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The Financial Situation.

The most important event of the week has unquestionably been the action last Sunday of the heads of the different railway unions in rejecting the proposition of the executives of the railroads that, in view of the continued collapse of trade and general business and the desperate plight in which the railroads as a consequence find themselves, railway labor agree voluntarily to a reduction of 10% in wage schedules. The proposition has been rejected in most uncompromising fashion. As a consequence trade and industry has been dealt another blow, from the effects of which it will not be easy to recover, and this at the very time when other conditions appeared to be shaping themselves so as to pave the way for a turn in the tide after the long continued depression in trade. In these circumstances the renewed downward plunge in the stock market, and the even more severe further break in the bond market the present week, can be no surprise.

Most unfortunate of all, the heads of the railroad unions, or the Railway Labor Executive Association, which is the official title by which they are known, in their communication to the Committee of Railroad Executives, in undertaking to set out the reasons that prompted them to turn down the proposal for a voluntary reduction in wage scales, show not the slightest conception of the seriousness of the situation confronting the railroads, and instead of dealing with the wage question in a manner showing evidence of its importance, treat the whole subject from the standpoint of spectacular display and as a peg on which to hang a specious plea on behalf of railway labor, wholly foreign to the point at issue. The whole communication is made up of one long line of sophistries, intended to befog and becloud the real point at issue. It has no place whatever as an argu-

ment in substantiation of the claims of the railroad workers.

Thus in addressing Daniel Willard of the Baltimore & Ohio RR. as Chairman of the Committee of Railroad Executives we find the Committee saying that the railroad executives are engaged in an attempt "to increase the present wages of capital," which is so far from the truth as to be a positive libel, since the purpose of the railroad executives is merely to preserve the properties as going concerns, so that they may continue their functions as public carriers in the interest of the whole population. The roads have suffered such a frightful shrinkage in revenues that unless some means of relief is found the greater part will be forced to default, not in the payment of dividends to their shareholders (a large percentage of them having already stopped the payment of dividends), but in the payment of interest on their funded or fixed debt. When that point is reached, they will have no alternative but to seek refuge in the hands of receivers, in which contingency future operation of the roads will be paralyzed and in not a few instances suspended altogether, as it will not be possible to find a market for repeated issues of receivers' certificates, from the proceeds of which alone the roads could be kept running.

The letter of D. B. Robertson, the Chairman of the Railway Labor Executives' Association, has the audacity to say: "You are taking nothing from the earnings of capital to support unemployed workers. You are asking that the employed workers take 10% from their earnings to support idle capital. (What an extraordinary statement this is!) We submit that the first duty of the employed workers, after their duty to their dependents, is an obligation to their fellow employees who are denied an opportunity of employment." A number of similar statements follow. Thus: "We have been asked to contribute, not to the relief of our fellow employees, but to the relief of those who have no claim upon our charity. We submit that impartial public opinion will support our answer that *labor cannot be called upon to pay a dole to idle capital.*"

Obviously this is simply grandstand display, and without the least warrant or justification in fact. The railroads are not asking for charity, nor for a dole. Their proposition resolves itself down to the simple fact, already mentioned, that railway revenues have fallen away in most depressing fashion, and that inasmuch as railway labor constitutes the most important item in the cost of running the roads, and as expenses must be lowered somehow, it seems only fair and right, and, in fact, inevitable, that wages should share to some decent and reasonable extent in the lowering of operating costs.

This is entirely apart from the reduction in the number of men employed, since necessarily, with less

freight to handle and to move, owing to the bad times, the number of railroad workers employed also decreases. There seems the more reason for asking this concession at the hands of railroad labor, since the cost of living has so largely diminished, and hence a given wage represents a corresponding increase in buying power. It indisputably follows that the railroad worker, where he has employment, fares no worse with the lower wage schedule than he did under the higher wage scale, but with the cost of living also higher. This, of course, is again separate and apart from the fact that large numbers of railroad workers find themselves wholly out of employment. True, this is no fault of the railroad workers, but neither is it the fault of the railroads or the railroad executives. The depression is not of their making, nor had they any hand in bringing it about.

In the closing part of his communication Mr. Robertson, on behalf of the railroad unions, continues his argument along the same lines, but with the phraseology and wording slightly changed, saying: "The suggestion of a wage reduction means simply that the labor share out of every dollar of revenue shall be decreased in order that the capital share may be increased." What fustean this is! Mr. Robertson then adds: "We submit that justice and a decent regard for the value of human life demand that, in this time, when millions of men and millions of dollars are unemployed, every dollar deducted from the earnings of employed men should be used to provide employment, or to support those workers who are denied the opportunity to earn a living. No other principle of a distribution of the rewards of industry should be voluntarily accepted by the workers, and we do not believe that any other principle will be imposed by the power of government, or the force of public opinion."

