, who has acted as caretaker during the period in which the premises were closed.

Incident to the appointment of Mr. Caffery mention might here be made of the liberation of Paris, which actually took place Aug. 25, but which on Aug. 23 had been prematurely announced, to which reference was made in our Aug. 31 issue, page 964. As to the taking over of control of the city, Associated Press advices Aug. 25 from Supreme Headquarters, Allied Expeditionary Force, as given in the New York "Times," stated:

The Paris radio announced late tonight that the French capital had been liberated and that the German commander had signed a document ordering his troops to cease fire immediately.

The announcement followed entry of American and French troops into the capital during the day. There was no immediate confirmation here.

The latest word at headquarters was that American and French troops had joined Fighting French patriots on the Ile de la Cite in the heart of the capital after bitter fighting with Germans and French collaborationist militiamen.

Gen. Charles de Gaulle, President of the French Committee of National Liberation, said in a speech broadcast from Paris:

"France will take her place among the great nations which will organize the peace. We will not rest until we march, as we must, into enemy territory as conquerors."

The commander of the Paris region for the French Forces of the Interior, Colonel Raoul, issued this proclamation to his forces, the radio said:

"FFI of the Ile de France (the Paris region), you have unleashed a rising that has liberated Paris. You have improvised your tactics, animated by the strong desire to win, and you have won."

In another broadcast the Paris radio said that the German commander had signed the following document, presented by Brig.-Gen. Jacques-Philippe Leclerc, commander of the French Second Armored Division and leader of the French force that entered the capital during the day:

"The German commander gives orders to the forces under his command to cease fire immediately. Arms are stacked.

"Personnel assembles without arms at places to be indicated and will await for orders there. Arms have to be delivered intact."

From the same source (Supreme Headquarters) the press advices Aug. 26 had the following to say, in part:

The last enemy machine gun was stilled in Paris tonight. French and American infantry stalked the last few stragglers and snipers, and even the Germans admitted they had cleared out of the capital that they had held under an iron rule since the first summer of the war.

The German garrison in Paris that surrendered to the American corps commander and the French

## Four-Point Program For Corporate Taxes For Transition Period

(Continued from first page)

ings of the then current year and the unpaid portions of the similar taxes on profits of the preceding year should, at the option of the corporation, be deferred, subject to a 6% per annum interest penalty, to the due dates of the following year's taxes pending re-determination of liability under the loss and unused excess profits credit carry-back provisions of the tax law. If at the end of such following year, the corporation finds that it actually owes the taxes in whole or in part, such liability should be consolidated with the liability of the third year and paid at the same time. In the event the taxes are ultimately found to be owing, the interest penalty should be charged for the period of deferral.

**2. Excess Profits Tax Elimination:** After total victory has been won, with the cessation of hostilities in both hemispheres, the present excess profits tax should be eliminated. The elimination should be pro-rated, so that if the cessation occurs, say at the beginning of the tenth month of a taxable year, the excess profits tax will not be applicable to one-fourth of the corporation's profits for that taxable year.

**3. Capital Stock Tax Elimination:** On the cessation of hostilities in both hemispheres, the capital stock tax and the declared value excess profits tax should be eliminated.

**4. Normal and Surtax Reduction:** On the cessation of hostilities in both hemispheres, the normal corporate tax should be reduced from 24% to 16% and the surtax should be reduced from 16% to 8% leaving an aggregate tax on corporate income of 24%. At some later date the 24% rate then applicable to corporate income should be further reduced, but the timing of further reduction should be determined in the light of the then existing economic situation. The first step in further reduction might be the elimination of the 8% surtax.

### Elaboration of Proposals

#### Recommendation 1. War Tax Settlement Proposal.

The tax law contains provisions under which a corporation which loses money or fails to make profits equal to its excess profits credit, is entitled to carry back the loss or the unused credit against the income or excess profits of the preceding two years and to receive tax refunds accordingly. However, under the existing statutory machinery a long period will ordinarily elapse before a corporation entitled to such refunds actually receives

Gen. Jacques-Philippe Leclerc, was estimated at 10,000 men.

One German strong point still held out in the Champagne sector five miles east-southeast of Paris and there was sporadic fighting with some small groups of Germans in the northeastern and northwestern suburbs. A number of isolated snipers was being hunted down.

As the military cleaned out the last resistance, French political leaders moved in to reorganize the Paris Government, and Lieut.-Gen. Omar N. Bradley's forces began the great task of helping to feed and run the city.

Gen. Charles de Gaulle, long the symbol of resistance in the minds of the French, walked down the Champs-Elysees today and a shot rang out as he arrived at Notre Dame Cathedral, the Free French radio at Paris said.

There was an answering volley, but the shot was reported to be an accidental one, and the crowds remained calm.

them; and even where it is perfectly clear that a corporation which owes taxes based on preceding years' profits will ultimately wind up without any liability for such taxes, it is now necessary for the corporation to pay the taxes on the income of the preceding years and wait, probably for a couple of years and possibly longer, to receive the refunds. In the meantime the payment of the taxes on the preceding years' income will deplete the cash resources of the corporation and may prevent it from speedily reconverting into its peace-time business or from venturing into a new business.

It is already evident that many corporations—large and small—even though they may have earned substantial profits (after taxes) during the war period, are not in sufficiently liquid financial position to enable them to engage in new undertakings. Much of their profit is tied up in inventories and new plant capacities. If such corporations are compelled to use their cash resources to pay taxes which may ultimately be returnable to them, it is obvious that conversion will be slowed up with consequent postponement of employment for men returning from the armed forces and former war workers. The Treasury itself has taken notice of this situation. In testimony before a sub-committee on War Contract Termination of the Senate Committee on Military Affairs, and before other Congressional committees, the Treasury through Randolph E. Paul, its then General Counsel, suggested that if,

"for any taxable year beginning prior to the expiration of some reasonable post-war period, a corporate taxpayer anticipates the realization of a net operating loss or the existence of an unused excess profits credit which could ultimately be used as a carryback against the taxable income of the two prior years, it may apply for complete or partial deferment of the quarterly tax payments due in that year with respect to the preceding year's taxable income and also of any payments of deficiencies in tax which are due."

We concur in the intent of this proposal but it does not go quite far enough to accomplish its purpose. To avoid time-consuming and burdensome applications and confusion, it is necessary that corporate taxpayers be given an unconditional right, upon payment of interest at 6% per annum, to defer the payment of the current and preceding years' taxes until it is ascertained by the corporation that such taxes are actually owing. The simplest method of doing this is to permit the corporation to consolidate its liabilities for the current and preceding year with that of the following year. The 6% per annum interest penalty will be a sufficient deterrent to prevent corporations which are well able to pay their tax liabilities without interfering with conversion, and those corporations which do not really anticipate carry-backs, from taking unwarranted advantage of the option.

Anticipating that corporations would require a cushion to absorb post-war expenditures which are really a reflection of war costs, the Treasury pointed to the carry-back provisions as adequate protection at the time it opposed an income tax deduction for post-war expenditure reserves. There is, therefore, every likelihood that these carry-back provisions will be continued, at least insofar as they affect the war years.

It is suggested that the date of cessation of hostilities be the date proclaimed by the President for the purposes of the contemplated provision.

#### Recommendation 2. Repeal of the Excess Profits Tax on cessation of hostilities.

On the cessation of hostilities in both hemispheres, the period of war profits terminates and the excess profits tax should therefore be completely eliminated effective the beginning of the month in which the President declares that hostilities, for purposes of this provision, have ceased; in order to place all corporations on an equal footing, regardless of the date when their taxable years happen to end, the excess profits tax should not be applicable to that proportion of the year's earnings which the number of months beginning with the month of cessation bears to the number of months in the taxable year. This recommendation is based on the assumption that neither war will drag out over a long period of time in relatively minor hostilities.

#### Recommendation 3. Repeal of the Capital Stock and Declared Value Excess Profits Tax.

Whatever reasons prompted the enactment of these inter-related taxes there is no present support for their continuance. The Treasury has advocated their repeal. The cessation of hostilities in both hemispheres would be an appropriate occasion for the repeal of this ill-advised experiment.

#### Recommendation 4. Reduction of Corporate Income Tax rates on cessation of hostilities.

The present corporate income tax rate of 40% (24% normal and 16% surtax) is a war-time rate. Upon the termination of the war it seems to us advisable, as a transition measure, to reduce the corporation income tax rate to its pre-war (1940) level of 24%. The normal tax rate should be reduced to 16% and the surtax rate to 8% maintaining for the time being the distinction between corporate normal tax income and surtax income which has been deemed appropriate in recent years.

No one can foretell with accuracy the precise economic situation which will exist from the time the war ends to the date when the country is really on a peacetime footing. Accordingly, it seems wise to defer further reductions from the 24% rate suggested herein and the carrying out of the recommendations for corporate taxation in the Ruml-Sonne report pending study of the economic situation as it develops during the transition, with the intention, however, of making such reductions as promptly and as fully as conditions permit. As recommended in the Ruml-Sonne report, such reduction of corporate taxation is but a part of a coordinated fiscal and tax program.<sup>2</sup>

<sup>1</sup> See statement of the Secretary of the Treasury, hearings before House Ways and Means Committee, Revenue Revision of 1942, p. 6.

<sup>2</sup> "In proposing tax legislation for the transition period from war to peace, the first objective should be to get quick, constructive and final action on some single important subject. It is to be hoped that Congress will take such an initial step before becoming involved in the extended hearings and debate that would attend consideration of postwar fiscal problems more broadly. It will be far better to have some constructive, albeit limited, tax revisions enacted very soon than to delay and jeopardize constructive results by trying too much at the start."

"That first step might well consist of provisions for eliminating the excess profits tax. Probably they could be worked out in a reasonably short time in terms that would meet with almost universal acceptance and, at the same time, give concrete encouragement to business enterprise and initiative."

"The fourth of the committee's recommendations seems most likely to open up delaying controversy. Moreover, it is my personal belief that the proposed reductions in the corporation normal and surtax rates are too much for the initial step."

W. R. Stark, member of Business Committee on National Policy.

## Easing Of Manpower Controls With Nazi's Defeat Indicated By McNutt Before Senate Committee—40% Cut In Munitions Production Program—48-Hour Week To Continue

The lessening of War Manpower control with the ending of the war in Europe was indicated before the Senate War Investigating Committee on Sept. 8 by Paul V. McNutt, Chairman of the Commission, who stated that the required hiring of male labor through the United States Employment Service and the fixing of employment ceilings would thereupon cease. He said, however, that "the 48-hour work-week in war plants

and the non-regulatory functions and programs of USES will be continued and strengthened." "These four policies," said Chairman McNutt, "constitute what is frequently referred to as 'manpower control.'" He added that they are essentially the only wartime manpower measures.

Statements regarding the releasing of 4,000,000 workers from their present employment and the expectation that the procurement authorities will stop production on 40% of the munitions program as soon as the Nazis surrender were also contained in Mr. McNutt's testimony before the Committee, the announcement of which by the Commission said:

Mr. McNutt emphasized the seriousness of the manpower situation still prevailing. He indicated the "desperate need" for increased production of certain items, saying that "we are at the moment in the most crucial period we have experienced since the war production program began."

The 48-hour week requirement, Mr. McNutt explained, cannot be relaxed in all plants after the defeat of Germany.

"If for no other reason," he said, "it will have to be maintained in certain war production plants so that workers' overtime earnings will offset the inducements that will be offered to transfer to civilian employment which should not be operating on the 48-hour week."

Referring to estimates that 4,000,000 workers will be released from their present employment, Mr. McNutt said that it would be no longer necessary to maintain the regulatory phases of the manpower controls as a national requirement. Any controls that hereafter become necessary, he said, will be established locally to meet specific problems. The WMC officials will consult with management and labor committees and with procurement officials in the localities as to such action.

He explained that the employment stabilization program, established in the fall of 1942 to eliminate wasteful turnover by restricting the employment of workers engaged in essential or locally needed activities except when such employment would aid in the effective prosecution of the war, was extended to all areas after the issuance of the "hold-the-line" executive order in 1943. The channeling of all male labor through USES, he pointed out, provides that all available labor in critical labor market areas be referred to jobs by the employment service or in accordance with arrangements approved by USES so that workers would be directed to jobs in the order of their relative importance to the war effort. The program for employment ceilings, he explained, had been extended to all areas in accordance with the Aug. 4 directive of James F. Byrnes, Director of War Mobilization. These three policies and the application of the President's 48-hour work-week executive order are those characterized by the Chairman as the "regulatory" controls.

Mr. McNutt listed as the "non-regulatory" controls 10 procedures in which, he said, "are embodied years of experience in both war and peacetime operations." The retention of these, he pointed out, means that with all regulatory controls removed,

there will still remain the major functions and programs of the non-regulatory type. Included in this list is the continued function of area management-labor committees, which could formulate necessary manpower programs designed to overcome urgent manpower problems in the community on a voluntary basis. There would also be retained an expanded counseling service designed to make use of the skills, experience and aptitudes of workers who are difficult to place in war or civilian production and of veterans who are discharged from the armed forces.

Referring to the critical state of the manpower situation, Mr. McNutt said:

"I am speaking now of the weapons that are needed to compete the blasting of the bastions of Germany and force the surrender of the Nazis. Since the needs are so immediate and the difficulties in meeting the needs so real, it is with some difficulty that I am able to focus my attention upon the actions that will be taken once Germany collapses. I submit to you that we cannot afford to allow ourselves to be swept off our feet emotionally by the recent magnificent victories of our armed forces and repeat the errors made by our enemy. We must remember that Lenin-grad, Moscow and Stalingrad held out against the Nazi might long after their collapse was chalked up as a certainty. The taking of Metz is not the taking of Berlin and the war in Europe could be a long way from its close. We cannot relax our efforts on the home front for one moment."

Regarding the expectation that the procurement authorities will stop production on 40% of the munitions program as soon as the Nazis surrender, Mr. McNutt said that most of the continued production will be on items that are now in comfortable supply and that few cuts would take place in those segments of the program that are at the moment so critical, "for many of the materials will be needed for the war against Japan."

Mr. McNutt added that in many cases it will be possible to expedite the production of these needed items because of the general release of the facilities and of manpower.

"I do not wish to convey the impression, however," he said, "that manpower problems will disappear with the collapse of Germany. They will change sharply in character and in many ways become infinitely more complex. Until Japan is defeated, manpower requirements for war production must continue to have priority over all demands."

Mr. McNutt told the Committee he wanted to take advantage of his appearing before it to congratulate management and labor on the "superb job which they have done." He submitted as a part of his testimony a recent report of the Management-Labor Policy Committee of the War Manpower Commission, which he regarded as "especially significant because of the wisdom of the recommendations it contains and because it indicates the extent to which we have received the wholehearted cooperation and support of the leaders of management, labor and agriculture in developing and administering the war manpower program."

## N. Y. State Factory Jobs Increase For First Time This Year

The downward trend in factory employment in New York State was checked by a slight increase in August, according to a statement issued on Sept. 18 by Industrial Commissioner Edward Corsi, which states that the "chief reason for the increase was an unusually large advance in the apparel industry, with smaller gains in some of the war plants. Employment declined substantially in the canning, dairy products, tobacco, lumber and glass industries." The Commissioner in his report further said:

"Factory employment increased 0.4% from July to August, while payrolls advanced 1.1%. Compared with August a year ago, employment was 9.4% lower, with payrolls down 5.0%. Average weekly earnings were \$47.39 this August compared with \$46.93 in July and \$45.06 last August." It is noted that the foregoing statements are based on preliminary tabulations covering reports from 2,758 factories throughout the State and are made by the Division of Research, Statistics and Publications under the direction of Dr. M. B. Givens.

The further advices by the Department state:

"The seasonal upswing in most branches of the apparel industry resulted in a gain of 7.2% in employment and of 14.3% in payrolls for the group. Men's tailoring firms hired many additional workers and some which had been closed in July resumed operations. The great bulk of the increase in working forces, however, occurred in women's dress factories; only small increases were reported by women's suit and coat houses, as they had passed their peak of production for the fall season. Moderate gains were reported by manufacturers of women's undergarments, children's wear and miscellaneous accessories. Millinery shops had large increases. The only substantial decline in employment occurred in men's shirt factories. Furriers had fewer employees but larger payrolls.

"Employment and payrolls in the food group dropped 7% in August. Huge losses at canneries, more than 30%, caused most of the decline. Ice cream plants also had substantial cuts in employment and payrolls, while cereal factories had fewer workers but larger payrolls. Meat packers, however, hired additional help and reported increased production. Employment and payrolls also increased in bakeries, sugar refineries and candy factories. One producer of gin and whiskey doubled his working force.

"For the first time in many months employment increased in the metals and machinery group, although the gain was very slight and payrolls remained at about the July level. A few plants in the aircraft, shipbuilding, railroad equipment and munitions industries hired additional workers. Payrolls and hours were reduced in shipbuilding and munitions, but were higher in the other two. Steel mills, foundries, tin can and razor blade factories had more employees and higher payrolls.

"In the machinery industry some firms attributed decreased employment and payrolls to cancellation or expiration of war contracts. Manufacturers of office machines, however, had large increases and reported changes in their production schedules."

## Three Brooklyn Banks Join N. Y. Savings Bank Retirement System

Three Brooklyn savings banks — The Dime Savings Bank of Brooklyn, the Fulton Savings Bank of Kings County, and the Roosevelt Savings Bank of the City of New York — joined the Savings Banks Retirement System on Sept. 1st. They bring to a total of 36 the number of participating banks, ten of them having become members in 1944, an average of better than a new bank each month. That participation in the

System is being welcomed by savings bank employees is evidenced by the high ratio of eligible employees who have signed up—94% in the case of the Dime Savings Bank of Brooklyn, 94% for the Roosevelt, and 89% for the Fulton. Even these participation figures are likely to be increased before the 60-day clause, after which present eligible employees not then having joined would be deemed prior service benefits, becomes effective. Incidentally, all three of these banks have provided prior service benefits for their participating employees. The total cost ran over \$980,000, an amount which, in accordance with the usual procedure, will be amortized over a period of the next ten years. The 376 new participating employees from these banks raise the total number of participants covered by the benefits of the System to just under 1600.

In announcing the participation of their institutions, a joint statement released by Philip A. Benson, President of The Dime Savings Bank of Brooklyn; Paul W. Connelly, President of the Fulton Savings Bank, and Adam Schneider, Jr., President of the Roosevelt Savings Bank, refers to the action as "a forward step in our em-

ployee relations program, both now and for the vital post-war period when the employment and retention of competent help may become a real problem." The statement also says:

"While savings bank employees of past years generally have been retired satisfactorily under the permissive section of the Banking Law dealing with pensions, it must be remembered that the personnel of our banks has materially increased in the past 20 years and that the future pension problems will be correspondingly more serious and costly. It therefore seems wise, from a business as well as an employee-relations point of view, to fund our future retirement obligations well before they become due under a formal arrangement such as is offered by the Retirement System.