There is an air of plausibility about statements like this that is calculated to mislead the uninformed and on that account such statements are more than ordinarily mischievous. For the same reason they are also calculated to lead railroad workers to assume an attitude of opposition or hostility to proposals for wage reductions which they would not otherwise assume if decision rested entirely upon their own volition and was left to their own best judgment uninfluenced by labor leaders who have everything to gain and nothing to lose by provoking the spirit of hostility.

In the course of his remarks Mr. Robertson also observes that the suggestion of a wage reduction is not "coupled with any assurance that the money thus saved would be applied either to increase employment, or even to stabilize existing employment," and then makes the remarkable declaration that "The Railway Labor Executives' Association sought this conference for the express purpose of seeking the adoption of measures to provide relief from the present severe unemployment and to obtain assurances of present and future increase and stabilization of employment." We call this declaration "remarkable," since it is tantamount to saying that the railway labor executives never really had genuine intention of giving consideration to the question of lowering wages as a means of relief for the benefit of the railroads, but took it under advisement simply as a possible way of obtaining certain advantages for the railroad workers in accordance with some far-fetched scheme of social reform distinct and apart from the wage question. The matter is important as showing

that at a time of dire peril for the railroads much valuable time has been fritted away.

On behalf of the railroads Daniel Willard, as Chairman of the Committee of Railroad Executives, makes a very dignified reply to all of the foregoing. Quoting the statement of Mr. Robertson, of the railroad unions, that the suggestion concerning a voluntary wage reduction is "not coupled with any assurance that the money thus saved would be applied either to increase employment or even to stabilize existing employment," Mr. Willard points out that the matter was very fully discussed in conference, and the railroad executives supposed that the labor executives "realized the difficulties, in fact, the impossibilities, of giving any assurances concerning the future, with conditions as uncertain as they are at the present time." He adds: "We did, however, express the view that should such a reduction be made as we suggested, it would naturally tend to stabilize the employment of those now in the service and probably result in bringing back into the service many now temporarily unemployed. We also pointed out that in case a reduction should *not* be made and business continue on the present basis, it would probably come about that some of the men now working would have to be furloughed."

In view of the attempt of these railroad chiefs to make it appear that the suggestion of a voluntary lowering of wages is an endeavor to gain favor for railroad capital at the expense of railway labor, it seems very important to adduce certain incontrovertible facts to the contrary. There are several ways of applying the test. In the first place the course of railroad dividends in the period since the disastrous collapse in the autumn of 1929 furnishes a conclusive record in that respect. The whole of that period has been marked by dividend reductions and dividend omissions on railroad shares, coming one after another, without parallel in American railroad history. The list is such a long one that it is possible to enumerate here only a few of the most conspicuous instances of the kind. Even during the current month there have been numerous instances of the kind. Last week we noted in this column that the Southern Pacific Co. had reduced its quarterly dividend from 1½% to 1%, and that the Chicago & North Western Railway had passed off the dividend list entirely, omitting dividends on both the common and the preferred shares, while the Atlantic Coast Line RR. had declared a semi-annual dividend of only 2% on the common stock, whereas previously the company had made regular semi-annual distributions of 3½% on this issue, and in addition an extra dividend of 1½% was paid each six months from July 10 1926 to and including Jan. 10 1931. The Louisville & Nashville declared a semi-annual dividend of 2%, which compared with 2½% paid on Aug. 10 last and 3½% each six months previously.

In our issue of Nov. 14 we noted that the Alabama Great Southern on Nov. 12 had omitted the customary extra semi-annual dividends of 3% each on both the common and preferred stocks, though declaring the regular semi-annual dividends of 4% each on both issues. On Oct. 31 we reported that the Illinois Central RR. had suspended dividend payments altogether for the first time in over 70 years, and that the Pennsylvania RR. had further reduced its quarterly dividend from 75c. for its \$50 shares to 50c. a share, that is, from a basis of 6% a year to 4% a year, and comparing with 8% a year paid up to May 1931.

In our issue of Oct. 24 we noted among the dividend omissions that of the Georgia Southern & Florida Railway, which decided to omit the semi-annual dividend of 2½% usually made toward the close of November on the 5% and non-cumul. 1st pref. stock. Earlier in the month the Baltimore & Ohio RR. reduced from a basis of 5% per annum to 4%; previously this stock was on a dividend basis of 7% per annum. Lehigh Valley RR., after reducing its quarterly common dividend in April from 1¾% to 1¼% in October, omitted the quarterly payment altogether.

Previously a whole host of dividend reductions and suspensions marked the course of the year. Among the roads that passed off the dividend list on their common shares may be mentioned the Southern Railway, the Chicago Rock Island & Pacific, and the St. Louis-San Francisco, besides the Missouri-Kansas-Texas, the Kansas City Southern, and the Pere Marquette. The latter company suspended on the common stock in July 1931 and on the preferred stock and the prior preferred stock in November 1931. The New York Central cut its dividend first from a basis of 8% per annum to a basis of 6%, and later in the year to a basis of 4% per annum; now there is talk of still further cuts in the dividend. The Delaware Lackawanna & Western RR. reduced its quarterly dividends first from 3% to 2% in April, and then to 1% in October. The Great Northern in August reduced its semi-annual payments from 2½% to 1½%, and the Northern Pacific in November reduced from a basis of 5% per annum to 3%, while the St. Louis-Southwestern, which had been paying 5% yearly on the preferred stock, passed off the dividend list entirely in December 1930. The New York Chicago & St. Louis omitted dividend payments in October 1931 on both common and preferred stock.

Reference might also be made to the great depreciation that has occurred in the market value of the shares of the different railroads as an indication of the extent to which the roads have suffered by reason of the business depression and the resulting great shrinkage in revenues. New York Central sold down to 30⅝ this week as against 256½ in August 1929; Atchison dropped to 90¼ this week as against 298⅝ in 1929; Union Pacific this week touched 81½ against 297⅝ in August 1929; Southern Railway common sold at 10⅛ against 165 in May 1928; St. Louis-San Francisco sold at 6 against 133¾ in August 1929; Reading has sold as low as 45 the present year against 147¾ in September 1929; Pennsylvania sold this week at 22¼ against 110 in August 1929; Norfolk & Western on Oct. 5 sold at 112 against 290 in September 1929; New York New Haven & Hartford this week sold at 23 against 132½ in October 1929; New York Chicago & St. Louis at 6½ against 192⅝ in August 1929; Louisville & Nashville at 25⅛ against 159½ in May 1928; Illinois Central at 12¾ against 153½ in July 1929; Great Northern on Oct. 6 sold at 20 against 128¼ in July 1929; Rock Island common this week touched 11 against 143½ in September 1929; Atlantic Coast Line sold at 43¼ against 209½ in July 1929; Baltimore & Ohio this week got down to 24½ against 145⅝ in September 1929. And so on throughout the whole list. With the railroads suffering in all these ways, railroad labor has until the present time been called upon to make no wage reduction whatever.

Some illustrations of the magnitude of the decline in railroad revenues may also be cited as an indication of the plight to which the railroads have been reduced. In numerous instances in the case of the larger railroad systems net operating income for the 10 months ending Oct. 31 1931 is barely one-third of that of the corresponding period in 1929. Just think of the net income having vanished in two years to the extent of two-thirds of its former amount! In the table which follows we show the comparative figures for three years for several of the prominent systems:

	1931.	1930.	1929.
PENNSYLVANIA—			
<i>Month of October—</i>			
Gross revenue	\$ 38,206,879	\$ 50,949,539	\$ 66,125,434
Net operating income	6,284,609	9,912,914	15,010,492
<i>10 Mos. End. Oct. 31—</i>			
Gross revenue	385,377,628	492,863,315	588,475,059
Net operating income	44,485,734	83,024,705	122,042,518
ILLINOIS CENTRAL—			
<i>Month of October—</i>			
Gross revenue	10,227,497	13,160,788	17,498,824
Net operating income	1,867,744	3,495,708	3,443,065
<i>10 Mos. End. Oct. 31—</i>			
Gross revenue	99,687,899	126,791,584	152,577,703
Net operating income	8,562,177	19,083,114	23,395,911
ATCH. TOP. & SANTA FE—			
<i>Month of October—</i>			
Gross revenue	15,703,142	21,561,509	22,298,044
Net operating income	3,720,956	6,912,979	7,860,131
<i>10 Mos. End. Oct. 31—</i>			
Gross revenue	155,313,328	192,187,771	187,316,840
Net operating income	26,861,728	37,291,227	50,564,603
UNION PACIFIC—			
<i>Month of October—</i>			
Gross revenue	14,924,314	21,482,034	24,661,605
Net operating income	4,982,585	7,461,439	8,592,942
<i>10 Mos. End. Oct. 31—</i>			
Gross revenue	132,635,616	160,244,212	184,024,011
Net operating income	18,584,674	29,657,912	38,549,530
SOUTHERN PACIFIC—			
<i>Month of October—</i>			
Gross revenue	16,892,480	24,741,939	27,19,008
Net operating income	2,898,584	6,732,170	7,74,251
<i>10 Mos. End. Oct. 31—</i>			
Gross revenue	171,952,835	221,989,001	264,171,306
Net operating income	20,735,946	37,781,475	52,925,886
BALTIMORE & OHIO—			
<i>Month of October—</i>			
Gross revenue	13,314,399	18,203,775	22,899,047
Net operating income	3,122,994	4,480,707	5,256,490
<i>10 Mos. End. Oct. 31—</i>			
Gross revenue	136,752,704	178,061,495	208,988,441
Net operating income	23,339,713	34,801,539	43,514,963
N. Y. CENTRAL—			
<i>Month of September—</i>			
Gross revenue	31,269,317	40,939,551	51,503,365
Net operating income	2,183,913	5,615,570	10,438,800
<i>9 Mos. End. Sept. 30—</i>			
Gross revenue	296,329,639	368,433,394	446,509,344
Net operating income	24,647,729	46,639,745	81,866,511