"New York State savings banks, throughout their history, have been noted for their spirit of co-operation in anything, which would tend to make the mutual savings bank system stronger. This 'mutual' insurance plan, tailor-made for and by the banks, is but one more evidence of that co-operation — and one which we believe will be of lasting benefit to our banks and employees."

## FDR Moves Toward Liquidation Of War Agencies — Asks Budget Director For Recommendations

With the view to the liquidation of war agencies, President Roosevelt on Sept. 19 called upon the Federal Government to prepare now for its own peacetime demobilization. In a letter issued at the White House, addressed to Budget Director Harold D. Smith, the President, referring to the effectiveness of our efforts on the battlefield, stated that "upon the termination of hostilities, we must proceed with equal vigor to liquidate war agencies and convert the Government to peace." Some steps along these lines may be taken, he said, when the fighting ends in Europe.

The President asked for the re-examination of programs, organization and staffing of agencies at the earliest possible date and recommendations for:

1. The liquidation of war agencies and the reassignment of such permanent or continuing functions as they possess.
2. The reduction of Government personnel to a peace footing.
3. The simplification and adaptation of the administrative structure to peacetime requirements.

In Associated Press accounts from Washington Sept. 19 it was stated:

"The Civil Service Commission yesterday reported Federal payrolls stood at 2,936,602 employees at the start of this month, 270,502 of them in Washington. But the Byrd Committee on Government Spending estimated the number of Federal employees on Sept. 13 at 3,112,965.

"About a million persons worked for the Government before the war. Some officials have predicted that — even with the closing of war agencies — Federal paychecks will go to more than 1,500,000 persons for several years."

The President's letter to Mr. Smith, as given in Washington advices to the New York "Times" by C. P. Trussell, follows:

"My Dear Mr. Smith: "Total war has required a great expansion of Government activities, agencies and personnel. Our success on the battle fronts all over the world bear witness to the effectiveness of our efforts.

"Upon the termination of hostilities we must proceed with equal vigor to liquidate war agencies and reconvert the Govern-

ment to peace. Some steps along these lines may be taken when the fighting ends in Europe. The transition from war to peace should be carried forward rapidly, but with a minimum of disorder and disruption. Only careful planning can achieve this goal.

"This is the time to do the planning, although the war — even in Europe — is not over. Most of the planning will probably have to wait for execution until the Japs have surrendered — and there is no way of telling when that will happen. But the plans should be ready.

"In order that I may most effectively fulfill my responsibilities as Chief Executive in the demobilization period and may present appropriate recommendations to the Congress on the re-conversion of the Government agencies, I am asking you to re-examine the programs, organization and staffing of Government agencies and submit to me at the earliest possible date recommendations for adjusting the executive branch of the Government from the needs of war to the needs of peace.

"Such recommendations should include plans for (1) the liquidation of war agencies and the re-assignment of such permanent or continuing functions as they possess, (2) the reduction of Government personnel to a peace footing, and (3) the simplification and adaptation of the administrative structure to peacetime requirements.

"In general, recommendations should include the methods for effecting the proposed changes and the appropriate timing of these changes. Immediate attention should be focused on the adjustments needed upon the termination of the war in Europe.

"Very sincerely yours,  
FRANKLIN D. ROOSEVELT."

### Market Value Of Bonds On N. Y. Stock Exchange

As of the close of business Aug. 31, there were 1,059 bond issues, aggregating \$101,581,322,714 par value, listed on the New York Stock Exchange with a total market value of \$102,328,885,992. This compares with 1,065 bond issues aggregating \$101,559,186,057 par value; total market value \$102,284,657,208; average price of 100.71 on July 31.

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

Group	Aug. 31, 1944		July 31, 1944	
	Market Value \$	Average Price	Market Value \$	Average Price
U. S. Government (Incl. N. Y. State, Cities, etc.)	85,777,224,826	103.15	85,578,388,793	103.08
U. S. companies:				
Amusement	7,425,000	99.00	7,359,375	98.13
Automobile	5,930,500	102.25	7,714,000	101.50
Building	13,296,440	102.41	13,379,900	102.13
Business and office equipment	15,203,725	107.50	15,133,010	107.00
Chemical	44,543,875	104.07	44,423,875	103.79
Electrical equipment	20,300,000	101.50	20,300,000	101.50
Financial	39,998,238	102.61	40,081,458	102.50
Food	253,684,213	106.14	254,866,242	106.35
Land and realty	11,160,420	94.35	10,901,291	92.16
Machinery and metals	35,300,275	102.43	35,316,135	102.48
Mining (excluding iron)	93,915,729	72.48	92,173,592	71.12
Paper and publishing	32,296,515	104.69	32,174,958	104.30
Petroleum	640,569,972	104.20	641,881,733	104.14
Railroad	7,914,016,581	83.45	8,032,336,418	84.14
Retail merchandising	12,723,568	94.90	12,785,368	94.15
Rubber	69,496,301	104.53	69,605,596	104.70
Shipping services	19,510,895	91.68	19,571,658	91.97
Steel, iron and coke	393,578,120	103.70	393,594,997	103.69
Textiles	37,012,500	105.75	36,487,500	104.25
Tobacco	172,938,230	105.95	172,658,609	105.78
Utilities:				
Gas and electric (operating)	3,160,384,133	108.15	3,203,371,800	108.07
Gas and electric (holding)	60,710,360	108.57	60,710,360	108.57
Communications	1,159,248,963	112.33	1,165,512,094	112.66
Miscellaneous utilities	103,656,390	72.07	103,463,376	71.94
U. S. companies oper. abroad	149,956,705	85.32	149,103,389	84.25
Miscellaneous businesses	31,456,800	106.53	31,341,030	106.14
Total U. S. companies	14,498,314,148	92.20	14,665,246,864	92.60
Foreign government	1,402,728,939	70.87	1,394,946,013	70.17
Foreign companies	650,618,079	90.94	646,075,538	90.30
All listed bonds	102,328,885,992	100.74	102,284,657,208	100.71

The following table, compiled by us, gives a two-year comparison of the total market value and the total average price of bonds listed on the Exchange:

1942—	Market Value \$	Average Price	1943—	Market Value \$	Average Price
Aug. 31	62,720,371,752	96.08	Sept. 30	80,149,558,292	99.37
Sept. 30	62,765,776,218	96.18	Oct. 30	90,501,768,934	99.45
Oct. 31	64,843,877,284	96.48	Nov. 30	90,076,888,558	99.02
Nov. 30	64,543,971,299	96.11	Dec. 31	90,274,071,634	99.38
Dec. 31	70,583,644,622	96.70			
1943—			1944—		
Jan. 30	71,038,674,932	97.47	Jan. 31	90,544,387,232	99.78
Feb. 27	71,348,452,852	97.79	Feb. 29	96,837,573,171	100.21
Mar. 31	71,575,183,604	98.24	Mar. 31	99,713,288,544	100.32
Apr. 30	71,857,596,488	98.69	Apr. 29	95,305,318,075	100.31
May 29	81,048,543,830	99.47	May 31	93,849,254,814	100.62
June 30	80,704,321,646	99.64	June 30	96,235,324,054	100.53
July 31	80,352,221,151	99.35	July 31	102,284,657,208	100.71
Aug. 31	80,109,269,964	99.23	Aug. 31	102,328,885,992	100.74

### Department Store Sales In New York Federal Reserve District In Aug. 16% Above Year Ago

The Federal Reserve Bank of New York announced on Sept. 2 that August sales of department stores in the Second (New York) Federal Reserve District increased 16% over a year ago. The combined sales for January to August, 1944, were up 9% from the same period the previous year. Stocks of merchandise on hand in department stores at the end of August, 1944, were 4% above the amount in August, last year.

The apparel stores in the New York Reserve District reported an 18% gain in the net sales in August. Their stocks on hand at the close of the month were 5% higher than the same month in 1943.

The following is the bank's tabulation:

Department stores—	Percentage change from preceding year		Stocks on hand Aug. 31, 1944
	Net sales	Net sales	
Second Federal Reserve District	Aug. 1944	Jan.-Aug. 1944	
Department stores—	+16	+9	+4
Second District	+16	+9	+4
New York City	+21	+11	+3
Northern New Jersey	+18	+4	+2
Newark	+18	+2	+3
Westchester and Fairfield Counties	+3	-2	+1
Bridgeport	+1	-6	-4
Lower Hudson River Valley	+13	+15	+21
Poughkeepsie	+10	+13	+3
Upper Hudson River Valley	+3	-1	+3
Albany	+4	+3	+3
Schenectady	+4	-4	+1
Central New York State	+6	+9	+9
Mohawk River Valley	+5	+1	+3
Utica	+5	+4	-
Syracuse	+6	+13	+12
Northern New York State	+10	+8	-
Southern New York State	+10	+7	-
Binghamton	+15	+7	-
Elmira	-1	-	-
Western New York State	+8	+6	+5
Buffalo	+4	+5	+6
Niagara Falls	+10	+2	+9
Rochester	+12	+7	+3
Apparel stores (chiefly New York City)	+18	+8	+5

27 shopping days in 1944, 26 shopping days in 1943.

### INDEXES OF DEPARTMENT STORE SALES AND STOCKS

	1943		1944	
	Aug.	June	July	Aug.
Sales (average daily), unadjusted	98	*132	*100	110
Sales (average daily), seasonally adjusted	*135	*142	*149	151
(1923-25 average = 100)				
Stocks, unadjusted	123	113	110	128
Stocks, seasonally adjusted	127	118	121	131

\*Revised.

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

The New York Stock Exchange issued on Sept. 15 the following tabulation of companies reporting changes in the amount of stock held as heretofore reported by the Department of Stock List:

Company and Class of Stock—	Shares	Shares
	Previously Reported	Per Latest Report
Adams Express Company, The, common	1,083,989	1,102,984
Allied Kid Company, common	40,801	26,527 (1)
American Hide and Leather Company, common	70,550	80,550
American Hide and Leather Company, 6% preferred cum.	2,000	-
Associates Investment Company, 5% cum. preferred	21	658
Associates Investment Company, common	45,321	45,323
Atlantic Gulf and West Indies Steamship Lines, preferred	3,000	5,400
Atlas Corporation, common	68,299	70,026
Atlas Corporation, preferred	25	42
Barnsdall Oil Company, common	24,972	25,172
Borden Company (The), capital	160,392	163,492
Crucible Steel Company of America, 5% conv. preferred	2,800	3,200
*Davega Stores Corporation, 5% cum. preferred	-	- (2)
General Motors Corporation, common	49,100	55,200
General Realty & Utilities Corp., preferred	1,000	1,103
Goodyear Tire & Rubber Co., The, \$5 conv. preferred	6,917	7,617
Hupp Motor Car Corporation, common	86,726	86,726
Madison Square Garden Corp., capital	38,200	41,200
National Cylinder Gas Company, common	4,108	5,309
Newport News Shipbuilding and Dry Dock Company—		
\$5 cumulative convertible preferred	34,200	34,600
Norfolk and Western Railway Co., Adjustment preferred	9,467	9,667
Plymouth Oil Company, capital	16,584	16,600
Purity Bakeries Corporation, common	32,189	31,989
Petroleum Corporation of America, capital	-	2,600
Republic Steel Corporation—		
6% cum. convertible prior pref., series A	158	159
Sinclair Oil Corporation, common	954,125	954,126
Rustless Iron and Steel Corp., common	12	9 (3)
Sterling Drug, Inc., capital	9,034	10,034
Texas Company, The, capital	814,211	819,719
United States Leather Company, The, prior preference	7,142	7,145
United States Plywood Corporation, common	1,950	450
Virginia Iron Coal and Coke Co., preferred	4,682	5,112
*Engineers Public Service Co., Inc., \$5 div. conv. pfd.	2,140	2,200
*Engineers Public Service Co., Inc., \$6 cum. div. pfd.	760	830

#### NOTES

- (1) Acquired 188; stock dividend and sale 22,462.
- (2) Acquired and retired 147 shares.
- (3) Acquired 2; disposed of 5.

The New York Curb Exchange made available on Sept. 16 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	Shares
	Previously Reported	Per Latest Report
American General Corp., common	385,472	385,480
Crown Central Petroleum Corp., common	599	600
Detroit Gasket & Mfg. Co., 6% preferred	9,566	10,066
Equity Corp., \$3 convertible preferred	56,748	58,498
Esquire, Inc., capital	46,163	49,163
Interstate Hosiery Mills, Inc., capital	46,579	46,689
Merritt-Chapman & Scott Corp., 6 1/2% A preferred	1,605	880
Midland Oil Corp., \$2 convertible pref.	12,095	12,295
Ogden Corp., common	457	458
Root Petroleum Co., \$1.20 convertible pref.	7,017	7,117
Sterling, Inc., common	86,225	75,200
Trunz, Inc., common	19,595	19,715
United Cigar-Whelan Stores Corp., common	12,247	12,265
Utility Equities Corp., \$5.50 dividend pref. stock	11,850	12,050

### Bank Debits For Month Of August

The Board of Governors of the Federal Reserve System issued on Sept. 11 its usual monthly summary of "bank debits," which we give below:

#### SUMMARY BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	August		—3 Months Ended—	
	1944	1943	August	August
Boston	3,020	3,046	10,534	9,704
New York	28,467	23,309	95,586	77,428
Philadelphia	3,032	2,949	10,072	8,982
Cleveland	4,576	4,181	14,966	13,241
Richmond	2,549	2,401	8,177	7,312
Atlanta	2,402	2,133	7,556	6,585
Chicago	10,927	9,794	34,899	30,373
St. Louis	1,921	1,755	6,318	5,506
Minneapolis	1,457	1,318	4,278	3,891
Kansas City	2,412	2,132	7,563	6,652
Dallas	1,999	1,736	6,341	5,537
San Francisco	6,451	5,860	19,675	17,644
Total, 334 centers	69,213	60,613	225,966	192,855
*New York City	26,165	21,221	88,202	70,661
*140 other centers	36,420	33,359	116,601	103,773
193 other centers	6,627	6,033	21,163	18,922

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

### Disposal Of Surplus War Food Stocks Discussed Before Commerce & Industry Assn. Forum

The plan of the War Food Administration for the disposal of surplus war food stocks through the regular distribution and retail channels was discussed on Sept. 20 at the opening session of the third season of the Commerce and Industry Association's weekly Business Forum over Station WMCA. Outlining the Government's plan, Maurice L. Brenner, Chief of the Procurement Bureau, Office of Distribution, Washington, said:

"Agriculture, labor and the food industry are watching with concern all Government moves toward disposition of its food, looking for an indication that food stocks will be dumped as they were after the World War I. Much planning and thought have been given by the War Food Administration toward seeing that such a condition does not exist at the end of the European conflict. To avoid such a situation purchases are being tailored as closely as possible to requirements. A Sales Division has been created to sell now, such foods as are no longer needed, or which it is determined should be

sold and replaced with a fresher stock. Our procedure is flexible. The only policy which governs our sales is, one, that there be returned to the United States Treasury the greatest possible amount and, two, that normal channels of trade be disturbed as little as possible."

Regional Director, F. D. Cronin, representing 13 eastern States, in noting that New York City is the greatest single food market in the world and has made and is making the greatest single quantity contribution of food to direct war needs, pointed out that victory in either of the two major theaters

will bring a decrease in those food demands. He said, "Progressively, more food will be put back into the normal trade channels of New York City than will be taken out. Some commodities will certainly be in surplus supply. It can be said that allocations to each market area will be made in thorough consideration of trade conditions existing at the time, and a sales plan will be drawn for each particular transaction to avoid depressing the local market. Locally, the application of the general plan of disposal will mean protection of consumers from food products which have gone off grade, and protection of food concerns from the break in the going price structure which would result from dumping. It is believed that through such safeguards the disorder in local food markets which followed World War I. will be avoided."

Speaking for the distributors and retailers and their part in the plan, Henry J. Miller, Vice-President, Francis H. Leggett & Co., said: "It is in the interest of all concerned, consumers as well as distributors, farmers and packers, to cooperate and use up as rapidly as possible, all food products declared 'surplus.' This will keep the channels of distribution clear and will permit the farmers to grow new crops, and the canners to pack the new crops, with some assurance that they will be consumed."

Charles F. Hughes, Business News Editor, the New York "Times," in speaking of the disposal and distribution of food, noted that "after the war we can look to a more orderly procedure in dealing with current surpluses than after World War I. Our program appears to be quite in line with what is planned in England where they face similar difficulties on surpluses of all kinds."

### Savings Accounts Of N. Y. Insured Associations Up

The Council of Insured Savings Associations of New York State announced on Sept. 2 that its 32 member associations had reported an increase in savings account balances of \$22,945,880 or 18.4% during the past twelve months. At the end of August these insured savings associations reported 176,620 individual savings accounts with balances amounting to \$147,978,320. For the month of August only, savings accounts increased by \$2,537,359 which was a 67.1% greater increase than reported in August a year ago. Assets of these associations on Aug. 31 totaled \$170,277,684. The advices from the Association also state:

"A survey of the 32 Council members shows that 29 plan to qualify for the redemption of war bonds, beginning Oct. 2, practically all of them as sub-agents for the Federal Home Loan Bank of New York.

"The Board of Governors of the Council recently passed a resolution urging all of its member insured savings associations to qualify for the redemption of war bonds. The resolution emphasized that 'this privilege of again serving the U. S. Treasury and the public carries with it the responsibility of encouraging the public to hold their bonds and to educate them to the fact that the rate of interest thereon increases every year that the bonds are held.' In a bulletin explaining war bond redemption procedures to its members there is included a table of 'E' bond yields showing, for example, that a bond held through the sixth year will yield the bondowner 4.41% per year from that date to maturity.

"So far this year the Council members have sold 165,968 war bonds to the public having an issue price of \$19,903,240.50. Government bonds owned by these associations total \$31,789,500 or 18.6% of their total resources."

### Cottonseed Receipts To August 31

On Sept. 13, the Bureau of Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the month ended August 31, 1944 and 1943.

State—	COTTONSEED RECEIVED, CRUSHED, AND ON HAND (TONS)					
	*Received at mills		Crushed		On hand at mills	
	Aug. 1-31	1943	Aug. 1-31	1943	Aug. 1-31	1943
United States—	162,772	394,420	99,695	133,073	181,778	351,683
Alabama—	9,703	30,840	7,529	11,908	9,252	21,117
Arkansas—	2,936	19,923	6,672	10,340	6,124	19,166
Georgia—	26,965	40,533	16,181	15,986	30,622	28,345
Louisiana—	18,739	40,640	5,458	9,596	15,257	31,587
Mississippi—	8,284	84,621	14,916	26,219	15,722	69,942
South Carolina—	10,677	7,596	8,391	3,743	7,957	6,446
Texas—	80,160	162,808	28,014	44,526	83,645	162,951
All other states—	5,248	7,459	12,134	10,755	13,199	12,129

\*Does not include 118,701 and 90,336 tons on hand Aug. 1, 1944 and 1943, respectively, nor 2,690 and 6,303 tons reshipped during the seasons 1944-45 and 1943-44.