Note that the Pennsylvania RR. earned net of only \$6,284,609 in October 1931 against 15,010,492 in October 1929, and for the 10 months ending Oct 31 has net of only \$44,485,734 in 1931 against no less than \$122,042,518 in 1929. The New York Central statement for October is not yet to hand, but for the nine months ending Sept. 30 this system showed net of only \$24,647,729 in 1931 against \$81,866,511 in 1929. The Illinois Central for the 10 months ending October 31 has net of only \$8,562,177 in 1931 against \$23,395,911 in 1929; the Atchison only \$26,861,728 against \$50,564,603; the Union Pacific \$18,584,674 against \$38,549,530; the Southern Pacific \$20,735,946 against \$52,925,886, and the Baltimore & Ohio \$23,339,713 against \$43,514,963.

Now that the efforts of the railroads to secure a voluntary reduction in wages have failed they will proceed at once to give notice of their intention to reduce wages under the provisions of the Transporta-

tion Act, and then if the rail workers refuse to accept the reduction the roads will be obliged to go through a long course of mediation and arbitration as provided in the Transportation Act. The prospect, therefore, is of almost interminable delay before operating costs can be reduced through a lowering of wage schedules, and the country faces the possibility that many systems in the meantime will be reduced to the point of absolute insolvency. The railroads, however, should now prosecute their case with vigor and energy, which thus far, it seems to us, they have failed to do. They have been altogether too lackadaisical in the matter. There has been too much exchange of perfunctory courtesy. The railroad labor unions make a point of saying to the railroad executives, "You have listened courteously to our propositions," as if anything else would have been in order, and the railroad executives repay the compliment by saying that very pleasant relations have been established with the workers and a fine spirit of friendship established. All of this is a waste of time when the situation is one of extreme urgency, and nothing is being accomplished as a result.

The railway executives also have shown what looks like a good deal of timidity in planning for a reduction in railroad labor pay. The subject has been handled in a very gingerly fashion. There are apparently two reasons for this. They have, on the one hand, been sincerely desirous of avoiding a reduction in wages if that was at all possible, and on the other hand the railroads have so long been harshly treated by legislative bodies and by railroad commissions that the managers now almost despair of obtaining concessions of any kind. But they cannot any longer continue along that course. There is too much at stake—not only the welfare of the railroads, but the welfare of the entire population. What is more, they cannot rest on a beggarly reduction of 10%. The reduction should be at least 15 to 20%. The situation demands it and anything less would be in the nature of a half-way measure.

The laws should also be changed so that each individual railroad system may deal singly and alone with its own employees. As a matter of fact, collective action among the different roads should be forbidden. In other words, the anti-trust law should be made to apply to railway employees the same as it does to organizations of capital in the various industries. Common action among the employees of all the railroads in the country should not be allowed. It places the entire transportation system of the entire country at the mercy of the heads of the railway unions. They can thereby precipitate a strike involving every railroad in the land. That is too great a risk to take. Besides this, uniform scales of wages and conditions applying alike to all the railroads are often unfair. They do not allow for differing conditions on the different roads and systems of the country, or even differing conditions in the same parts and sections. If each railroad were a free agent, the workers of every system could determine the matter for themselves, and quick settlements could be effected where now the matter may drag along indefinitely to the complete disorganization of all business.

Advices from Washington say that President Hoover is inclined to use his influence to prevent the lowering of wage scales so imperiously demanded

in the interest of railway solvency. If he follows that course, he will be simply repeating and perpetuating his mistake of the last two years, thereby further retarding the revival of trade and business. During the whole of that time this has been his attitude, not alone regarding labor in the railroad industry, but in other key industries, all of which has been most unfortunate, since it has served to prevent that adjustment to new conditions in the industrial world made necessary by the decline in the price levels of all descriptions. The subject is ably discussed in a copyrighted article by Walter Lippmann which appeared in the New York "Herald Tribune" on Tuesday of this week, and we reprint the article herewith, as follows:

"In the month of November two years ago the Administration laid down a policy for dealing with the depression. That policy was based on the theory that the collapse of prices in Wall Street need not and should not be followed by a general deflation of prices and dividends and wages. The Administration's view was accepted by Congress and by the industrial leaders of the country. Pledges were given and taken not to disturb wages or employment. The Farm Board set itself the task of holding up agricultural prices. Mr. Ford raised wages. The Steel Corporation declared an extra dividend. Congress reduced the income tax. The assumption was that the 1929 level of prices, wages, profits was normal and that a resolute concerted effort should be made to maintain it.

"The national policy, initiated by Mr. Hoover and consented to by the country, consisted of what Mr. H. G. Wells likes to call an 'open conspiracy.' It was an open conspiracy not to deflate.

"We are now in the later stages of the failure of that whole policy. It has not been possible to maintain the 1929 level of prices, profits, or wages. Experience has shown that government, finance and industry have not had the power to maintain the old price level. There has been a relentless movement down to a new price level. But the movement has not been uniform, for some prices and some wages are protected by a kind of monopoly. They have come down more slowly than unprotected prices and unprotected wages. The result is that to-day the whole economic system is out of adjustment because the relationships between all kinds of buyers and sellers, employers and workers, borrowers and lenders, are radically different from what they were two years ago.

"The basic premise of the Administration has been that the old adjustment would and should be restored. This has meant, if it meant anything, that for two years the Administration has been hoping and praying for an inflation to restore the price levels of 1929. On no other theory does the Administration's stand against the reduction of prices and wages make any sense. For obviously, if the prices of farm products and of raw materials are going to stay down somewhere around the pre-war level, it is not going to be possible to hold up rents, retail prices and wages far above that level. Therefore, unless the Administration can produce an inflation of wholesale prices, it can only prolong the maladjustment by opposing the deflation of retail prices and wages.

"The inflationary remedy was a tempting one until about two months ago. It is no longer tempting because it is no longer safe to fool with it. The financial crisis following Britain's abandonment of the gold standard, a crisis which has apparently been weathered, made an inflationary policy impracticable. Since that time there has been no real alternative but to work out a readjustment of all costs by deflation.

"This is what has actually been taking place. But the process of deflation is obviously not completed. The prices received by farmers have fallen 50%. The prices paid by farmers have fallen only about 20%. Farm wages have fallen 35%, wages in factories perhaps 10%, wages on railroads not at all. Retail prices have had a very uneven deflation: clothing has been reduced about 20% and food about 12%, but rent only about 8%. The conclusion is inescapable that the prices of manufactured goods at wholesale and retail have still to come down some, that rents have still to come down considerably, that wages which have not come down will come down, and that over-extended capitalization and credit have to be written off.

"While the deflation is in process uncertainty is bound to prevail. Consequently, the more quickly it is done the better. The time has come, therefore, for the Administration to acknowledge that the policy of standing pat at the 1929 level, which it adopted two years ago, is no longer feasible, and that, therefore, its moral and political resistance to the deflation is no longer justified. The policy has failed. It should be abandoned, and the Administration should return to a position of neutrality.

"It never was the business of a President to determine wage and price policies, and Mr. Hoover's experiment has been a failure. Persistence in it now simply prolongs the agony by raising false hopes and encouraging a futile resistance to the inevitable. The great inflation which began with the war has run its course and is ending, and no good whatever can come from acting as if the abnormal monetary structure of the war and post-war era were sacred. The structure has collapsed in all its essential parts, and the few tottering remnants of it which remain are useless and dangerous. They will have to come down before reconstruction can confidently begin."