Product—	Season	COTTONSEED PRODUCTS PRODUCED, SHIPPED OUT, AND ON HAND			
		On hand at beginning of Season	Produced	Shipped out	On hand
		Aug. 1	Aug. 1-31	Aug. 1-31	Aug. 31
Crude oil (thousand pounds)	1944-45	*30,136	29,762	26,148	*29,589
Refined oil (thousand pounds)	1944-45	23,283	40,102	28,827	33,329
Cake and meal (thousand pounds)	1944-45	†241,270	‡30,720	—	†183,448
Hulls (tons)	1944-45	207,409	29,009	—	139,153
Linters (running bales)	1944-45	27,776	44,334	41,757	30,353
Hull fiber (500-lb. bales)	1944-45	18,542	59,141	48,462	29,221
Grabbots, notes, &c. (500-lb. bales)	1944-45	14,677	23,589	20,666	17,600
	1943-44	11,964	31,771	24,467	19,268
	1944-45	63,059	‡29,321	47,945	‡44,435
	1943-44	135,927	39,785	63,951	111,761
	1944-45	545	1,299	1,302	542
	1943-44	556	348	282	622
	1944-45	10,146	1,387	3,484	8,049
	1943-44	14,106	1,532	5,759	9,879

\*Includes 18,695,000 and 12,549,000 pounds held by refining and manufacturing establishments and 2,644,000 and 4,579,000 pounds in transit to refiners and consumers Aug. 1, 1944 and Aug. 31, 1944, respectively.

†Includes 1,563,000 and 963,000 pounds held by refiners, brokers, agents and warehousemen at places other than refineries and manufacturing establishments and 2,072,000 and 1,800,000 pounds in transit to manufacturers of shortening, soap, etc. Aug. 1, 1944 and Aug. 31, 1944, respectively. Does not include winterized oil.

‡Produced from 33,257,000 pounds of crude oil.

§Total linters produced includes 5,956 bales first cut, 21,591 bales second cut, and 1,774 bales mill run. Total held includes 17,363 bales first cut, 22,966 bales second cut and 4,106 bales mill run.

#### Exports and Imports of Cottonseed Products

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

### Non-Farm Mortgage Recordings Up For First Six Months

An unbroken rise in the volume of home financing this year has pushed non-farm mortgage recordings for the first six months to the near record figure of \$2,176,000,000, the Federal Home Loan Bank Administration reported on Aug. 26. The total is about 28% above the figure for the first half of 1943 and only 2% below the aggregate for the same period in 1941, the high point for the first half of any year since such estimates were first compiled in 1939. The advices further stated:

"Except for insurance companies, all types of mortgagees participated in the 1943-1944 rise. Individual lenders increased their totals by 40%; savings and loan associations by 35%; banks and trust companies, 24%; miscellaneous lenders, 23%; and mutual savings banks, 14%.

"The relative share of the various types of lenders in the total volume of business changed only slightly between the two periods of 1943 and 1944. This year the proportion of all mortgages recorded by savings and loan associations and individual lenders increased 2%, to 33% and 24%, respectively. The participation of insurance companies declined from 8% to 6%, while the proportion accounted for by other lenders was about the same as last year.

"In June, mortgage recordings totalled \$422,000,000, 4% more than in May and 21% above June, 1943.

"The estimates are based on recordings of mortgages of \$20,000 or less. The number and amount of recordings for the first half of 1944, by type of lenders, are as follows:

	Number	Amount	Per Cent
Savings and loan associations—	232,632	\$725,872,000	33
Insurance companies—	25,019	125,678,000	6
Banks and trust companies—	120,093	424,070,000	20
Mutual savings banks—	18,428	73,036,000	3
Individuals—	209,085	518,318,000	24
Other mortgagees—	79,981	308,853,000	14
Totals—	685,238	\$2,175,827,000	100%

### Commercial Paper Outstanding

Reports received by the Federal Reserve Bank of New York from commercial paper dealers show a total of \$140,900,000 of open market paper outstanding on Aug. 31, 1944, the bank announced on Sept. 19. This compares with \$142,900,000 outstanding on July 31, 1944, and \$156,200,000 on Aug. 31, 1943.

Following are the totals for the last two years:

1944—	\$	1943—	\$
Aug 31—	140,900,000	Aug 31—	156,200,000
July 31—	142,900,000	July 31—	149,800,000
June 30—	136,500,000	June 30—	143,300,000
May 31—	150,700,000	May 29—	159,600,000
Apr 29—	171,500,000	Apr 30—	178,900,000
Mar 31—	194,800,000	Mar 31—	200,600,000
Feb 29—	213,700,000	Feb 27—	209,100,000
Jan 31—	208,900,000	Jan 30—	220,400,000
1943—		1942—	
Dec 31—	202,000,000	Dec 31—	229,900,000
Nov 30—	203,300,000	Nov 30—	220,600,000
Oct 30—	187,800,000	Oct 31—	271,400,000
Sep 30—	169,500,000	Sep 30—	281,800,000

### August Civil Engineering Construction At 1944 High

Civil engineering construction volume in continental United States totals \$211,251,000 for August, an average of \$42,250,000 for each of the five weeks of the month, and the highest volume reported to "Engineering News Record" during 1944. The weekly average volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, tops the average for the four weeks of July, 1944, by 7%, and is 5% above the four-week August, 1943, average. The report, made public on Sept. 7, continued in part as follows:

Public construction, on the weekly average basis, is 19% higher than in the preceding month, and is 8% above the 1943 month. Federal work gains 23% over last month, but is 1% lower than last year. State and municipal volume is 4 and 73% higher, respectively, than a month ago and a year ago.

Private construction decreases 33% from the July weekly average, and 9% from the August, 1943, average week.

Civil engineering construction volumes for the 1943 month, last month, and the current month are:

	August, 1943 (four weeks)	July, 1944 (four weeks)	August, 1944 (five weeks)
Total U. S. construction—	\$161,548,000	\$158,561,000	\$211,251,000
Private construction—	28,094,000	38,293,000	31,932,000
Public construction—	133,454,000	120,268,000	179,319,000
State and municipal—	15,351,000	25,460,000	33,129,000
Federal—	118,103,000	94,808,000	146,190,000

The August volume brings 1944 construction to \$1,261,642,000 for the eight months, a total 45% below the \$2,224,088,000 reported for the period in 1943. Private construction for the year to date, \$271,706,000, is 7% lower than a year ago, and public construction, \$989,936,000, is down 50% due to the 56% drop in Federal work. State and municipal construction, \$168,025,000, is 18% higher than in the period last year.

#### NEW CAPITAL

New capital for construction purposes for August totals \$43,861,000, an increase of 534% over the August, 1943, weekly average volume. The current month's new financing is made up of \$42,531,000 in private investment, and \$1,330,000 in RFC loans for private industrial expansion.

New construction financing for the eight months of 1944 totals \$1,598,152,000, a volume 47% below that reported for the eight-month 1943 period. Private investment for the year to date, \$193,562,000, is 67% above a year ago. Federal funds for non-Federal work, \$140,790,000, are down 15%, and Federal appropriations for military and departmental construction, \$1,263,800,000, are 54% lower than last year.

### Open New York War Fund Campaign

The New York War Fund campaign for 1944, in which the citizens of Greater New York are asked to contribute \$17,200,000 for the support of 31 National and local war-service agencies serving our own and our allies, was formally launched with a dinner and dramatic stage presentation in the grand ballroom of the Waldorf-Astoria on Sept. 20. The importance of this, once-a-year appeal as a contribution to the war effort,

was forcefully told in prayer, in speech and in music, and the responsibility for success of the campaign was placed on the doorstep of every New Yorker. More than 1,200 volunteer campaign workers and guests heard the campaign appeal voiced by a group of distinguished speakers, including Mrs. Dwight W. Morrow, Dinner Committee Chairman, and Richard W. Lawrence, Campaign Chairman, who presided; Winthrop W. Aldrich, President of the National War Fund; Mrs. Vincent Astor, Chairman, Women's Division, New York War Fund; John W. Vandercook, NBC radio commentator; Clarence B. Randall, Chairman, Chicago Community and War Fund, and Newbold Morris, President, City Council.

The campaign goal was announced in the keynote address of Campaign Chairman Lawrence who stated:

"The New York War Fund's objective is to secure in gifts, between now and Nov. 11, \$17,200,000. Ours is the responsibility for raising approximately one-eighth of the total National War Fund goal. The balance of our goal is for the support of New York City agencies. They include the New York City Defense Recreation Committee with activities in 50 centers in all parts of New York City, operated by the Y.M.C.A., Salvation Army, National Catholic Community Services, Jewish Welfare Board, Travelers Aid and other splendid service organizations such as the Officers Service Club, Ships Service Committee, Soldiers and Sailors Club. We are to provide,

for the needs of the Amer-

ican Women's Voluntary Services, the C.D.V.O. Community Services, the Mayor's Committee on Wartime Care of Children, and the Veterans Service Center.

"We are appealing in this unified fund-raising campaign for the support of 19 national war relief organizations. Each of these agencies has devoted, trained leadership, skills and experience which can be of immeasurable help in mitigating suffering in the areas that were occupied, and are occupied, by the oppressor. The needs they have to meet cannot be too greatly emphasized.

"Last year we asked the people of New York for \$17,000,000, and they gave it to us. They liked the idea of a federated appeal. They liked the idea of immunity—a promise which has been kept. The \$17,000,000 was raised, and the campaign cost about 4%, an outstanding record.

"We can do no less in this drive, in gratitude for what has been achieved since then in bringing victory to our cause. We must exceed our goal if possible. We can and will do the job. New Yorkers will not fail us if we, each and all, do our full share of the work that has been so carefully planned for us."

Mr. Aldrich, who reviewed the widespread benefits made possible by the initial War Fund campaign last year and stressed the continuing need for the vital war services administered by all the War Fund member organizations, said: "A year ago—in this same place—you launched your first campaign. You were asked to carry the appeal of the National War Fund to the people of the City of

New York. You responded wholeheartedly, generously. Your record of accomplishment is something of which you may be very proud.

"I want to tell you a little about what the gifts you helped to obtain have done for those we sought to aid. Those gifts have been doing some traveling, traveling thousands of miles, to millions of people, through the six continents of the world, into 91 different countries and major geographical areas. What have those gifts accomplished? They have performed a million acts of kindness. They have provided home comforts and conveniences for our boys in the service, through 3,000 USO clubs and units from Newfoundland to Hawaii and from Alaska to Brazil. Through USO Camp Shows they have brought Broadway and Hollywood to foxholes and beachheads, to our fighting forces in every combat zone and to our convalescent veterans in hospitals overseas and back here.

"Those gifts have been translated into books and games and musical instruments to occupy the minds and hands of homesick, heartsick prisoners of war. Those gifts have built rest homes and recreation clubs all over the globe for our merchant seamen, the men who carry the materials of war to every port and beachhead occupied by our Army and Navy.

"And for our fighting allies, those gifts have gone forth in many different forms and directions—Mercy Ships with food for starving Greece, training of medical aides in China who are reported to have restored to active service a million and a half Chinese soldiers, tender care for children evacuated from Britain's robot bomb zone, clothing for those whose homes and belongings have been bombed out, seeds for replanting the scorched earth, assistance and aid in starting life anew for thousands of refugees who escaped the horror of Axis occupation."

Explaining the importance of continuing the essential war time services, Mr. Aldrich said: "There's still a job to be done—a bigger job, a harder job. This year, with victory within our grasp, we can't let them down now. And we won't! I am confident that our military successes in Europe, instead of diminishing your interest in this appeal, will, rather, heighten your determination to finish the job. There are, in fact, three big jobs we have got to carry through.

"First, because we must keep large forces in Europe for a longer time than any American will wish to contemplate, and because the repatriation of war prisoners is a long and complicated task, the end of the fighting must inevitably create problems of morale which will tax to the limit the energies and resources of the three major agencies serving our forces—USO, United Seamen's Service and War Prisoners Aid.

"Second, liberation of occupied lands will present, in most cases for the first time, challenging opportunities for private aid and services to supplement the relief programs of UNRRA and other governmental agencies. Whatever we can do, we shall all want to do quickly and generously for the people of these countries and those who have suffered most.

"Third, we shall still be fighting a great war—our war with Japan. For this the USO, United Seamen's Service and War Prisoners Aid must be ready for bigger tasks. We must remember, too, that the day is drawing near when the liberation of the Philippines, and an open door to China, will bring us face to face with traditional responsibilities which all Americans will gladly welcome."

## Wholesale Prices Stable For Week Ended Sept. 16, Labor Dept. Reports

Average commodity prices in primary markets have remained unchanged since the last week in August. "During the week ended Sept. 16, trends were mixed in farm product markets, with seasonal decreases for apples and for potatoes in mid-western and western markets, and lower prices for grains and livestock were offset by seasonal advances for eggs and higher prices for cotton and hay," said the report issued by the U. S. Department of Labor on Sept. 21, which also stated: "In industrial markets, prices for quicksilver and common brick moved down, while quotations for certain cotton textiles and prepared roofing advanced. The all-commodity index of the Bureau of Labor Statistics, at 103.6% of the 1926 average, was at the same level as in mid-August and 0.7% higher than at his time last year."

The Labor Department's advices continued:

**"Farm Products and Foods"**—Market prices for farm products and foods each declined 0.1% during the week. A seasonal decrease of 15% for apples and about 5% for white potatoes in the Chicago and Portland (Oregon) markets and lower prices for barley, oats, cows, and sheep were largely responsible for the drop. Average prices for wheat strengthened during the week and higher prices were reported for cotton, hay, and onions. Eggs, lemons, and oranges advanced seasonally. During the past four weeks, farm product prices have declined 0.2% and they are slightly more than 1% lower than for the corresponding week of last year.

"The seasonal decline for apples and potatoes, with lower prices for oatmeal and rye flour, more than counterbalanced seasonally higher prices for eggs, lemons, and oranges and wheat flour. Average prices for meats remained unchanged from the preceding week. Since the middle of August, average market prices for foods have declined 0.7% and are 0.7% lower than in mid-September 1943.

**"Industrial Commodities"**—Cotton goods continued to advance under the influence of the Stabilization Extension Act of 1944. Increases of approximately 6% were reported for drillings and unbleached sheeting. Prices for prepared roofing were advanced 3% in accordance with the recently announced OPA ceiling prices, while brick were down. Other industrial commodities showing price advances were rosin and turpentine and mixed fertilizer in the southern area. Average prices for quicksilver were more than 2% lower."

The Labor Department included the following notation in its report:

**Note**—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 tables show (1) index numbers for the principal groups of commodities for the past three weeks, for Aug. 19, 1944 and Sept. 18, 1943, and the percentage changes from a week ago, a month ago, and a year ago, and (2) percentage changes in subgroup indexes from Sept. 9 to Sept. 16, 1944.

WHOLESALE PRICES FOR WEEK ENDED SEPT. 16, 1944 (1926=100)

Commodity Groups—	Percentage change to Sept. 16, 1944 from—								
	9-16 1944	9-9 1944	9-2 1944	8-19 1944	9-18 1943	9-9 1943	8-19 1943	9-18 1943	9-16 1943
All commodities.....	*103.6	*103.6	*103.6	*103.6	102.9	0	0	0	+ 0.7
Farm products.....	122.1	122.2	122.0	122.3	123.6	-0.1	-0.2	-1.2	-0.7
Foods.....	103.8	103.9	104.1	104.5	104.5	-0.1	-0.7	-0.7	-0.7
Hides and leather products.....	116.6	116.5	116.5	116.4	118.4	+0.1	+0.2	+1.5	+1.3
Textile products.....	98.3	98.2	98.1	97.5	97.0	+0.1	+0.8	+2.6	+2.6
Fuel and lighting materials.....	83.7	83.8	83.7	83.8	81.6	-0.1	-0.1	+0.1	+0.1
Metals and metal products.....	*103.9	*103.8	*103.8	*103.8	103.8	+0.1	+0.1	+0.1	+0.1
Building materials.....	116.1	116.0	116.0	116.0	102.2	0	-0.4	+4.7	+4.7
Chemicals and allied products.....	104.9	104.9	104.9	105.3	100.2	0	+0.1	+1.8	+1.8
Housefurnishing goods.....	106.1	106.1	106.1	106.0	104.2	0	0	+0.8	+0.8
Miscellaneous commodities.....	93.3	93.3	93.3	93.3	92.6	0	0	+0.4	+0.4
Raw materials.....	112.8	112.8	112.7	112.8	112.4	0	+0.3	+1.4	+1.4
Semimanufactured articles.....	94.1	94.1	94.1	93.8	92.8	0	0	+0.3	+0.3
Manufactured products.....	*101.1	*101.1	*101.1	*101.1	100.1	0	0	+1.0	+1.0
All commodities other than farm products.....	*99.6	*99.6	*99.6	*99.5	98.5	0	+0.1	+1.1	+1.1
All commodities other than farm products and foods.....	*98.8	*98.8	*98.7	*98.7	97.4	0	+0.1	+1.4	+1.4

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM SEPT. 9, 1944 TO SEPT. 16, 1944

Commodity Groups—	Increases		Decreases
	Index	Change	
Other foods.....	1.0	Other farm products..... 0.3	
Hides and skins.....	0.7	Agricultural implements..... 0.2	
Cotton goods.....	0.3	Other building materials..... 0.2	
Mixed fertilizer.....	0.3	Paint and paint materials..... 0.2	
Fruits and vegetables.....	2.1	Grains..... 0.7	
Livestock and poultry.....			

## NYU Offers New Courses In Distribution, Marketing, And Business In Graduate School

A new course on the history of distribution, tracing the evolution of markets and marketing methods from early times to the present, is being offered this Fall by the New York University Graduate School of Business Administration at 90 Trinity Place, it was announced on Sept. 22 by Dean G. Rowland Collins. The course will include a survey of the domestic and foreign commerce of Great Britain and America, and the effects of advertising and other forces upon them.

Marketing research and marketing policies are among the new subjects to be offered by the school for the fall semester, which began on Wednesday, Sept. 26. Another new course, "The History of American Business," will give special emphasis to solutions of the internal problems connected with personnel relations, company morale, and efficiency in management, as illustrated by the

histories of successful companies and executives.

The school has also instituted this fall a course on the political economy of present-day business, in which the successive efforts to explain the interrelationships of government and business will be analyzed. In another new offering the fundamental characteristics of the private enterprise system and the roles of competition and profit incentive will be considered.

A time-study laboratory will be

## August War Cost Up 6%

War expenditures by the U. S. Government amounted to \$7,798,000,000 for August, an increase of \$443,000,000 or 6% over expenditures in July, according to figures compiled by the Treasury Department and announced on Sept. 15 by the War Production Board, which also stated:

"Average daily expenditures for war purposes in August totaled \$288,800,000, an increase of 2.1% over the \$282,900,000 expended in July. The daily rate is based on the 27 days in August and the 26 days in July on which checks were cleared by the Treasury.

"From July 1, 1940, through Aug. 31, 1944, the war expenditures by the United States totaled \$215,000,000,000.