The changes in the Federal Reserve returns this week are along the lines of those in other recent weeks, which means that they are favorable in showing that after a long period of huge inflation of Federal Reserve credit there is now a gradual return to more normal conditions, and that the volume of Reserve credit outstanding is being reduced while still remaining far in excess of that employed a year ago. However, the indications of contraction are not so pronounced the present week as they were in the three previous weeks, when all the different avenues through which Reserve credit flows gave evidence of its presence, whereas the present week the change for the better consists chiefly in the fact that the acceptance holdings have been further heavily reduced, while on the other hand direct borrowing by the member banks, as reflected in the discount holdings of the Reserve institutions, shows an increase again, after successive decreases since Oct. 28. The acceptance holdings of the 12 Reserve institutions are reported at \$479,798,000 the present week (Nov. 25) against \$534,017,000 Nov. 18; \$596,752,000 Nov. 11; \$642,033,000 Nov. 4; \$724,680,000 Oct. 28, and \$769,066,000 Oct. 21. The continued reduction in the bill holdings or acceptances follows from the twofold circumstance that the open market for acceptances has greatly improved, one indication of this being that the Reserve buying rate for acceptances has been lowered during the week, and that foreign banks are now again adding to their holdings of acceptances from week to week. The present week the foreign banks have added \$2,965,000 further to their holdings of acceptances, and the total of the foreign bill holdings, acquired through the Federal Reserve banks, now stands at \$117,

650,000 as against no more than \$40,571,000 on Oct. 14.

In partial offset to the diminution the past week of \$54,219,000 in Reserve credit employed in investments in acceptances, the discount holdings of the 12 Reserve institutions increased in amount of \$24,360,000; however, even after this increase the total of the discount holdings of the 12 Reserve banks is much smaller than a few weeks ago. The amount now, at \$686,401,000, compares with \$716,680,000 on Oct. 28. Holdings of United States Government securities have remained virtually unchanged during the week, as indeed has been the case ever since about the middle of October. Holdings of other securities are also somewhat lower the present week, though the change is not great, the amount this week (Nov. 25), at \$32,209,000, comparing with \$33,029,000 last week (Nov. 18). The final result is that total bill and security holdings, which are a measure of the volume of Reserve credit outstanding, stand at \$1,925,509,000 this week as against \$1,956,146,000 last week and \$2,224,398,000 Oct. 21. The amount of Federal Reserve notes in circulation, however, after having been reduced last week from \$2,449,959,000 to \$2,433,392,000 the present week, has increased again to \$2,445,726,000. Gold holdings are now again increasing each week, as a result of the large influx of the metal on the Pacific Coast from Japan and China, and the amount the present week has further increased from \$2,874,776,000 to \$2,928,698,000. Reserve ratios, therefore, against deposit and Federal Reserve note liabilities combined, continue once more to rise, this ratio the present week having risen from 64.1% to 65.0%. On Oct. 28 this ratio was only 59.9%; a year ago, however, on Nov. 26 1930, before the recent huge gold outflow, the ratio was as high as 81.4%. Foreign bank deposits with the Federal Reserve institutions are slowly increasing again, and the amount the present week is given as \$145,656,000 against \$137,415,000 last week. On Nov. 26 last year, on the other hand, these foreign bank deposits footed up no more than \$5,377,000.

Brokers' loans of the reporting member banks in New York City are down now to such low figures that the changes from week to week attract little attention and really possess no great significance. It is worth noting, though, that the aggregate of these loans is still being reduced, the amount now at \$751,000,000 for Nov. 25 comparing with \$775,000,000 on Nov. 18.

The stock market this week has taken still another sharp plunge downward following the preceding downward plunges for several successive weeks. At the half-day session on Saturday last, after the severe losses the day before, the market showed a mild kind of rally at the opening of the session, but lapsed into weakness again in the closing hour. On Monday there was renewed depression, with further heavy losses all around; the railroads particularly were again under severe pressure as a result of the news that the railroad unions had rejected the plea of the railroad executives for a voluntary reduction in wage scales of 10%. This action dealt a sharp blow to the market. It was deemed adverse, not alone to railway interests, but to business interests in general, since the conviction is strong that before there can be any great recovery in trade the railroads must be once more placed firmly upon their feet, and it is also felt that such rehabilitation of the railroads can

only be reached by the lowering of railway operating costs, to which reduction railway labor must contribute in some equitable degree.

A further adverse development on Monday was an unexpected slump in sterling exchange, the price of which dropped over 6c. to the pound sterling, and this slump continued a factor nearly all the rest of the week, the range on that day (Monday) having been 3.65@3.67 against 3.72 $\frac{1}{4}$ @3.73 $\frac{1}{4}$ on Saturday with the range Tuesday 3.64 $\frac{3}{4}$ @3.70, on Wednesday 3.61 $\frac{3}{4}$ @3.69, and on Friday 3.52@3.56 $\frac{1}{4}$. Another depressing feature on that day was a renewed drop in grain prices in the produce markets. On Tuesday some tendency to stability in stock prices appeared, but on Wednesday the market fell into another state of collapse, with scarcely any recovery by the close of the day. The railway stocks were a weak feature, as on so many previous occasions, and bond prices participated in the downward movement, many of these latter getting down to figures so low as to have been unbelievable only a short time ago. United States Government obligations did not escape in the general downward tendency. Accounts regarding the steel trade had a somewhat more favorable tinge, and yet the "Iron Age," in its market summary, said that there had been a decline in steel ingot production the present week to 29% of the country's capacity as against 31 $\frac{1}{8}$ in the two preceding weeks. The greater hopefulness appeared to be based only on the early release of business by the motor companies.

On Friday, after the Thanksgiving holiday on Thursday, the stock market resumed its downward course. The poor showing of the railroads in their monthly earnings for October was not without its effect on the market and served further to depress the railroad shares, in some instances carrying them to new low levels for the year. New York Central reached a record low of 30 $\frac{5}{8}$ and closed for the day at 31. United States Steel, as in previous weeks, was under great pressure, and declined to a new low for the year at 54 $\frac{3}{4}$, the close for the day being at 55. The oil shares showed quite a degree of steadiness, influenced by the action of the Standard Oil Co. of N. J. in calling for redemption \$30,000,000 of its debentures. Quite a number of industrial concerns joined the list of those which have been obliged to pass off the dividend list. Among the companies that have suspended their dividends may be mentioned the American Locomotive Co., the Warner Co., the Ford Motor Co. of Canada, McKesson & Robbins, the Illinois Brick Co., the Public Utility Holding Corp. of America on its \$3 cum. pref. stock; the Foster-Wheeler Corp. on the common; the Armstrong Cork Co. on the common, and the Baldwin Locomotive Works on the 7% cum. pref. stock. The Super-Heater Co. reduced the quar. div. on the common from 62 $\frac{1}{2}$ c. a share to 25c. a share. No less than 168 stocks listed on the New York Stock Exchange reached new low levels for 1931 during the week. Call loans on the Stock Exchange again ruled unchanged throughout the week at 2 $\frac{1}{2}$ %.

Trading was on a light basis, but increased the latter part of the week. At the half-day session on Saturday the sales on the New York Stock Exchange were 873,568 shares; on Monday they were 1,349,056 shares; on Tuesday, 1,246,781 shares; on Wednesday, 1,494,995 shares; Thursday was Thanksgiving Day; on Friday the sales were 1,824,195 shares. On the New York Curb Exchange the sales last Saturday were 129,925 shares; on Monday, 209,660 shares; on

Tuesday, 193,473 shares; on Wednesday, 209,670 shares, and on Friday, 284,738 shares.

As compared with Friday of last week prices show further sharp declines on top of the previous large declines. General Electric closed yesterday at 26 $\frac{5}{8}$ against 28 $\frac{1}{4}$ on Friday of last week; Warner Bros. Pictures at 4 against 4; United Corp. at 11 $\frac{1}{8}$ against 12; North American at 34 $\frac{5}{8}$ against 36; Pacific Gas & Elec. at 35 $\frac{1}{2}$ against 37 $\frac{1}{2}$; Standard Gas & Elec. at 33 against 35 $\frac{1}{8}$; Consolidated Gas of N. Y. at 66 $\frac{1}{4}$ against 69 $\frac{5}{8}$; Columbia Gas & Elec. at 19 $\frac{3}{4}$ against 20 $\frac{5}{8}$; Brooklyn Union Gas at 85 $\frac{3}{8}$ against 88; Elec. Power & Light at 14 $\frac{5}{8}$ against 14 $\frac{5}{8}$; Public Service of N. J. at 59 $\frac{1}{2}$ against 63 $\frac{7}{8}$; International Harvester at 27 $\frac{5}{8}$ against 31 $\frac{1}{4}$; J. I. Case Threshing Machine at 36 $\frac{7}{8}$ against 39 $\frac{3}{4}$; Sears, Roebuck & Co. at 36 $\frac{1}{2}$ against 38 $\frac{3}{4}$; Montgomery Ward & Co. at 9 $\frac{7}{8}$ against 10 $\frac{1}{2}$; Woolworth at 45 $\frac{3}{8}$ against 46 $\frac{7}{8}$; Safeway Stores at 47 $\frac{1}{4}$ against 48 $\frac{1}{2}$; Western Union Telegraph at 51 $\frac{1}{2}$ against 57 $\frac{1}{2}$; American Tel. & Tel. at 125 $\frac{1}{2}$ against 132 $\frac{3}{8}$; Int. Tel. & Tel. at 10 $\frac{5}{8}$ against 14 $\frac{1}{2}$; American Can at 69 $\frac{1}{8}$ against 74 $\frac{3}{8}$; United States Industrial Alcohol at 27 $\frac{5}{8}$ against 29 $\frac{1}{2}$; Commercial Solvents at 9 $\frac{7}{8}$ against 10 $\frac{3}{4}$; Shattuck & Co. at 11 $\frac{1}{4}$ against 11 $\frac{1}{2}$, and Corn Products at 44 $\frac{3}{8}$ against 49.