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

"Monthly war expenditures and the average daily rates from the first quarter of 1941 to August, 1944, inclusive, are listed in the following table:

UNITED STATES WAR EXPENDITURES MONTHLY AND DAILY RATE January, 1941—August, 1944 (In millions of dollars)

1941—	Monthly Expenditures	Number of Days Checks were Cleared	Daily Rate
1st quarter monthly average.....	\$684	25	\$27.4
2nd quarter monthly average.....	897	26	34.5
3rd quarter monthly average.....	1,253	26	48.2
4th quarter monthly average.....	1,797	25	71.9
1942—12-month total.....	52,406	310	\$169.1
1943—12-month total.....	85,135	312	\$272.9
1944—			
January.....	7,416	26	285.2
February.....	7,808	25	312.3
March.....	7,948	27	294.4
April.....	7,493	25	299.7
May.....	7,918	27	293.3
June.....	7,957	26	306.0
July.....	7,355	26	282.9
August.....	7,798	27	288.8

## Final Subscriptions, Allotments On Exchange Offering Of Treasury Certificates and Notes

The Secretary of the Treasury on Sept. 2 announced the final subscription and allotment figures with respect to the current offering of 7/8% Treasury Certificates of Indebtedness of Series F-1945 and of the additional issue of 1% Treasury Notes of Series A-1946.

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

Federal Reserve District	Series F-1945 Certificates		Series A-1946 Notes	
	Total E-1944	Total C-1944	Total D-1944	Total Notes
Boston.....	\$130,548,000	\$7,547,600	\$13,172,700	\$20,720,300
New York.....	2,254,846,000	139,093,600	352,742,800	491,836,400
Philadelphia.....	104,683,000	11,266,000	14,598,400	25,864,700
Cleveland.....	154,922,000	5,455,500	57,632,400	63,087,900
Richmond.....	47,937,000	80,000	7,865,000	7,945,000
Atlanta.....	60,060,000	273,000	3,855,000	4,228,000
Chicago.....	399,453,000	14,723,000	74,488,200	89,217,400
St. Louis.....	63,403,000	1,304,700	13,110,100	15,014,800
Minneapolis.....	71,583,000	976,600	8,416,300	9,392,900
Kansas City.....	92,976,000	2,602,700	20,450,200	23,052,900
Dallas.....	51,624,000	210,000	13,966,500	14,176,500
San Francisco.....	259,291,000	862,200	21,299,000	22,161,200
Treasury.....	2,716,000	300,000	616,000	916,000
Total.....	\$3,694,012,000	\$185,491,400	\$602,212,600	\$787,614,000

In our issue of Aug. 31, page 966, we gave details of the offering on Aug. 24 of the 7/8% Treasury Certificates of Indebtedness of Series F-1945, open on an exchange basis, par for par, to holders of Treasury Certificates of Indebtedness of Series E-1944, maturing Sept. 1, 1944. At the same time, the Secretary offered holders of Treasury Notes of Series C-1944 and of Treasury Notes of Series D-1944, maturing Sept. 15, 1944, an opportunity to exchange such notes for Treasury Notes of Series A-1946.

used both for demonstration and practice in a new course on techniques of work simplification, designed to aid supervisors who are training for time-study work and the application of correct motion sequence in job performance.

The business executive's rights, duties and privileges before a Federal administrative board will be analyzed in a course on the Federal regulatory agencies, also included in the school's curriculum for the first time. The conduct of administrative hearings, appeals and enforcement rulings, demonstrated by specific studies of individual agencies such as the SEC, the NLRB, the FTC, etc., will be considered.

## Roosevelt And Hull Laud People Of Luxembourg

A message to "the brave people of Luxembourg" was addressed by President Roosevelt on Sept. 11 upon their liberation from their Nazi conquerors. The President, in his message, said:

"To no people who have borne the Nazi yoke can liberation mean more than to those of the Grand Duchy of Luxembourg.

"Ruthlessly attacked and occupied by the German military in May, 1940, their country was not only incorporated into the Third Reich and German citizenship thrust upon them, but their sons were forced to serve in the ranks and wear the hated uniform of their oppressors.

"With unparalleled sacrifice and fortitude the heroic Luxembourgers have resisted every Nazi effort to break their spirit. On the occasion of their release from tyranny and their return to the free institutions which they hold so dear, the American people salute the brave people of Luxembourg."

Secretary of State Hull likewise sent a message of felicitation to the people of Luxembourg, saying:

"Although their country is one of the smallest of those overrun and crushed by the hated Nazis, the people of the Grand Duchy of Luxembourg have shared the same fierce spirit of resistance which has greeted the German tyrant wherever he has gone and which has from the outset shown the futility of his dreams of conquest. We rejoice with the people of Luxembourg that the day of their liberation is at hand."

Exercises were held in New York on Sept. 17 in the Council Chamber at City Hall to celebrate the 700th anniversary of the Luxembourg freedom charter, at which time Newbold Morris, President of the City Council, addressed a gathering of 500. According to the New York "Times" the group included representatives of Holland and Belgium as well as the Grand Duchy of Luxembourg. Other speakers were Matthew Woll, President of the Friends of Luxembourg and Vice-President

## Local Institutions Finance Bulk Of Home Loans: Bodfish

The states where 62% of the people of the United States live are relying more heavily upon local home financing institutions nowadays than at anytime during the 1940's, the United States Savings and Loan League reported on Sept. 16. Morton Bodfish, Executive Vice-President, says that in the first six months of the current year, 26 of the states showed higher percentages of the total new mortgage loans being advanced by savings and loan associations than during any like period in the previous four years, and these states have an estimated 83,000,000 inhabitants. It is added that not only did the savings and loan associations and cooperative banks throughout the country make \$725,972,000 of new home loans during the first half of this year, and thus advance 35% more money than in the like period of 1943, but they also increased their overall portion of the home mortgage lending of the nation from 31.1% the first half of last year to 33.2% this year.

Mr. Bodfish indicated that the growing percentage of home lending being done by these thrift and home financing institutions, the largest single source of institutional financing, points to their natural importance as sources of veteran's loans under the G. I. Bill of Rights, as soon as the rules and regulations are decided upon and procedures developed.

There are six states—District of Columbia, Kansas, Kentucky, Louisiana, Maryland, and Ohio, where more than half of all the home mortgage money advanced during the first half of 1944 came from the savings and loan institutions whereas only four states were in this category for the same period four years ago, it was pointed out. In 32 of the states it is said the percentage of total home lending done the first six months of this year by savings and loan associations is larger than it was in the same months of 1943.

## 36,137 Freight Cars And 554 Locomotives On Order

The Class I railroads on Sept. 1, 1944, had 36,157 new freight cars on order, the Association of American Railroads announced. This included 12,306 hopper, 3,204 gondolas, 497 flat cars, 15,746 plain box cars, 1,811 automobile box cars, 2,093 refrigerator cars, and 500 stock freight cars. On Sept. 1, last year, they had 28,433 cars on order.

The roads also had 554 locomotives on order on Sept. 1, this year, which included 150 steam, two electric and 402 Diesel locomotives. Total on order Sept. 1, 1943, was 1,038, which included 461 steam, four electric and 573 Diesel locomotives.

The Class I railroads put 22,312 new freight cars in service in the first eight months this year, compared with 15,744 in the same period last year. Of the total 3,538 were installed in August. Those installed in the first eight months included 10,865 hopper, 2,334 gondola, 1,018 flat, 1,897 automobile box, 5,927 plain box, and 270 refrigerator freight cars and one other car.

They also put 657 locomotives in service in the first eight months of 1944, of which 241 were steam, one electric and 415 Diesel. Locomotives installed in the first eight months of 1943 totaled 408, of which 264 were steam, 14 electric and 130 Diesel. Locomotives installed in August totaled 78, of which 30 were steam and 48 were Diesels.

of the American Federation of Labor, and Andre Wolf, Commissioner of Information for Luxembourg.

## Congress Acts On Bill For Disposal Of Surplus Gov. Property, Provides 3 Man Board

The House on Sept. 18 by a vote of 174 to 91 approved compromise legislation for the disposal of more than \$100,000,000 of surplus Government war property; following the House action the Senate on Sept. 19 approved the compromise bill as agreed upon in conference. Regarding the House action United Press accounts, as given in the "Wall Street Journal" of Sept. 19, stated:

It [the House] adopted a conference committee report proposing administration of surplus property by a Presidentially-appointed board of three members—a compromise between Senate demands for an eight-man panel and the original House preference for a single administrator.

The bill, a major stumbling block in plans for a pre-election recess, was sent to the Senate after the House.

The bill was sent to the White House on Sept. 19 following its adoption by the Senate, the action of the latter having been featured by a protest by Senator Wherry (Rep., Neb.) against elimination of a provision directing that all receipts be applied against the national debt.

As to the Senate action Associated Press advices stated:

Senator Wherry asserted that the provision was written into both Senate and House bills and deleted by a joint conference committee in violation of the Senate rules.

"Debt hangs over the head of every citizen in this country," he declared.

The surplus property bill was passed after Senator Vandenberg (Rep., Mich.) asked assurance that the three-member board set-up was "in no sense a vote of no confidence" in Surplus Property Administrator William L. Clayton, who advocated one-man control as provided in the original House bill.

Mr. Clayton recently asserted he could not serve under the pending legislation.

"I happen to be one who believes Mr. Clayton is a very capable administrator," Senator Vandenberg asserted. "I do not subscribe to the theory of the indispensable man, but I want assurance that the action we are taking today is in no sense a vote of no confidence in him."

Senator Johnson (Dem., Colo.) said that while he thought Mr. Clayton "took a rather arbitrary position" with reference to the legislation, he did not feel the bill was a reflection on the Texan.

Agreement on the legislation was reached by the conferees on Sept. 15, when it was voted to vest full policy-making and administrative authority in a three-member board, to be appointed by the President. This was reported by Associated Press advices in the New York "Journal of Commerce," which also had the following to say:

Earlier W. L. Clayton, Surplus War Property Administrator, informed War Mobilization Director, James F. Byrnes, that he would decline appointment as Surplus Property Administrator under the pending Surplus Property bill.

The conferees junked a tentative plan for dual administration of an estimated \$100,000,000 of post-war surplus materials by an administrator and a four-member board, and followed the announcement by W. L. Clayton.

Mr. Clayton was named by President Roosevelt to act earlier this year, pending legislative action on the disposal problem, and was generally considered to have the inside track for appointment to the post on a permanent basis. Mr. Clayton today sharply criticized the "administrative workability" of the Surplus Property bill on which Senate and House conferees have been working for several weeks.

The House delegation voted solidly today for a single administrator, but was blocked by the

Senate members of the conference committee. Then the House members suggested the compromise three-member-board plan and the Senate acceded.

Both Chairman Manasco (Dem., Ala.) of the House conferees and Chairman Thomas (Dem., Utah) of the Senate group declared the action was taken without reference to Mr. Clayton's announcement.

Mr. Manasco stated that the House compromise had in fact been prepared last Tuesday (Sept. 12).

Under this plan, each of the three board members would receive \$12,000 a year, and the President would designate one of them Chairman.

Mr. Thomas said there was nothing in the revised language which would prevent the Board from appointing an administrator if they choose to designate one person to carry out details of the sales, but he added that the Board would be fully responsible for all decisions.

The earlier adoption of the bill by the House on Aug. 22 and the Senate on Aug. 25 was noted in our Sept. 7 issue, page 1060.

## Russia Calls Off War With Bulgaria

The calling off by Russia of the short-lived war with Bulgaria, was made known in Associated Press advices from London on Sept. 10, after Russian forces had swept 100 miles into Bulgaria on Sept. 9, occupying the big Black Sea port of Burgas, only 30 miles from the Turkish frontier. From the Associated Press accounts of Sept. 10 we quote:

"Marines of the Black Sea fleet under Admiral E. S. Oktyabrsky, Sevastopol hero, helped in the seizure of Burgas, 52 miles south of Bulgaria's other main seaport, Varna, taken Friday.

"In one of the shortest wars in history Russian troops were ordered to cease military operations against Bulgaria effective at 10 P. M. (3 P. M. Eastern War Time) last night, 'in view of the fact the Bulgarian Government has severed relations with Germany, declared war on Germany, and asked the Soviet Government for an armistice,' said the broadcast Moscow statement.

"The occupation of Burgas put the Russians under Gen. Tolbukhin, Third Ukraine Army commander, only 80 miles from Greece in the swift drive to annihilate or capture 250,000 Germans estimated to be cut off in that country and Yugoslavia.

"The Bulgarians are estimated to have 20 good divisions which they can hurl into the battle against their former comrades-in-arms, the Nazis. And with the seizure of Burgas the Russians have another valuable port with which to quicken the conquest of the Balkans."

War was declared on Sept. 5 by Russia on Bulgaria, the assertion being made that the so-called "neutrality" of the Sofia Government was only a cloak to cover continuing aid to Germany. The Soviet declaration was made with the knowledge of Great Britain and the United States; it was stated authoritatively, said United Press accounts from London Sept. 5, as given in the New York "Herald Tribune," from which we also take the following:

"Fifteen minutes after he had handed the declaration to the Bulgarian Minister and given him his dismissal, Vyacheslav M. Mo-

## Finland Severs Relations With Axis Members —Terms Of Armistice With Russia

Following the signing by Finland of an armistice with Russia and Great Britain, announced on Sept. 19, relations were broken off by Finland on Sept. 20 with the German puppet States of Hungary, Croatia and Slovakia. The breaking by Finland of all diplomatic and economic relations with Japan was also announced in United Press accounts from Helsinki on Sept. 22. The signing of the armistice with Russia and Britain was referred to in our issue of Sept. 21, page 1275. Under date of Sept. 20 Associated Press advices from Stockholm stated:

The Swedish press in commenting on the terms offered the Finns generally characterized them as "very hard" and emphasized that the Russians would have leadership of the Allied control commission.

There was nothing in the terms, observers said, which substantiated the doubts expressed in an editorial in Dagens Nyheter that foreign legations might not be permitted to function in Helsinki.

From London Associated Press advices, Sept. 20, we take the following:

Stripped of her richest industrial territory and burdened with heavy cash reparations as the price of peace, Finland was dedicated today by Acting Prime Minister Ernst von Born to building up a new national existence with the opportunities left.

Of immediate concern was the task of removing German troops remaining in the country—one of the conditions imposed in the 23-point armistice agreement reached in Moscow yesterday with Soviet Russia and Great Britain.

Earlier accounts from London (Associated Press), Sept. 19, stated that it was disclosed that Finland has agreed to pay the Soviet Union a heavy price in rich strategic territories and cash reparations. These advices added: Acting Prime Minister Ernst von Born, broadcasting to the Finnish people terms of the armistice signed with Great Britain and Russia, called this "one of the hardest days in our history" and questioned whether the nation could survive.

The 23-clause armistice, terms of which stiffened as the Finns stalled for months in getting out of the war, cost the Finns \$300,000,000 (American) indemnity to be paid within six years, and these vital territorial concessions:

1. Immediate restoration of the 1940 Russo-Finnish border fixed after the 104-day war. This meant the loss of Karelia, the area west and north of Lake Ladoga which includes the city of Viipuri and is the most industrially developed region of Finland, containing over 10% of its total population, and a slice of the border territory to the north.
2. The Petsamo area in the far

lotov, Soviet Foreign Commissar, called in Russian and foreign correspondents.

"Asked whether the Red Army had crossed the Bulgarian border, he replied that the note only had been handed over at 7 P. M.

"[The London radio said early Wednesday that the Bulgarian Foreign Secretary has asked the Soviet Embassy in Sofia for an armistice.]"

From London Sept. 6 the Associated Press stated:

"Bulgaria appealed to Russia today for an armistice, a few hours after the Kremlin declared war. Cairo advices said a joint peace with the United States, Britain and the Soviet Union was expected as a result.

"The German radio at Oslo said that the Russians had marched into the Balkan kingdom. There was no confirmation from Moscow or Sofia.

"The Bulgars asserted that their Government had ordered strong measures against German forces, accused of attacking Bulgar army units — claims countered by the Russians."

north with its port and rich nickel mines.

3. The leasing to Russia for 50 years of Porkkala peninsula with its naval base on the Finnish gulf. It was authoritatively reported that this leased territory would extend to a point only eight miles from the Finnish capital of Helsinki.

In addition, von Born disclosed that the Finns had granted the Allies temporary possession of airfields in South and Southwest Finland and handed over the Finnish merchant fleet for the Allies' war-time use with promises to "help the Allies with deliveries of material."

The Finns promised to disarm German troops in Finland and hand them over to the Allies. "And this," Prime Minister von Born said, "although we must pre-

pare hastily for our army to return to peace-time footing."

Von Born disclosed that the Russians 'cut in half' the cash indemnity asked of the Finns during negotiations last spring, but he added: "Nevertheless, it is relatively heavier than any demand for reparations made on any country after the last war."

The same price, however, has been fixed for payment by Rumania and Prime Minister von Born neglected to point out that the Finns' bargaining position was inferior to that of the Rumanians, who joined actively in waging war against the Germans.

Four Finnish divisions, battling their former comrades in arms, were said to have captured part of Suomussalmi in northeastern Finland from the Germans and are continuing to make progress in ejecting an estimated 100,000 Austrians and Nazis from the area, according to a Helsinki military communique, Sept. 24. It was announced from Stockholm by the Associated Press, which said that a newspaper correspondent in the area said the Finnish high command was "hopeful" of completing the job within four weeks "without any help from the Russians."

## Rep. Reece Offers Bill To Permit Maintenance Of Offering Price By Underwriters

### Proposes An Amendment To Securities Act Of 1933 To Prevent Anti-Trust Suits Against Underwriters

On August 22, Rep. Carroll Reece of Tennessee introduced in the House of Representatives a bill (H. R. 5233), amending paragraph 16, Schedule A of the Securities Act of 1933, so as to permit underwriters to maintain a uniform price of securities they publicly offer "for a period not to exceed 30 days". This bill is a counter move against the action of the Department of Justice in maintaining that an agreement to maintain a uni-

form offering price by securities syndicates so as to effect an orderly marketing, was a violation of the Sherman Anti-Trust Act. (See "The Chronicle," Jan. 13, 1944, page 168.) At various times rumors have circulated in Wall Street that the Anti-Trust Division of the Department of Justice was preparing to bring suits against members of various syndicates that have recently made public offerings, but there has been no verification of these rumors.

The text of Rep. Reece's bill, which concerns the information required to be filed with the SEC, when public offerings of securities are registered, follows:

A bill amending paragraph 16, schedule A, of the Securities Act of 1933.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 16, schedule A, of the Securities Act of 1933, as amended, is amended to read as follows:

"(16) The price at which it is proposed that the securities shall be offered to the public or the method by which such price is computed and any variation therefrom at which any portion of such security is proposed to be offered to any persons or classes of persons, other than the underwriters, naming them or specifying the class, and any agreement between underwriters or any agreement between the underwriting syndicate and members of the selling group or between the underwriting syndicate and any other persons purchasing from the underwriting syndicate for resale, to maintain the public offering price for any period of time which shall not exceed thirty days from the date of the initial public offering without approval of the Commission. A variation in price may be proposed prior to the date of the public offering of the security but the Commis-

sion shall immediately be notified of such variation.

"If any provision of this section is in conflict with any provision of any law of the United States in force on the date this section takes effect, the provision of this section shall prevail."

## Russia, Britain, U. S. Conclude Armistice With Rumania

Announcement was made by the Moscow radio on Sept. 12 that an armistice had been signed with Rumania, Russia, Great Britain, and the United States acted on behalf of all the United Nations, said Associated Press accounts from London, Sept. 13, which added:

"The broadcast, recorded by the Soviet monitor, said that the United States Ambassador, W. Averell Harriman; the British Ambassador, Sir Archibald Clark Kerr, and the Soviet Foreign Commissar, Vyacheslav M. Molotov, had participated in the negotiations, which continued two days and terminated yesterday.

"The armistice was signed by Marshal Rodion Y. Malinovsky, whose army had swept through Rumania, on behalf of all three powers and the United Nations. General Damatcanu Stirby signed for Rumania.

"Details of the terms were not made known immediately, but were expected to be announced later today.

"The armistice announcement came as Russian and Rumanian troops were fighting side by side in the liberation of Transylvania—the province taken from Rumania by the Germans and handed to Hungary."

In our issue of Aug. 31, page 969, reference was made to the break by Rumania with the Nazis; its declaration of war on Germany, and the alignment of Rumania with the Allies.

## The State Of Trade

(Continued from page 1378)

League, said in a statement made public this week that United States tariffs are designed to protect against low-wage imports and do not restrain our international trade, but act as a stimulant to foreign trade. Mr. Hall added that this country's import duties are actually among the lowest of the world's trading nations, with nearly two-thirds of our imports admitted entirely free of duty, no other nation having so large a free list.

**Business Failures**—Business failures in the United States advanced for the week ended Sept. 14 to 23 from 9 in the preceding week. The latest week's figures compare with 30 in the corresponding week of 1943, Dun & Bradstreet reports. Insolvencies with liabilities of \$5,000 or more numbered 17, compared to four in the previous week and 16 one year ago. There were three Canadian failures, compared with one a week ago and a year ago.

**Steel Industry**—The American Iron and Steel Institute announced last Monday that the operating rate of steel companies (including 94% of the industry) will be 95.1% of capacity for week beginning Sept. 25, compared with 95.7% one week ago. This week's operating rate is equivalent to 1,710,700 tons of steel ingots and castings, compared with 1,714,300 net tons last week and 1,756,900 tons one year ago.

"An early return to production of some items banned during the war, as now indicated, may bolster steel demand to some extent, but until the European war is over it is likely to be only a minor factor," states "Steel" in its current market summary. In the meanwhile, overall requirements for the metal are expected to sag unless the war in Europe is extended through the winter, and even then there is some question because of the heavy purchases that have already been made for meeting such a contingency. The primary effect of the possible prolongation of the war in Europe would be fewer cutbacks and cancellations, states the magazine.

There is a continued shrinkage of order backlogs of most major steel items, which is especially marked in plates. According to the summary, "despite the fact that this is now late September, some producers of sheared plates can offer November delivery, and none has any difficulty in scheduling shipments for December." From the foregoing it should not be concluded that plate mills will not be able to sustain high operations over the remainder of the year, the summary infers. It does mean, however, that the end of intensive production may be in sight.

Order cancellations the past several weeks have shown virtually no change, but the volume of new business has been falling, making cancelled tonnage relatively more important, the magazine adds.

**Electric Production**—The Edison Electric Institute reports that the output of electricity advanced to approximately 4,394,839,000 kwh. in the week ended Sept. 16 from 4,227,900,000 kwh. in the preceding week. The latest figures approximate a gain of 0.8% from the level of one year ago, when output reached 4,358,512,000 kilowatt-hours.

Consolidated Edison Co. of New York reports system output of 171,800,000 kilowatt-hours in the week ended Sept. 17, 1944, and compares with 214,800,000 kilowatt-hours for the corresponding week of 1943, or a decrease of 20.1%.

Local distribution of electricity amounted to 165,900,000 kilowatt-hours, compared with 198,700,000 kilowatt-hours for the corre-

sponding week of last year, a decrease of 16.5%.

**R. R. Freight Loadings**—Carloadings of revenue freight for the week ended Sept. 16, totaled 892,358 cars, the Association of American Railroads announced. This was an increase of 66,405 cars, or 8.0% above the preceding week this year, which included the Labor Day holiday, and a decrease of 10,408 cars, or 1.2% below the corresponding week of 1943. Compared with a similar period in 1942, a decrease of 10,741 cars, or 1.2%, is shown.

**Coal Production**—The U. S. Bureau of Mines reports production of Pennsylvania anthracite for week ending Sept. 16, 1944, at 1,263,000 tons, an increase of 120,000 tons (10.5%) over the preceding week, and 7,000 tons, or 0.6% under the corresponding week of 1943. The 1944 calendar year to date shows an increase of 5.9% when compared with the corresponding period of 1943.

The report of the Solid Fuels Administration placed bituminous production for the week ended Sept. 15 at 11,525,000 net tons, against a revised figure of 10,900,000 tons in the preceding week (which included the Labor Day holiday), and 12,049,000 tons in the corresponding week of last year, while output for Jan. 1 to Sept. 16, 1944, totaled 447,105,000 tons, as against 420,465,000 tons in the same 1943 period, or a gain of 6.3%.

Estimated production of beehive coke in the United States for the week ended Sept. 9, 1944, as reported by the same source, shows an increase of 14,500 tons when compared with the output for the week ended Sept. 9, last, and a decline of 36,400 tons from the corresponding week of 1943.

**Silver**—The London market for silver was unchanged at 23½d. The New York Official for foreign silver continued at 44¾¢, with domestic silver at 70¾¢.

**Lumber Shipments**—The National Lumber Manufacturers Association reports that lumber shipments of 496 reporting mills were 8.5% below production for the week ended Sept. 16, while new orders of these mills were 2.6% less than production for the same period. Unfilled order files amounted to 104% of stocks. For 1944 to date shipments of reporting identical mills exceeded production by 3.8% and orders ran 6.8% above output.

Compared to the corresponding weeks of 1935-39, production of reporting mills was 10.7% greater, shipments 7.4% greater, and orders 9.5% greater.

Lumber production in July totaled 2,800,000,000 board feet, a decline of 6.7% from June and of 9.6% from July, 1943, the WPB revealed. For the first seven months of 1944 output amounted to 19,100,000,000 board feet, a drop of 2.6% from the like 1943 period. A stringent labor shortage of many months' duration accounted for the falling off in production, according to the WPB, with the industry handicapped further by an acute scarcity of heavy-duty truck tires.

**Crude Oil Production**—Daily average gross crude oil production for the week ended Sept. 16, as estimated by the American Petroleum Institute, was 4,745,500 barrels, a new high record. This represented an increase of 56,100 barrels from the week ended Sept. 9, 1944. When compared with the corresponding week last year, crude oil production was 369,750 barrels per day higher. The current figure, however, was 10,700 barrels lower than the daily average figure recommended by the Petroleum Administration for War for the month of September, 1944. For the four weeks ended

Sept. 16, 1944, daily output averaged 4,690,000 barrels.

Reports from refining companies indicate that the industry as a whole ran to stills (on a Bureau of Mines basis) approximately 4,585,000 barrels of crude oil daily and produced 14,201,000 barrels of gasoline. Kerosene output totaled 1,380,000 barrels, with distillate fuel oil placed at 4,470,000 barrels and residual fuel oil at 8,214,000 barrels during the week ending Sept. 16, 1944. Storage supplies at the week-end totaled 78,726,000 barrels of gasoline; 13,724,000 barrels of kerosene; 43,556,000 barrels of distillate fuel, and 32,240,000 barrels of residual fuel oil. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

**Paper Production**—Paper production for the week ended Sept. 16 was at 94.8% of capacity from the revised figure of 76.8% of capacity in the preceding week, which included the Labor Day holiday, and for the week ended Sept. 18, last year, 92.2%, the American Paper and Pulp Association's index of mill activity disclosed. As for paperboard, production for the same period was reported at 97% of capacity, compared with 80% in the preceding week.

**Department and Retail Stores Sales**—Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, were 9% ahead of a year ago for the week ending Sept. 16, as compared with 14% in the preceding week. For the four weeks ended Sept. 16, 1944, sales increased by 14%. An 8% increase in department store sales for the year to Sept. 16, 1944, over 1943, was also noted.

Activity in the retail trade throughout the country was brisk the past week, with sales volume ranging from 7% to 11% above a year ago, Dun & Bradstreet reports. Department and apparel stores continued to lead in sales volume. Substantial increases were also noted in other nondurable goods lines, especially food, dry goods, restaurants, drug and cosmetic stores. In the durable goods section, hardware and automotive supply stores reported the best gains. Brisk demand was reflected in women's and men's apparel, with dress sales heavy and women's footwear selling well. Children's wear showed waning interest, but men's fall suits and hats met ready response, with sales volume about 20% above 1943. With stocks confined to a narrow range, house furnishings gave evidence of a growing demand. In the retail food trade the volume was up 4% from that of last year. Groceries, meats and dairy products, however, displayed an irregular trend.

The above source estimates a gain of about 8% for the week in retail sales throughout the country over the same week in 1943. Regional increases were: New England, 4 to 8%; East, 1 to 5%; Middle West, 9 to 13%; Northwest, 7 to 11%; South, 12 to 17%; Southwest, 18 to 21%, and the Pacific Coast, 11 to 15%.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Sept. 16 increased by 1% over the same period of last year. This compared with 14% in the preceding week. For the four weeks ended Sept. 16 sales rose by 11%, and for the year to Sept. 16 they improved by 8%.

Activity in the retail trade in New York held up well the past week, with fall apparel and accessories, children's wear and home-furnishings in brisk demand. The volume of department store sales was estimated at 8% to 10% ahead of the like week of 1943, according to the New York "Times." The religious holidays

## Treasury's Simplified Tax Form 1040 Replaces Form 1040-A

The Treasury Department announced on Sept. 14 the first prints of its revised "Form 1040" for reporting income tax returns, in furtherance of its plans for the simplification of its forms. Revised "Form 1040" is required to be used by taxpayers not eligible to avail themselves of the much simpler withholding receipt form.

Use of withholding receipt forms, under which the collector computes the taxpayer's account for him, said the Associated Press, is limited to the taxpayer whose total income was less than \$5,000 consisting wholly of wages shown on withholding receipts and not more than \$100 in other wages, dividends and interest. If they prefer, taxpayers in this class may use Form 1040. The press accounts from which we quote (from Washington Sept. 14), added:

The simplified Form 1040, plus inauguration of the withholding receipt forms, makes possible elimination of Form 1040-A, a special form used in previous years for incomes under \$3,000.

The new Form 1040 is in four pages as before, but it now contains both a table for ready determination of taxes by persons with less than \$5,000 income, and a computation method for others. Those who use the table will be able to convert Form 1040 into a

"short form" by tearing off and using only one sheet.

The table—the same used by collectors to compute the tax bills of those using withholding receipt forms—allows the taxpayer about 10% of his income in lieu of deductions for charity, interest, taxes, medical expenses and other allowable deductions.

Taxpayers whose income was less than \$5,000 but who are entitled to deductions of more than 10% may disregard the table, itemize their deductions, and compute their tax. Those whose income was \$5,000 or more will have a choice of taking a standard deduction of \$500 or itemizing their deductions in detail, but will have to compute their tax in either case.

Reference to the proposed simplified tax form appeared in our Aug. 31 issue, page 889.

## American Property Owners Pay 56% More In Taxes Than Do British: Mortgage Bankers Assn.

American property owners are now paying at least 56% more in real estate taxes than British property owners and it may even be more, according to data assembled by the Mortgage Bankers Association of America. The per capita property tax is now around \$34 in this country where the ad valorem system, or taxation against capital values, is used. In contrast, the per capita tax is now only about \$19 in Great Britain where the occupancy tax system, or taxation based on the income or productivity of the property, has been used for nearly 350 years.

The merits of the two systems will be the subject of an exhaustive review at the 31st annual business meeting and conference on War and Postwar Mortgage Problems of the Mortgage Bankers Association of America in Chicago October 18 to 20. Principal speakers on the forum will be E. K. Hardy, Chicago capitalist and President of the National Council of Real Estate Taxpayers, and John S. Clark, assessor of Cook County (Chicago) Ill.

According to H. G. Woodruff, Detroit, Association President, the question of doing something to halt the continued increase of property taxes is rapidly emerging from academic discussion into the field of questions that must be actively faced in the post-war period.

In his comments he said:

"The answer as to whether the ad valorem tax system is breaking down or not will have to wait for another day but present discussions in Congress as to what the various states must do in the way of unemployment compensation again calls attention to what ought to be clear to every government official, namely that the local tax burden on real estate has reached the limit. Heavier taxes means that the point of diminishing returns has been reached. One of the most constructive studies the country could undertake at this time is a full scale exploration of the occupancy tax and whether it can be used to supplement or supplant the ad valorem tax system which is now used only by the United States and Canada. We are probably much closer to real estate

proved to be an important factor in affecting the attendance of buyers in the wholesale markets. Pressure, however, is being exerted by retailers for deliveries of needed merchandise. The delivery situation in the apparel market continued very tight, while the scarcity of staple cotton textile merchandise noticeable in past months showed no abatement.

tax reform in this country than is generally believed and I have been impressed by the statements of many respected authorities on municipal financing that holders of municipal bonds cannot expect the ad valorem tax to be the bulwark of security behind their tax free obligations that it has been in the past."

## New York University Sponsors Tax Forums

A series of monthly dinner meetings for tax practitioners at which current tax events, cases, and decisions will be discussed has been established by the New York University Division of General Education, Professor Paul A. McGhee, Director, announced on Sept. 17. Charles J. Siegal, directing editor of the Federal Tax Department of the Research Institute of America, was the speaker at the first meeting on Sept. 25 in the New York University Faculty Club, 22 Washington Square North. A panel of prominent tax practitioners conducted a discussion of current cases.

In his announcement Professor McGhee stated:

"Meeting on the last Monday of each month from now until June, speakers will review reported decisions and Bureau of Internal Revenue rulings of the previous month. Practitioners who have current cases of prominence will be invited to review their presentations to the tax courts, and others who have written serious research studies will be asked to discuss them before the group."

Professor McGhee also said: "The Tax Study Group is intended for those who already have an adequate background of education and experience in tax practice rather than for those who wish to learn basic tax theory. It is for active tax practitioners who wish to profit from a monthly exchange of opinion, research and experience."

The Program Planning Committee is headed by J. K. Lasser and includes Ewing Everett, attorney; V. H. Maloney, C.P.A.; Harry Silverson, attorney; David B. Chase, attorney, and William C. Etgen, accountant.

## Nat. Fertilizer Association Wholesale Commodity Price Index Reached Former All-Time High

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on Sept. 25, advanced fractionally for the fifth consecutive week and now stands at the same level as the former all-time high, 138.8, reached the week of Aug. 5, 1944. Last week the index registered 138.7. A month ago it stood at 138.4 and a year ago at 135.9, based on the 1935-1939 average as 100. The Association's report added:

The farm products group scored slight advances due to higher quotations on grains and livestock. Higher prices for wheat and rye increased the grains index number while higher prices for cattle and ewes increased the livestock group in spite of lower quotations for lambs. The foods group continued to move into higher ground for the fifth consecutive week and now stands at a new all-time high. Higher prices for eggs and fresh pork more than offset lower quotations on sugar and cottonseed oil. The fats and oils index decreased as the result of lower prices for cottonseed oil. The textiles group turned downward reflecting lower prices for raw spot cotton. Lower quotations for scrap steel were not quite sufficient to change the metals index number. All other group indexes remained unchanged from the previous week.

During the week 7 price series in the index advanced and 5 declined; in the preceding week there were 7 advances and 6 declines; and in the second preceding week there were 5 advances and 7 declines.

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

Each Group Bears to the Total Index	Group	Latest Preceding Month Year			
		Week Sep. 23, 1944	Week Sep. 16, 1944	Week Ago Aug. 26, 1944	Year Ago Sep. 25, 1943
25.3	Foods	142.1	141.8	140.2	139.7
	Fats and Oils	144.1	145.1	145.1	146.5
	Cottonseed Oil	159.6	163.1	163.1	162.4
23.0	Farm Products	162.4	161.8	161.0	157.9
	Cotton	200.9	202.4	203.7	194.2
	Grains	156.8	156.2	155.9	150.6
	Livestock	158.4	157.2	155.8	154.3
17.3	Fuels	130.1	130.1	130.1	122.8
10.8	Miscellaneous commodities	132.2	132.2	132.2	131.4
8.2	Textiles	154.0	154.3	152.8	150.6
7.1	Metals	104.2	104.2	104.4	104.4
6.1	Building materials	154.0	154.0	154.0	152.5
1.3	Chemicals and drugs	126.1	126.1	126.9	127.7
.3	Fertilizer materials	118.3	118.3	118.3	117.7
.3	Fertilizers	119.9	119.9	119.7	119.8
.3	Farm machinery	104.5	104.5	104.5	104.1
100.0	All groups combined	138.8	138.7	138.4	135.9

\*Indexes on 1926-1928 base were: Sept. 23, 1944, 108.1; Sept. 16, 1944, 108.0, and Sept. 25, 1943, 105.9.

## Electric Output For Week Ended Sept. 23, 1944 Slightly In Excess Of Same Week In 1943

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Sept. 23, 1944, was approximately 4,377,339,000 kwh., compared with 4,359,610,000 kwh. in the corresponding week a year ago, an increase of 0.4%. The output for the week ended Sept. 16, 1944, was 0.8% higher than that of the similar period in 1943.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended—			
	Sept. 23	Sept. 12	Sept. 9	Sept. 2
New England	0.6	*1.6	2.0	2.5
Middle Atlantic	*4.0	*2.1	*6.2	*5.9
Central Industrial	2.2	2.0	0.1	1.7
West Central	6.4	2.1	1.4	*1.3
Southern States	5.9	3.4	4.3	5.4
Rocky Mountain	*9.6	*6.9	*5.8	*4.4
Pacific Coast	*1.9	4.0	4.6	9.9
Total United States	0.4	0.8	*0.0	1.5

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1944	1943	% Change over 1943	1942	1932	1929
June 3	4,144,490	3,925,893	+ 5.6	3,372,374	1,435,471	1,689,925
June 10	4,264,600	4,040,376	+ 5.5	3,463,528	1,441,532	1,699,227
June 17	4,287,251	4,098,401	+ 4.6	3,433,711	1,440,541	1,702,501
June 24	4,325,417	4,120,038	+ 5.0	3,457,024	1,456,961	1,723,428
July 1	4,327,359	4,110,793	+ 5.3	3,424,188	1,341,730	1,592,075
July 8	3,940,854	3,919,398	+ 0.5	3,428,916	1,415,704	1,711,625
July 15	4,377,152	4,184,143	+ 4.6	3,565,367	1,433,903	1,727,225
July 22	4,380,930	4,196,357	+ 4.4	3,625,645	1,440,386	1,732,031
July 29	4,390,762	4,226,705	+ 3.9	3,649,146	1,426,986	1,724,728
Aug. 5	4,399,433	4,240,638	+ 3.7	3,637,070	1,415,122	1,729,667
Aug. 12	4,415,368	4,287,827	+ 3.0	3,654,795	1,431,910	1,733,110
Aug. 19	4,451,076	4,264,824	+ 4.4	3,673,717	1,436,440	1,750,056
Aug. 26	4,418,298	4,322,195	+ 2.2	3,639,961	1,464,700	1,761,594
Sept. 2	4,414,735	4,350,511	+ 1.5	3,672,921	1,423,977	1,674,588
Sept. 9	4,227,900	4,229,262	- 0.0	3,583,408	1,476,442	1,806,259
Sept. 16	4,394,839	4,358,512	+ 0.8	3,756,922	1,490,863	1,792,131
Sept. 23	4,377,339	4,359,610	+ 0.4	3,720,254	1,499,459	1,777,854
Sept. 30		4,359,003		3,682,794	1,506,219	1,819,276

## Steel Output Holds—War Demand Tapering—Civilian Inquiry Gains—Order Backlogs Shrink

The American Iron and Steel Institute on Sept. 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 95.1% of capacity for the week beginning Sept. 25, compared with 95.3% one week ago, 96.7% one month ago and 100.8% one year ago.

The operating rate for the week beginning Sept. 25 is equivalent to 1,710,700 tons of steel ingots and castings, compared to 1,714,300 tons one week ago, 1,739,300 tons one month ago, and 1,756,900 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel

ments for steel are expected to sag, unless fighting in Europe carries through the winter, and even then there is some question because of the heavy purchases that have already been made for meeting such a contingency. Primary effect of the possible prolongation of hostilities against Germany would be fewer cut-backs and cancellations.

"Order backlogs of most major steel items continue to shrink, and especially is this true in plates. Despite the fact that this is now late September, some producers of sheared plates can offer November delivery, and none has any difficulty in scheduling shipments for December. This does not indicate that plate mills may not be able to sustain high operations over the remainder of the year, and particularly with the strip plate producers being shifted over to their regular lines as rapidly as possible, but it does mean that the end of intensive production may be in sight. By the end of the first quarter a very material reduction in operations is considered likely.

"Effective Oct. 1, it is reported mills will be permitted to schedule plates in whatever sequence and on whatever facilities they desire just so they meet delivery requirements.

"For the past several weeks order cancellations have been running virtually unchanged. However, the volume of new business has been declining which

makes the cancelled tonnage relatively more important. For some time now new steel bookings have failed to match production, and if it were not for the heavy shell program the spread would be substantially larger.

"Indications are that the initial steel orders in the reconversion period will be relatively small and for the most part will gravitate to the steel distributors, for much of the tonnage will be for experimental models, and also because many manufacturers will be feeling their way.

"Over 250,000 tons of reinforcing steel for export have been placed on the market by the Foreign Economic Administration. Billet mills are now attempting to increase directives for the balance of the year in order to make some inroads on this heavy export tonnage. Because of the growing excess steel ingot supply it is felt that restrictions on rolling reinforcing bars from billet steel could be modified.

"Iron and steel scrap prices have undergone a further substantial decline, with No. 1 heavy melting steel now at \$18.50 to \$19 at Pittsburgh; \$15.50 to \$16 at Philadelphia and \$18.75 at Chicago. There is little indication that the downward trend in scrap prices will be stabilized in the near future. Steel's steelmaking scrap price composite receded further last week to \$17.75, compared with \$18.33 a week ago and \$18.83 for the period ended Sept. 9."

## Non-Ferrous Metals — Stockpile Measure Eases Pressure In Metal Trade—Foreign Lead Sought

"E. & M. J. Metal and Mineral Markets," in its issue of Sept. 21, stated: "Outstanding in developments in non-ferrous metals last week was the acceptance of the stockpiling provisions of the Surplus Property Bill by both branches of Congress. Though the measure as it stands is viewed generally as being little more than a compromise, producers were relieved over the fact that something was accomplished before adjournment.

to impound the huge Government-owned stocks in the immediate post-war period." The publication further went on to say in part:

### Copper

WPB officials told the Copper Producers Advisory Committee that copper requirements should approximate 379,000 tons for the quarter-year period following Germany's defeat. Military and essential civilian needs would absorb about 281,000 tons and other civilian wants, 98,000 tons. A substantial call for wire and cable is expected to develop after V-E Day, the industry was told. Many in the industry looked upon these figures as "highly questionable."

### Lead

Consumers asked for a substantial tonnage of foreign lead for October delivery, but not as much as was requested for delivery in the current month. The tonnage of foreign lead released by WPB for September was around 39,000 tons. From present indications, not much more than 33,000 tons of foreign metal will be needed for next month. Exports have been a factor. Virtually all of the lead in the Government's stockpile consists of corroding lead, which may embarrass those looking for common.

Sales of lead in the domestic market for the week ended Sept. 20 amounted to 6,800 tons.

### Zinc

General Preference Order M-11 has been amended by WPB to discontinue the use of monthly allocation certificates. However, consumers will have to restrict their purchases to the equivalent of actual needs, plus a minimum working inventory. So far as the market is concerned, this action merely reduces the volume of paper work. Monthly reports are still required for both producers and consumers. There was a fair call for zinc last week, but demand was no greater than in corresponding periods of recent months.

### Tin

William L. Batt, of the Combined Raw Materials Board, believes that there will be an extreme shortage of tin in the immediate post-war period because hundreds of users will clamor for supplies. Without careful control, he contends, the market could become completely demoralized.

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

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

Chinese, or 99% tin, continued at 51.125¢ per pound.

### Quicksilver

Quicksilver was inactive last week, but prices were maintained at \$104 to \$107 per flask, depending on quantity. Most sellers thought the undertone was steady. Advice from the Pacific Coast indicate that mines are still closing down and output is falling. According to one observer, fewer than 10 mines are operating at present, against about 190 a year ago. Most of those that have been shut down were small high-cost properties. With MRC no longer buying Mexican production, scattered lots are expected to come into the market from that country from time to time.

### Silver

Canada produced 1,071,550 ounces of silver during July, making the total for the first seven months 8,336,876 ounces, against 10,951,029 ounces in the January-July period last year.

The London price continued at 23½d. throughout the week. The New York Official for foreign silver was unchanged at 43¾¢, with domestic metal at 70½¢.

## From Washington Ahead Of The News

(Continued from first page) dictatorship. A dictatorship, of course, is a dictatorship, whatever the guise of its approach.

It is understandable, of course, what has happened here. The energy of men has been sapped. Several months ago, we wrote about the number of successful business men who were trying to get cheap positions in the Washington Bureaucracy on the theory that this was the way for energetic men to exercise their energies in the future; that the private enterprise vehicles through which they had exercised them in the past were gone. Men of ambition and energy will always be looking for their outlet just the same as water beats against the rocks.

What we started out to say is that these fellows—the fellows of the mind about which we have been talking—are likely to get hooked in this American revolution as collaborationists. Overseas, every day now, we see pictures of collaborationists being led to the guillotine. Assuming that the justice given them is merited, they are the men and women whom in time of trial, couldn't take it. They sought the easy way out.

We have been through a lot of travail in the past 11-odd years. There is no doubt about that. We get recurring reports of industrialists and business men who can't take it. They don't like Roosevelt's domestic policies but they do like his foreign policies. That is the plane upon which they pitch it.

Pétain, in France, said he didn't like what the Germans were doing but he thought appeasement was the best thing. The American attitude now seems to be that of despise for him. Yet he had a problem if ever a man had.

However, we notice, that some of our best industrialists and business men are in for appeasement. An authenticated survey of public opinion shows 8% of them switching from Republican to a fourth term for Roosevelt. The same poll shows working men switching in about the same proportion from Roosevelt to Dewey. It all goes to bear out our statement, expressed several months ago, that in the long run it will be, not organized labor but cagey and ambitious industrialists, who will sell America down the river, if it is so sold.

We would like to say something to these Industrialists, not that they can possibly affect the vote, because there are not enough of them: Quit taking those run out powders. On the basis of the public opinion polls, as of today, Dewey is going to be the next man in the White House. When we say this we appreciate that the most widely read of these public opinion polls, shows Roosevelt "leading" in 27 states. In every one of those states in which he is leading 52 to 48, Dewey will carry them. This, we believe, from a very serious study of the situation. The Democrats or the New Dealers, whatever you may call them, are not showing any ability to get out their vote. From our studies of the situation we are convinced of this: that if there is a division in this country between the haves and have nots, the latter will win. But no such division is in prospect. The former WPA vote which Mr. Roosevelt had lined up solidly for him, is now making \$75 and \$100 a week and being taxed. As near as we can get it, this vote is still sympathetic to FD, but not to the extent of rallying behind him. As a matter of fact, it is annoyed that it should be having money taken out of its pay envelope by way of taxes.

It's silly, of course, to make a prediction, but we sincerely believe that Mr. Roosevelt is out, and Governor Dewey is in.

## Daily Average Crude Oil Production For Week Ended Sept. 16, 1944 Reaches New High Peak

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Sept. 16, 1944 was 4,745,500 barrels, a new high record. This was an increase of 56,100 barrels per day over the preceding high peak reached last week, and exceeded the corresponding week of 1943 by 369,750 barrels per day. The current figure, however, was 10,700 barrels lower than the daily average figure as recommended by the Petroleum Administration for War for the month of September, 1944. Daily output for the four weeks ended Sept. 16, 1944 averaged 4,690,000 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 4,585,000 barrels of crude oil daily and produced 14,201,000 barrels of gasoline; 1,380,000 barrels of kerosine; 4,470,000 barrels of distillate fuel oil, and 8,214,000 barrels of residual fuel oil during the week ended Sept. 16, 1944; and had in storage at the end of that week: 78,726,000 barrels of gasoline; 13,724,000 barrels of kerosine; 43,556,000 barrels of distillate fuel, and 62,240,000 barrels of residual fuel oil. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

The complete report for the week ended Sept. 16, 1944, follows in detail:

### DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations September	*State Allowables being Sep. 1	Actual Production Week Ended Sep. 16, 1944	Change from Previous Week	4 Weeks Ended Sep. 16, 1944	Week Ended Sep. 18, 1944
Oklahoma	344,000	340,000	342,850	+ 2,850	340,550	327,350
Kansas	274,000	269,400	280,600	+ 26,300	270,000	296,900
Nebraska	1,000	-----	1,900	-----	800	1,800
Panhandle Texas	-----	98,700	-----	-----	98,700	104,000
North Texas	-----	147,750	-----	-----	148,250	140,600
West Texas	-----	504,050	-----	-----	494,500	333,500
East Central Texas	-----	149,800	-----	-----	148,750	130,700
East Texas	-----	371,950	-----	-----	371,300	380,000
Southwest Texas	-----	341,750	-----	-----	331,700	263,550
Coastal Texas	-----	543,050	-----	-----	539,150	485,300
<b>Total Texas</b>	<b>2,163,000</b>	<b>2,165,030</b>	<b>2,156,050</b>	<b>-----</b>	<b>2,132,350</b>	<b>1,837,650</b>
North Louisiana	-----	-----	74,600	+ 850	73,950	82,350
Coastal Louisiana	-----	-----	288,400	-----	288,650	278,500
<b>Total Louisiana</b>	<b>350,000</b>	<b>396,200</b>	<b>363,000</b>	<b>+ 850</b>	<b>362,600</b>	<b>360,850</b>
Arkansas	78,000	78,235	81,350	+ 200	80,950	77,350
Mississippi	45,000	-----	43,850	- 2,950	45,750	48,850
Alabama	-----	-----	350	+ 50	300	-----
Florida	-----	-----	50	-----	50	-----
Tennessee	210,000	-----	205,150	- 3,550	204,900	217,300
Indiana	14,000	-----	12,200	- 2,750	13,350	14,950
Eastern (Not incl. Ill., Ind., Ky.)	74,200	-----	70,900	+ 5,900	69,450	76,350
Kentucky	25,000	-----	24,400	- 2,100	25,100	27,500
Michigan	51,000	-----	50,100	+ 600	50,400	58,600
Wyoming	100,000	-----	98,850	+ 9,750	91,300	104,350
Montana	24,000	-----	19,600	-----	19,600	21,300
Colorado	8,000	-----	9,450	+ 800	8,900	7,500
New Mexico	110,000	110,000	106,100	+ 150	106,000	109,350
<b>Total East of Calif.</b>	<b>3,871,200</b>	<b>3,865,300</b>	<b>3,865,300</b>	<b>+ 36,100</b>	<b>3,822,350</b>	<b>3,587,950</b>
California	885,000	885,000	880,200	+ 20,000	867,650	787,800
<b>Total United States</b>	<b>4,756,200</b>	<b>4,745,500</b>	<b>4,745,500</b>	<b>+ 56,100</b>	<b>4,690,000</b>	<b>4,375,750</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. Sept. 14, 1944.

‡This is the net base allowable as of Sept. 1 calculated on a 30-day basis and includes shut-downs and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shut-downs were ordered for from 1 to 15 days, the entire state was ordered shut down for 6 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 6 days shutdown time during the calendar month. §Recommendation of Conservation Committee of California Oil Producers.

### CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED SEPT. 16, 1944

(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis—

District	Daily Refining Capacity	Crude Runs to Still	Gasoline at Refineries	Stocks of Gasoline	Stocks of Gas Oil	Stocks of Distillate Fuel	Stocks of Residual Fuel
Combin'd East Coast	2,518	90.3	2,440	96.9	7,081	35,607	23,410
Appalachian	130	83.9	99	76.2	280	2,256	565
District No. 1	47	87.2	60	127.7	188	1,399	209
District No. 2	824	85.2	749	90.9	2,807	17,018	6,147
Ind., Ill., Ky.	418	80.2	369	88.3	1,449	6,844	1,995
Okl., Kans., Mo.	-----	-----	-----	-----	-----	-----	-----
Rocky Mountain	13	17.0	11	84.6	35	62	13
District No. 3	141	58.3	117	83.0	358	1,748	395
District No. 4	817	89.9	740	90.6	2,003	13,792	10,822
California	-----	-----	-----	-----	-----	-----	-----
<b>Total U. S. B. of M.</b>	<b>4,908</b>	<b>87.2</b>	<b>4,585</b>	<b>93.4</b>	<b>14,201</b>	<b>78,726</b>	<b>43,556</b>
<b>Total U. S. B. of M.</b>	<b>4,908</b>	<b>87.2</b>	<b>4,584</b>	<b>93.4</b>	<b>14,093</b>	<b>79,576</b>	<b>43,053</b>
<b>U. S. Bur. of Mines</b>	<b>4,222</b>	<b>-----</b>	<b>4,222</b>	<b>-----</b>	<b>12,737</b>	<b>70,330</b>	<b>38,998</b>

\*At the request of the Petroleum Administration for War. †Finished, 65,994,000 barrels; unfinished, 12,732,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,380,000 barrels of kerosine, 4,470,000 barrels of gas oil and distillate fuel oil and 8,214,000 barrels of residual fuel oil produced during the week ended Sept. 16, 1944, which compares with 1,464,000 barrels, 4,440,000 barrels and 8,999,000 barrels, respectively, in the preceding week and 1,391,000 barrels, 4,287,000 barrels and 8,562,000 barrels, respectively, in the week ended Sept. 18, 1943.

Note—Stocks of kerosine at Sept. 16, 1944 amounted to 13,724,000 barrels, as against 13,289,000 barrels a week earlier and 11,151,000 barrels a year before.

## 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)

1944— Daily Averages	U. S. Govt. Bonds	Ave. Corporate Rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Sept. 26	119.30	112.56	118.60	117.00	112.37	103.13	106.13	114.08	117.20
25	119.30	112.56	118.60	117.00	112.37	103.13	106.74	114.08	117.20
23	119.30	112.56	118.60	117.00	112.37	103.13	106.74	114.08	117.20
22	119.22	112.56	118.60	117.00	112.37	103.13	106.74	114.08	117.20
21	119.20	112.56	118.60	117.00	112.37	103.13	106.74	114.08	117.20
20	119.33	112.56	118.60	117.00	112.37	103.13	106.74	114.27	117.20
19	119.33	112.56	118.60	117.00	112.37	103.13	106.74	114.27	117.20
18	119.42	112.56	118.60	117.00	112.37	103.13	106.74	114.27	117.20
16	119.42	112.56	118.60	117.00	112.37	103.13	106.74	114.27	117.20
15	119.42	112.56	118.60	117.00	112.37	103.13	106.74	114.27	117.20
14	119.43	112.56	118.60	117.00	112.19	103.13	106.74	114.27	117.00
13	119.48	112.56	118.60	117.00	112.19	103.13	106.74	114.27	117.00
12	119.39	112.56	118.60	117.00	112.19	103.13	106.74	114.27	117.00
11	119.45	112.56	118.60	117.00	112.19	103.13	106.74	114.27	117.00
9	119.47	112.56	118.60	117.00	112.19	103.13	106.74	114.27	117.00
8	119.48	112.56	118.60	117.00	112.00	103.13	106.74	114.27	117.00
7	119.63	112.56	118.60	117.00	112.00	103.13	106.74	114.27	117.00
6	119.64	112.56	118.60	117.00	112.19	103.13	106.74	114.27	117.20
5	119.64	112.56	118.60	117.00	112.19	103.13	106.74	114.27	117.20
4	-----	-----	-----	-----	-----	-----	-----	-----	-----
2	-----	-----	-----	-----	-----	-----	-----	-----	-----
1	119.81	112.56	118.60	117.00	112.00	103.13	106.74	114.27	117.20
Aug. 25	119.89	112.75	118.60	117.40	112.19	103.30	106.74	114.27	117.20
18	119.84	112.56	118.60	117.00	112.37	103.30	106.92	114.08	117.20
11	119.84	112.56	118.60	117.00	112.37	103.30	106.92	114.08	117.20
4	120.08	112.56	118.60	117.00	112.19	103.30	106.74	114.08	117.20
July 28	120.10	112.37	118.60	116.80	112.19	103.13	106.56	114.27	117.00
21	120.18	112.56	118.60	117.00	112.19	103.13	106.56	114.27	117.00
14	120.23	112.56	118.60	117.00	112.19	103.13	106.39	114.08	117.40
7	120.27	112.56	118.60	117.00	112.37	102.96	106.21	114.08	117.40
June 30	120.15	112.37	118.60	116.80	112.00	102.80	106.04	113.89	117.40
23	120.13	112.19	118.40	116.80	112.00	102.63	106.04	113.89	117.20
16	120.01	112.19	118.40	116.61	112.00	102.63	105.86	113.70	117.20
9	119.88	112.19	118.60	116.61	111.81	102.46	105.69	113.89	117.20
2	119.99	112.19	118.60	116.80	111.81	102.46	105.86	113.89	117.00
May 26	119.66	112.19	118.40	116.80	111.81	102.30	105.86	113.89	117.00
Apr. 28	119.35	111.81	118.40	116.61	111.62	101.47	105.34	113.70	116.41
Mar. 31	119.68	111.44	118.20	116.41	111.25	100.81	104.66	113.70	116.22
Feb. 25	120.21	111.25	118.20	116.41	111.07	100.32	104.31	113.50	116.22
Jan. 28	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41
High 1944	120.44	112.75	118.40	117.40	112.56	103.30	106.92	114.27	117.40
Low 1944	119.20	110.70	118.20	116.22	110.88	99.04	103.30	113.12	116.02
High 1943	120.87	111.44	119.41	117.00	111.81	99.36	103.47	114.27	117.40
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
1 Year Ago	120.55	111.07	119.00	116.41	111.25	98.88	103.30	113.89	116.41
2 Years Ago	117.51	107.27	117.00	113.89	108.52	92.20	97.16	111.62	114.08

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

1944— Daily Averages	U. S. Govt. Bonds	Ave. Corporate Rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Sept. 26	1.85	3.03	2.72	2.80	3.04	3.56	3.35	2.95	2.79
25	1.85	3.03	2.71	2.80	3.04	3.56	3.35	2.95	2.79
23	1.85	3.03	2.72	2.79	3.04	3.56	3.35	2.95	2.79
22	1.86	3.03	2.72	2.79	3.04	3.56	3.35	2.95	2.79
21	1.86	3.03	2.72	2.79	3.04	3.56	3.35	2.95	2.78
20	1.85	3.03	2.72	2.79	3.04	3.56	3.35	2.94	2.79

## Weekly Coal And Coke Production Statistics

The Solid Fuels Administration, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Sept. 16, 1944, is estimated at 11,525,000 net tons, compared with 10,900,000 tons in the preceding week (which included the Labor Day holiday) and 12,049,000 tons in the corresponding week last year. Cumulative output of soft coal from Jan. 1 to Sept. 16, 1944 totaled 447,105,000 tons, as against 420,465,000 tons in the same period in 1943, or an increase of 6.3%.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Sept. 16, 1944 was estimated at 1,263,000 tons, an increase of 120,000 tons (10.5%) over the preceding week. When compared with the output in the week ended Sept. 18, 1943, there was a decrease of 7,000 tons, or 0.6%. The calendar year to date shows an increase of 5.9% when compared with the corresponding week of 1943.

The Bureau of Mines also reported that the estimated production of beehive coke in the United States for the week ended Sept. 16, 1944 showed an increase of 14,500 tons when compared with the output for the week ended Sept. 9, 1944; but was 36,400 tons less than for the corresponding week of 1943.

### ESTIMATED UNITED STATES PRODUCTION OF COAL, IN NET TONS

	Week Ended			January 1 to Date		
	Sep. 16, 1944	Sep. 9, 1944	Sep. 18, 1943	Sep. 16, 1944	Sep. 18, 1943	Sep. 18, 1937
Bituminous coal and lignite—	11,525,000	10,900,000	12,049,000	447,105,000	420,465,000	313,371,000
Total incl. mine fuel	1,921,000	2,019,000	2,008,000	2,029,000	1,897,000	1,428,000
Daily average	202,500	197,667	200,800	203,222	189,778	142,800

\*Revised. †Subject to current adjustment. ‡Labor Day, Sept. 4, 1944, weighted as 0.4 of a normal working day.

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

	Week Ended			Calendar Year to Date		
	Sep. 16, 1944	Sep. 9, 1944	Sep. 18, 1943	Sep. 16, 1944	Sep. 18, 1943	Sep. 18, 1937
Penn. anthracite—	1,263,000	1,143,000	1,270,000	46,566,000	43,953,000	35,963,000
Total incl. coll. fuel	1,212,000	1,097,000	1,219,000	44,704,000	42,195,000	34,165,000
Commercial produc.	1,212,000	1,097,000	1,219,000	44,704,000	42,195,000	34,165,000

Beehive coke—  
United States total 126,700 112,200 163,100 5,364,600 5,581,300 2,532,500  
\*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Subject to revision. ‡Revised.

### ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES (In Net Tons)

(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.)

State—	Week Ended			Total
	Sep. 9, 1944	Sep. 2, 1944	Sep. 11, 1943	
Alabama	365,000	371,000	357,000	242,000
Alaska	5,000	5,000	6,000	3,000
Arkansas and Oklahoma	90,000	85,000	85,000	56,000
Colorado	118,000	143,000	142,000	114,000
Georgia and North Carolina	1,000	1,000	1,000	1,000
Illinois	1,235,000	1,415,000	1,335,000	806,000
Indiana	465,000	538,000	504,000	275,000
Iowa	39,000	40,000	48,000	59,000
Kansas and Missouri	150,000	160,000	140,000	114,000
Kentucky—Eastern	934,000	955,000	948,000	718,000
Kentucky—Western	308,000	348,000	306,000	142,000
Maryland	31,000	38,000	35,000	25,000
Michigan	1,000	2,000	4,000	8,000
Montana (bitum. & lignite)	92,000	100,000	89,000	48,000
New Mexico	29,000	34,000	33,000	26,000
North & South Dakota (lignite)	39,000	50,000	37,000	29,000
Ohio	560,000	630,000	633,000	417,000
Pennsylvania (bituminous)	2,605,000	2,637,000	2,876,000	1,988,000
Tennessee	136,000	138,000	129,000	91,000
Texas (bituminous & lignite)	2,000	3,000	4,000	21,000
Utah	114,000	140,000	88,000	77,000
Virginia	370,000	370,000	394,000	287,000
Washington	28,000	34,000	29,000	29,000
West Virginia—Southern	2,125,000	2,155,000	2,302,000	1,711,000
West Virginia—Northern	893,000	1,080,000	966,000	493,000
Wyoming	165,000	167,000	169,000	103,000
Other Western States	*	*	*	*
Total bituminous & lignite	10,900,000	11,640,000	11,660,000	7,863,000
Pennsylvania anthracite	1,148,000	1,316,000	1,196,000	617,000
Total, all coal	12,048,000	12,956,000	12,856,000	8,480,000

†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 and Oregon. \*Less than 1,000 tons.

## Civil Engineering Construction \$19,235,000 For Week

Civil engineering construction volume in continental United States totals \$19,235,000 for the week, the second lowest volume reported to "Engineering News-Record" in 1944. The week's total, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 55% below a week ago, 73% under the corresponding 1943 week, and 48% below the previous four-week moving average. The report, made public Sept. 21, went on to say:

Private construction is 37 and 54% lower, respectively, than a week ago and a year ago. Public work is down 58% compared with last week, and is 76% below last year as both State and municipal volume and Federal construction report decreases.

The week's construction brings 1944 volume to \$1,348,716,000 for the 38-week period, a decrease of 45% from the \$2,437,651,000 reported in 1943. Private construction, \$285,929,000, is 9% below a year ago, and public construction, \$1,062,787,000, is 50% lower due to the 55% decline in Federal work. State and municipal volume is 16% above the 1943 period.

Civil engineering construction volumes for the 1943 week, last week, and the current week are:

	Sept. 23, '43	Sept. 14, '44	Sept. 21, '44
Total U. S. construction	\$71,951,000	\$42,470,000	\$19,235,000
Private construction	9,491,000	6,993,000	4,397,000
Public construction	62,460,000	35,477,000	14,838,000
State and municipal	8,366,000	8,041,000	4,955,000
Federal	54,094,000	27,436,000	9,883,000

In the classified construction groups, gains over last week are in industrial buildings, and earthwork and drainage. Waterworks

is the only class of work to gain over its 1943 week's total. Sub-totals for the week in each class of construction are: waterworks, \$771,000; sewerage, \$392,000; bridges, \$237,000; industrial buildings, \$3,286,000; commercial buildings and large-scale private housing, \$731,000; public buildings, \$5,113,000; earthwork and drainage, \$2,026,000; streets and roads, \$3,616,000; and unclassified construction, \$3,063,000.

New capital for construction purposes for the week totals \$4,779,000. It is made up of \$3,209,000 in State and municipal bond sales, and \$1,570,000 in corporate security issues. The week's new financing brings the 1944 volume to \$1,610,355,000 for the 38 weeks, a total 47% below the \$3,030,299,000 reported for the corresponding 1943 period.

## Trading On New York Exchanges

The Securities and Exchange Commission made public on Sept. 20 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Sept. 2, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Sept. 2 (in round-lot transactions) totaled 1,123,500 shares, which amount was 15.80% of the total transactions on the Exchange of 3,555,720 shares. This compares with member trading during the week ended Aug. 26 of 1,367,632 shares, or 16.82% of the total trading of 4,065,270 shares. On the New York Curb Exchange, member trading during the week ended Sept. 2 amounted to 306,410 shares, or 13.44% of the total volume on that exchange of 1,140,415 shares; during the Aug. 26 week trading for the account of Curb members of 386,925 shares was 12.8% of total trading of 1,509,115 shares.

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

WEEK ENDED SEPT. 2, 1944		
A. Total Round-Lot Sales:	Total for week	%
Short sales	99,840	
Other sales	3,455,880	
Total sales	3,555,720	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	277,350	
Short sales	41,630	
Other sales	237,230	
Total sales	278,860	7.82
2. Other transactions initiated on the floor—		
Total purchases	157,710	
Short sales	7,750	
Other sales	128,190	
Total sales	135,940	4.13
3. Other transactions initiated off the floor—		
Total purchases	100,318	
Short sales	20,410	
Other sales	152,912	
Total sales	173,322	3.85
4. Total—		
Total purchases	535,378	
Short sales	69,790	
Other sales	518,332	
Total sales	588,122	15.80

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

WEEK ENDED SEPT. 2, 1944		
A. Total Round-Lot Sales:	Total for week	%
Short sales	14,700	
Other sales	1,125,715	
Total sales	1,140,415	
B. Round-Lot Transactions for Account of Members: 1. Transactions of specialists in stocks in which they are registered—		
Total purchases	81,800	
Short sales	3,925	
Other sales	73,395	
Total sales	77,320	6.98
2. Other transactions initiated on the floor—		
Total purchases	30,880	
Short sales	4,300	
Other sales	22,085	
Total sales	26,385	2.51
3. Other transactions initiated off the floor—		
Total purchases	34,190	
Short sales	3,000	
Other sales	52,835	
Total sales	55,835	3.95
4. Total—		
Total purchases	146,870	
Short sales	11,225	
Other sales	148,315	
Total sales	159,540	13.44
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
Customers' other sales	44,673	
Total purchases	44,673	
Total sales	36,091	

\*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's rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

## Business Failures In August Smaller

Business failures in August were lower in both number and the amount of liabilities involved than in July 1944 or August 1943. Business insolvencies in August, according to Dun & Bradstreet, Inc. totaled 77 and involved \$1,054,000 liabilities as compared with 91 involving \$3,559,000 in July, and 227 involving \$2,905,000 in August a year ago.

The decrease in the number of failures in August from July took place in all the divisions of trade into which the report is divided with the exception of the Manufacturing group which reported more failures, and the Construction group which reported the same number of failures. When the amount of the liabilities is considered it is found that all the groups had less liabilities involved in August than in July.

Manufacturing failures last month numbered 28, involving \$557,000 liabilities, compared with 23 in July, with \$2,451,000 liabilities. Wholesale failures decreased from 8 to 5 and the liabilities from \$159,000 in July to \$86,000 in August. In the retail trade section insolvencies were down from 41 to 32 and liabilities from \$291,000 to \$272,000. Construction failures numbered 9 in August the same as in July but liabilities were \$123,000 in August as against \$144,000 in July. Commercial service failures numbered three in August as against 10 in July and liabilities only \$16,000 in August against \$514,000 in July.

When the country is divided into Federal Reserve Districts it is found that the New York, St. Louis, Dallas and San Francisco Reserve districts had more failures in August than in July, the Richmond and Kansas City Reserve districts had the same number and the Minneapolis Reserve District is again distinguished by not reporting any failures. While all of the remaining districts show fewer failures in August than in July. When the amount of liabilities involved is considered, it is found that outside of the Minneapolis Reserve District which did not report any failures, only the Kansas City and Dallas Reserve districts had more liabilities involved in August than in July.

## NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Sept. 20 a summary for the week ended Sept. 9 of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Week Ended Sept. 9, 1944	
Odd-Lot Sales by Dealers (Customers' purchases)	Total for Week 20,329
Number of orders	572,503
Number of shares	\$21,593,157
Dollar value	
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	261
Customers' other sales	19,047
Customers' total sales	19,308
Number of Shares:	
Customers' short sales	9,528
Customers' other sales	499,986
Customers' total sales	509,514
Dollar value	\$17,984,452
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	50
Other sales	148,230
Total sales	148,280
Round-Lot Purchases by Dealers:	
Number of shares	175,300

\*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."

## Revenue Freight Car Loadings During Week Ended Sept. 16, 1944 Increased 66,405 Cars

Loading of revenue freight for the week ended Sept. 16, 1944, totaled 892,358 cars, the Association of American Railroads announced on Sept. 21. This was a decrease below the corresponding week of 1943 of 10,408 cars, or 1.2%, and a decrease below the same week in 1942 of 10,741 cars or 1.2%.

Loading of revenue freight for the week of Sept. 16 increased 66,405 cars, or 8.0% above the preceding week, which included the Labor Day holiday.

Miscellaneous freight loading totaled 407,126 cars, an increase of 33,230 cars above the preceding week, and an increase of 7,224 cars above the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 107,697 cars, an increase of 7,741 cars above the preceding week, and an increase of 6,042 cars above the corresponding week in 1943.

Coal loading amounted to 171,591 cars, an increase of 11,842 cars above the preceding week, but a decrease of 7,567 cars below the corresponding week in 1943.

Grain and grain products loading totaled 50,110 cars, an increase of 6,489 cars above the preceding week but a decrease of 4,014 cars below the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of Sept. 16 totaled 35,210 cars, an increase of 3,828 cars above the preceding week but a decrease of 3,074 cars below the corresponding week in 1943.

Livestock loading amounted to 20,118 cars, an increase of 2,165 cars above the preceding week but a decrease of 832 cars below the corresponding week in 1943. In the Western Districts alone loading of livestock for the week of Sept. 16 totaled 15,626 cars, an increase of 1,717 cars above the preceding week, but a decrease of 584 cars below the corresponding week in 1943.

Forest products loading totaled 43,392 cars, an increase of 1,291 cars above the preceding week but a decrease of 2,239 cars below the corresponding week in 1943.

Ore loading amounted to 78,562 cars, an increase of 3,244 cars above the preceding week but a decrease of 3,099 cars below the corresponding week in 1943.

Coke loading amounted to 13,762 cars, an increase of 403 cars above the preceding week, but a decrease of 923 cars below the corresponding week in 1943.

All districts reported decreases compared with the corresponding week in 1943, except the Southern, Central Western and Southwestern, and all districts reported decreases compared with 1942 except the Central Western and Southwestern.

	1944	1943	1942
5 Weeks of January	3,796,477	3,531,811	3,858,479
4 weeks of February	3,159,492	3,055,725	3,122,942
4 weeks of March	3,135,155	3,073,445	3,174,781
5 weeks of April	4,068,625	3,924,981	4,209,907
4 weeks of May	3,446,252	3,363,195	3,311,637
5 weeks of June	4,343,193	4,003,393	4,139,395
4 weeks of July	3,463,512	3,455,328	3,431,395
4 weeks of August	3,579,800	3,554,694	3,487,905
Week of September 2	898,450	901,075	887,960
Week of September 9	825,953	834,670	814,897
Week of September 16	892,358	902,766	903,099
Total	31,609,267	30,601,083	31,342,397

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Sept. 16, 1944. During the period 54 roads showed increases when compared with the corresponding week a year ago.

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

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
<b>Eastern District—</b>					
Ann Arbor	302	226	330	1,378	1,471
Bangor & Aroostook	1,388	1,017	817	419	195
Boston & Maine	6,712	7,059	6,156	13,480	14,690
Chicago, Indianapolis & Louisville	1,331	1,332	1,506	2,024	2,036
Central Indiana	28	31	26	34	71
Central Vermont	1,027	995	1,037	2,386	2,601
Delaware & Hudson	5,750	6,207	6,364	12,246	11,420
Delaware, Lackawanna & Western	7,713	7,496	7,695	11,222	11,354
Detroit & Mackinac	280	200	532	1,133	133
Detroit, Toledo & Ironton	2,093	2,104	1,781	1,503	1,286
Detroit & Toledo Shore Line	339	369	304	2,735	2,625
Erie	13,433	13,622	12,879	16,596	19,189
Grand Trunk Western	4,008	4,003	4,769	7,701	7,319
Lehigh & Hudson River	139	220	162	2,504	2,687
Lehigh & New England	1,845	1,957	2,243	1,660	1,702
Lehigh Valley	8,629	9,170	9,214	14,118	14,399
Maine Central	2,408	2,448	2,464	3,295	2,642
Monongahela	4,827	6,188	6,462	275	457
Montour	2,740	2,355	2,407	30	134
New York Central Lines	52,603	55,355	51,325	54,055	56,686
N. Y. N. H. & Hartford	8,454	9,721	8,772	16,402	18,726
New York, Ontario & Western	1,310	1,229	1,034	3,028	2,464
New York, Chicago & St. Louis	6,845	7,623	9,404	14,452	16,034
N. Y. Susquehanna & Western	419	656	377	2,038	1,522
Pittsburgh & Lake Erie	8,045	7,762	7,828	8,850	8,556
Pere Marquette	5,350	5,549	5,564	7,341	8,003
Pittsburgh & Shawmut	1,015	977	872	19	19
Pittsburgh, Shawmut & North	331	379	364	247	250
Pittsburgh & West Virginia	1,207	1,205	963	2,759	2,992
Rutland	378	372	417	1,101	1,099
Wabash	6,318	6,290	5,943	11,663	13,220
Wheeling & Lake Erie	5,969	5,861	5,679	4,263	4,554
<b>Total</b>	<b>163,235</b>	<b>169,978</b>	<b>165,685</b>	<b>219,937</b>	<b>230,596</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
<b>Allegheny District—</b>					
Akron, Canton & Youngstown	761	761	790	1,321	1,227
Baltimore & Ohio	45,225	45,778	43,589	27,459	29,820
Bessemer & Lake Erie	5,694	6,980	6,949	1,594	2,173
Buffalo Creek & Gauley	318	279	291	5	4
Cambria & Indiana	1,675	1,826	1,912	11	6
Central R. E. of New Jersey	6,200	7,335	7,470	18,930	22,452
Cornwall	528	664	651	59	58
Cumberland & Pennsylvania	209	225	246	6	16
Ligonier Valley	137	140	127	39	29
Long Island	1,496	1,894	1,099	2,849	4,199
Penn.-Reading Seashore Lines	1,937	1,959	1,947	2,683	2,939
Pennsylvania System	89,565	86,160	85,238	64,053	67,128
Reading Co.	15,257	15,974	15,154	27,241	29,497
Union (Pittsburgh)	18,706	21,060	21,269	6,193	8,345
Western Maryland	3,139	4,554	4,282	12,539	13,111
<b>Total</b>	<b>190,847</b>	<b>195,589</b>	<b>191,014</b>	<b>164,982</b>	<b>181,002</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
<b>Pocahontas District—</b>					
Chesapeake & Ohio	29,419	29,425	28,131	13,614	13,832
Norfolk & Western	20,868	22,673	22,765	7,353	7,011
Virginian	3,253	4,749	4,678	2,314	2,409
<b>Total</b>	<b>53,540</b>	<b>56,847</b>	<b>55,574</b>	<b>23,281</b>	<b>23,252</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
<b>Southern District—</b>					
Alabama, Tennessee & Northern	281	276	321	385	346
Atl. & W. P.—W. R. R. of Ala.	737	658	703	2,450	2,671
Atlanta, Birmingham & Coast	698	764	690	1,231	1,053
Atlantic Coast Line	11,031	11,346	11,158	9,877	9,911
Central of Georgia	455	381	477	4,518	4,234
Charleston & Western Carolina	1,759	1,521	1,587	1,627	1,452
Clinchfield	289	410	537	3,028	2,677
Columbus & Greenville	136	100	122	315	146
Durham & Southern	723	1,286	657	496	1,782
Florida East Coast	40	35	28	102	114
Gainesville Midland	1,202	1,205	1,450	2,682	3,299
Georgia	415	467	356	626	564
Georgia & Florida	4,534	4,085	4,226	3,992	4,234
Gulf, Mobile & Ohio	30,519	28,721	30,009	18,086	16,872
Illinois Central System	25,587	25,220	26,155	11,366	11,880
Louisville & Nashville	180	240	190	652	657
Macon, Dublin & Savannah	319	295	237	549	484
Mississippi Central	3,149	3,381	3,670	4,739	5,062
Nashville, Chattanooga & St. L.	1,180	1,031	1,501	1,956	1,641
Norfolk Southern	410	384	330	1,313	1,396
Piedmont Northern	457	462	491	8,420	9,715
Richmond, Fred. & Potomac	9,085	9,864	10,512	8,611	8,323
Seaboard Air Line	24,899	23,081	23,494	23,890	23,940
Southern System	683	480	465	1,004	1,031
Tennessee Central	137	144	106	1,149	990
Winston-Salem Southbound					
<b>Total</b>	<b>122,172</b>	<b>119,612</b>	<b>123,741</b>	<b>114,518</b>	<b>114,921</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
<b>Northwestern District—</b>					
Chicago & North Western	21,267	23,388	21,775	14,132	14,871
Chicago Great Western	2,382	2,900	2,904	3,175	3,138
Chicago, Milw., St. P. & Pac.	23,355	22,573	21,650	10,961	10,918
Chicago, St. Paul, Minn. & Omaha	3,595	4,160	4,275	4,612	4,131
Duluth, Missabe & Iron Range	26,604	29,829	33,265	254	349
Duluth, South Shore & Atlantic	1,592	1,202	1,515	490	538
Elgin, Joliet & Eastern	9,484	8,576	10,164	9,992	10,363
Ft. Dodge, Des Moines & South	410	484	570	97	86
Great Northern	28,038	26,998	29,263	6,251	5,851
Green Bay & Western	556	544	501	916	1,008
Lake Superior & Ishpeming	2,661	2,325	2,575	54	57
Minneapolis & St. Louis	2,351	2,400	2,232	2,596	2,277
Minn., St. Paul & S. S. M.	8,298	8,242	8,611	2,892	2,708
Northern Pacific	12,501	11,957	13,645	5,979	5,341
Spokane International	184	275	262	520	486
Spokane, Portland & Seattle	2,280	2,862	2,854	3,808	3,157
<b>Total</b>	<b>145,558</b>	<b>148,715</b>	<b>156,061</b>	<b>66,759</b>	<b>65,279</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
<b>Central Western District—</b>					
Atch., Top. & Santa Fe System	25,783	24,554	24,530	14,850	13,206
Alton	3,518	3,358	3,454	4,342	3,982
Bingham & Garfield	438	574	922	89	101
Chicago, Burlington & Quincy	20,877	21,569	20,161	14,146	13,022
Chicago & Illinois Midland	2,818	2,945	2,611	865	770
Chicago, Rock Island & Pacific	13,176	13,302	14,004	12,323	11,878
Chicago & Eastern Illinois	2,655	2,785	2,733	5,795	5,607
Colorado & Southern	908	899	1,020	2,929	2,073
Denver & Rio Grande Western	5,282	4,480	4,787	6,606	6,568
Denver & Salt Lake	892	912	1,008	35	9
Fort Worth & Denver City	1,043	1,512	1,532	2,469	1,863
Illinois Terminal	1,991	1,771	1,857	5,238	4,896
Missouri-Illinois	1,472	1,277	1,318	742	472
Nevada Northern	1,647	2,159	2,234	92	153
North Western Pacific	1,237	1,191	1,057	860	684
Peoria & Pekin Union	50	14	8	0	0
Southern Pacific (Pacific)	33,549	33,722	33,356	15,879	14,352
Toledo, Peoria & Western	278	295	304	1,980	1,831
Union Pacific System	19,798	17,701	16,350	19,059	17,718
Utah	515	587	621	4	9
Western Pacific	2,439	2,113	2,760	5,569	5,317
<b>Total</b>	<b>140,466</b>	<b>137,700</b>	<b>138,607</b>	<b>111,019</b>	<b>101,511</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
<b>Southwestern District—</b>					
Burlington-Rock Island	810	356	739	580	

## Items About Banks, Trust Companies

Donal C. O'Brien, Vice-President of The New York Trust Co., was elected a trustee of the Union Dime Savings Bank, New York City, at a meeting of the board on Sept. 20, according to an announcement made by William L. DeBost, President of the bank. Mr. O'Brien is Vice-President in charge of the office of The New York Trust Co. at 40th St. and Madison Ave.

Harvey L. Schwamm, President and Chairman of the board of directors of the National Bronx Bank of New York, announced on Sept. 21 the election of William Goldfine and Henry W. Jarrett as Vice-Presidents. Mr. Goldfine was formerly Assistant Vice-President, in charge of the Bronx offices of the National Safety Bank & Trust Co. Mr. Jarrett, formerly of the National City Bank of New York, will be in charge of the bank's consumer credit department. Both officers will be located at the main office, 150th St. and Melrose Ave., Bronx, New York.

William A. Fleet, first President and an organizer of the First National Bank of Cutchogue, L. I., N. Y., died on Sept. 18. He was 89 years old. It is learned from the Brooklyn "Daily Eagle" of Sept. 20 that Mr. Fleet, who served as President of the bank for 10 years, was a trustee of the Savings Bank of Southold and a director of the Suffolk County Mutual Fire Insurance Co.

The First Boston Corp. and associated dealers in Rochester, New York, are offering 5,000 shares of common stock of Lincoln-Alliance Bank & Trust Co. of Rochester at \$48 per share. Dealers' selling concession of \$1 per share will be allowed. On a pro forma basis reported earnings of the bank for 1943 were \$4.10 per share. The annual dividend rate is \$2 per share. On Sept. 5, 1944, the bank offered 31,333 shares of additional common to stockholders. The rights expired on Sept. 19 and it is reported that over 97% of the stock was purchased by the exercise of rights. The bank is the third largest in New York State outside New York City. It has deposits of approximately \$180,000,000.

Robert H. Gardiner, President and organizer of the Fiduciary Trust Co. of Boston, Mass., died on Sept. 15. He was 61 years of age. Mr. Gardiner was also prominent as an attorney, and held directorships in various Massachusetts banking and industrial organizations. He founded the trust company of which he was President in 1928.

On Sept. 23 the Corn Exchange National Bank & Trust Co. of Philadelphia quietly observed its 86th anniversary. The Corn Exchange opened on Sept. 23, 1858, on the second floor of a building known as "The Corn Exchange," at Second and Gold (near Dock St.), in old Philadelphia. Later that year the bank, with its total organization of five men, moved to a permanent location at the northeast corner of Second and Chestnut Sts., where its main office stands today. Through the years no dividend has ever been omitted. One office has become eleven, strategically located, and five employees have become six hundred. It is now the third largest bank in Philadelphia, having made steady and consistent progress, particularly during recent years. In June, 1934, deposits totaled \$74,103,985.79; by June 30, 1944, they had increased to \$222,642,195.79. David E. Williams, President of the bank, believes we can look forward with confidence and hope to the future.

Robert Kelso Cassatt, 70 years of age, retired senior partner in the banking firm of Cassatt & Co. of Philadelphia, Pa., died on Sept. 18. Mr. Cassatt was the son of the late Alexander J. Cassatt, former President of the Pennsylvania RR. Before his retirement in 1936 Mr. Robert K. Cassatt was connected with many other business and industrial concerns, aside from the Cassatt & Co. banking house. At the start of his career he was with the Pennsylvania RR. and New York Philadelphia & Norkolf RR. According to the Philadelphia "Inquirer" his business enterprises were varied and far spread, and at one time he served as director of The Philadelphia "Inquirer"; director of American Briquet Co., Arcade Real Estate Co., Midland Valley RR., Electric Storage Battery Co., Charles E. Hires Co., Mid-Continent Petroleum Corp., Barahona Sugar Co., Air Reduction Co., Western Saving Fund Society, the Waldorf Astoria Corp., and the United Gas Improvement Corp.

The Bank of Commerce & Savings of Washington, D. C., has advanced four members of its staff. Announcement of this was made by President Thomas J. Groom, according to the Washington "Post," which in an account of the changes by S. Oliver Goodman, said in part: "Francis E. Robey was advanced from Cashier to Vice-President. Thomas J. Morris, Assistant Cashier, succeeded Mr. Robey as Cashier. John E. Monk and George L. C. Scheirer, Assistant Cashiers, were elevated to the newly-created positions of Assistant Vice-Presidents."

At a meeting of the board of directors of the Baltimore National Bank, Baltimore, Md., on Sept. 22, an increase in the outstanding capital stock from 75,000 to 100,000 shares, \$10 par value, was proposed. On Sept. 23 J. S. Armstrong, Financial Editor of the Baltimore "Sun," in reporting this, said:

"The board proposed that the 25,000 additional shares be offered to existing stockholders in proportion to their present holdings at \$20 a share.

"The current market quotation for the stock is \$35.50 a share bid, \$37 asked.

"A special meeting of stockholders has been called for Oct. 3 to act on the board's recommendations.

"Proceeds from the sale of new stock will be used, with other funds, to retire the preferred stock now outstanding in the amount of \$650,000.

"After the issue of new stock and retirement of the old preferred, the bank will have a capital of \$1,000,000, surplus of \$2,000,000, and undivided profits in excess of \$400,000.

"The last published statement of the Baltimore National Bank showed total deposits of \$130,702,334 on June 30, as compared with \$96,110,105 a year earlier—an increase in the last 12 months of \$34,592,229.

"Total assets of the bank stood at \$134,714,830 at the end of last June, as against \$99,520,000 on the same date in 1943."

W. H. Schwarzschild, President of the Central National Bank of Richmond, Va., announces that Robert C. Baker has resumed his duties as a Vice-President and director, after having served for the past two years as a Lieutenant in the United States Naval Reserve.

Following the retirement of T. J. Davis as President of the First National Bank of Cincinnati, Ohio, W. E. Pierson, Executive Vice-President, has been elected as his successor in the presidency. Both men have been

connected with the First National for many years, and both held their respective posts for the past decade. We quote the Cincinnati "Enquirer" of Sept. 20, which said:

"Mr. Davis will continue to serve on the board of directors and hold the office of Chairman of the Executive Committee. He explained that he will serve in a consultative and advisory capacity 'without being tied down to the responsibilities of the office of President.'

"During the 10 years he has headed the bank capital has increased from \$10,935,897 on Jan. 1, 1934, to \$16,755,753 at present. Deposits have increased from \$48,959,457 to \$203,001,749 during the same period.

"Mr. Pierson has been a director of the First National since 1931. He was elected Vice-President of the bank in 1934 after retiring as President of Midland Acceptance Corp., which he had organized with Harry S. Layman, Chairman of the First National board."

Mr. Davis served as director of the Cincinnati branch of the Federal Reserve Bank of Cleveland for six years.

C. F. Kuehnle, President of the Central National Bank of Chicago, Ill., announced on Sept. 14 that the directors of the bank at a special meeting of the stockholders will approve a dividend payable in stock on a basis of one share for every five shares owned.

The Chicago "Tribune" of Sept. 16, in reporting this, also said:

"The total to be paid would be \$100,000, or 20% of present capital. Mr. Kuehnle said the proposed addition of \$100,000 to capital was in keeping with the continued upward trend of the bank's deposits and earnings. He said resources have grown from \$300,000 in 1936 to more than \$55,000,000."

George B. Luhman, President of the First Wisconsin Trust Co. of Milwaukee, Wis., announced the election of John W. Desmond as Vice-President and General Counsel, succeeding the late Charles M. Morris.

On Sept. 17 the Milwaukee "Journal" reported this, stating:

"Mr. Desmond joined the staff of the trust company in 1930, previously having been associated with the Western Adjustment & Inspection Co. In 1937 he became Assistant Trust Officer and was later advanced to Trust Officer."

The officers and directors of the First National Bank of Hutchinson, Kan., announce with regret the death on Sept. 15 of their President and valued business associate, Fred C. French.

The Farmers & Merchants Bank, Marianna, Ark., became a member of the Federal Reserve Bank of St. Louis on Sept. 20. The Reserve Bank, in its announcement, says:

"The new member was chartered Jan. 9, 1942. It has a capital of \$50,000, surplus of \$10,000, and total resources of \$722,392. Its officers are: N. C. Hodge, President; H. L. Petty, Executive Vice-President; W. V. Moye, Vice-President and Cashier, and Nellie R. Stallings, Assistant Cashier. The addition of the Farmers & Merchants Bank brings the total membership of the Federal Reserve Bank of St. Louis to 471. These member banks hold over 70% of the net deposits of all banking institutions in the Eighth District."

The Bank of Commerce, Oakland, Calif., a State member of the Federal Reserve System, has changed its title to the Oakland Bank of Commerce.

## Pope Pius Stresses Need Of International Organization To Preserve Peace

On the fifth anniversary of the war (Sept. 1) Pope Pius XII, speaking over the Vatican radio, reiterated the need of an international body for the preservation of peace, stating:

"In our Christmas speech of 1939 we already expressed a hope for the creation of international organizations that, avoiding the omissions and deficiencies of the past, would be really capable of preserving peace in accordance with the principles of justice and equity in the face of all external danger."

Continuing, the Pope said:

"Now in the light of such terrible experience, when the attention of statesmen and peoples is centered on the possibility of setting up a new universal organization for peace, we willingly express our sympathy and hope that concrete realization of this ideal will correspond in the widest possible measure to the nobility of the aim, the maintenance of security and peace throughout the world for the benefit of all."

Summarizing what the Pope had to say, the Associated Press accounts said in part:

"He defended the rights of private property, while asserting that the conditions of the masses should be bettered.

"The Pope asked that the future world organization, built on the ruins of war be founded on the principle of Christianity.

"The Christian idea regards as essential the betterment of the proletariat as a fundamental moral obligation, he said. The church is against exorbitant capitalism which violates the rights of others and conceals capital under anonymous forms, he said.

"The Pope said the institution of private property should be handled according to divine wisdom and the laws of nature.

"The Pope said the church's solicitude was directed especially now toward Rome and Italy. The results of the war in Italy have provoked such an abnormal situation that dangerous tendencies are manifesting themselves, he declared.

"Then he called upon those nations which were not damaged by the war to place at Italy's disposal resources and materials necessary for her rebirth."

In part in his address, Pope Pius had the following to say, according to his message as reported by the Federal Communications Commission and given in the New York "Times":

"At the end of this war, which has overwhelmed all activities of human life and directed them into other channels, the problem of the future aspect of the social order will be a subject of keen strife between various tendencies. In this struggle the Christian social idea has the arduous but noble task of bringing forward and demonstrating to those who follow other doctrines in theory and in practice that in this sphere, so important to the peaceful development of human relationships, the postulates of true equity and Christian principles can be closely joined, guaranteeing salvation and well-being to all who can give up their prejudices and passions and listen to the preaching of truth.

"Future social and economic policy organizing activity of the State, of local bodies, of professional organizations will not be able to achieve their lofty aims in continuing the fruitfulness of the social life and normal returns of a national economy unless they respect and protect the vital function of private property in its personal and total value.

"When distribution of property is an obstacle to this end, which is not necessarily an outcome of private inheritance, the State should in the common interest intervene, regulate its activities or issue a decree of expropriation with suitable indemnity.

"Similarly, small and medium holdings in agriculture, the arts, trade and industry must be guaranteed and supported. Coopera-

tive unions must provide them with the advantages of big business. In large concerns, which still are most productive, the possibility must be afforded of harmonizing the labor contract with the social contract.

"Nor should the suggestion be put forward that technical progress is toward the establishment of gigantic concerns and organizations that must inevitably cause the collapse of a social system based upon the private ownership of individuals.

"No technical progress will not necessarily and inevitably determine economic life. Too often it has yielded timidly to egoistic exigencies and calculations greedy to increase capital indefinitely. Why, therefore, should it not bow before the necessity of maintaining and insuring private property for all as a cornerstone of the social order? Even technical progress regarded as a social fact must not prevail over the general good, but must be governed by it and be subordinate to it."

At the conclusion of his address the Pope asserted that "the sword can — and indeed at times must open the road to peace." He added:

"The shadow of the sword may be cast over the transition from the cessation of hostilities to the formal conclusion of peace. The threat of the sword may loom inevitably within juridically necessary and morally justifiable limits even after the conclusion of peace, to safeguard the observance of rightful obligations and prevent a temptation to conflict.

"But the soul of a peace worthy of the name and purifying the spirit of the solution is justice, which impartially measures out to everyone what is due and takes from all their just due—justice, which does not give everything to everyone but gives love to all and wrong to no one; justice, which is worthy of truth and the mother of healthy freedom and assured greatness."

## Wadsworth Envoy To Syria And Lebanon

In making known on Sept. 20 that he had forwarded to the Senate the name of George Wadsworth for confirmation as Envoy Extraordinary and Minister Plenipotentiary near the Governments of Syria and Lebanon, President Roosevelt stated that "recognition of the independence of Syria and Lebanon by the United States Government is a step in which I, like every American, can take wholehearted pleasure." The President, said Washington advices to the New York "Times," further said:

"Our civilization has deep roots in the culture and wisdom of the Middle East. It is wholly fitting, therefore, that these spiritual bonds should find this new expression in closer political relations with these two free Arab States.

"The peoples of Syria and Lebanon have given ample evidence of their adherence to the principles of democracy and international collaboration. In welcoming them into the society of free sovereign nations, I am glad to pay tribute to the French people, who, while fighting gallantly for their own liberation, have given practical illustration of their ideals by taking action to implement the independence of the Syrian and Lebanese peoples."