Allied Chemical & Dye closed yesterday at 74 $\frac{1}{4}$ against 82 $\frac{3}{8}$ on Friday of last week; E. I. du Pont de Nemours at 55 $\frac{1}{8}$ against 58 $\frac{5}{8}$; National Cash Register at 15 $\frac{1}{4}$ against 15 $\frac{7}{8}$; International Nickel at 8 $\frac{3}{4}$ against 8 $\frac{5}{8}$; Timken Roller Bearing at 20 $\frac{5}{8}$ against 21 $\frac{3}{4}$; Mack Trucks at 18 against 18 $\frac{1}{2}$; Yellow Truck & Coach at 4 $\frac{1}{4}$ against 4 $\frac{3}{4}$; Johns-Manville at 25 $\frac{3}{8}$ against 27 $\frac{1}{4}$; Gillette Safety Razor at 13 $\frac{1}{2}$ against 13 $\frac{5}{8}$; National Dairy Products at 26 $\frac{1}{4}$ against 26 $\frac{3}{4}$; Associated Dry Goods at 10 $\frac{3}{8}$ against 11 $\frac{1}{2}$; Texas Gulf Sulphur at 26 against 27 $\frac{1}{2}$; American & Foreign Power at 10 $\frac{3}{8}$ against 11 $\frac{3}{4}$; General American Tank Car at 41 against 43; Air Reduction at 55 $\frac{1}{4}$ against 59 $\frac{1}{2}$; United Gas Improvement at 22 against 22 $\frac{1}{4}$; National Biscuit at 40 $\frac{5}{8}$ against 46 $\frac{1}{8}$; Coca Cola at 112 against 114; Continental Can at 35 $\frac{5}{8}$ against 36 $\frac{1}{4}$; Eastman Kodak at 92 $\frac{1}{2}$ against 97 $\frac{1}{2}$; Gold Dust Corp. at 18 $\frac{7}{8}$ against 20 $\frac{1}{8}$; Radio-Keith-Orpheum class A at 2 $\frac{1}{4}$ against 3 $\frac{1}{8}$; Standard Brands at 14; against 15 $\frac{1}{8}$; Paramount Publix Corp. at 12 against 13 $\frac{1}{2}$; Kreuger & Toll at 6 $\frac{1}{2}$ against 7 $\frac{1}{2}$; Westinghouse Elec. & Mfg. at 34 $\frac{1}{8}$ against 37 $\frac{3}{4}$; Drug, Inc., at 52 $\frac{3}{4}$ against 55 $\frac{3}{4}$; Columbian Carbon at 36 against 43 $\frac{1}{8}$; Amer. Tobacco at 77 $\frac{1}{2}$ against 83 $\frac{5}{8}$; Liggett & Myers class B at 49 $\frac{3}{4}$ against 53; Reynolds Tobacco class B at 35 $\frac{7}{8}$ against 37 $\frac{1}{2}$; Lorillard at 13 $\frac{3}{4}$ against 13 $\frac{1}{2}$, and Tobacco Products class A at 7 $\frac{3}{8}$ against 8.

The steel shares have continued heavy. United States Steel closed yesterday at 55 against 61 on Friday of last week; Bethlehem Steel at 24 $\frac{1}{4}$ against 26; Vanadium at 15 $\frac{1}{2}$ against 16 $\frac{5}{8}$; Crucible Steel at 27 $\frac{7}{8}$ against 27 $\frac{1}{2}$, and Republic Iron & Steel at 6 $\frac{7}{8}$ against 7 $\frac{3}{4}$. In the auto group Auburn Auto closed yesterday at 101 $\frac{1}{4}$ against 105 $\frac{1}{4}$ on Friday of last week; General Motors at 24 $\frac{5}{8}$ against 25 $\frac{3}{8}$; Chrysler at 14 $\frac{3}{8}$ against 15; Nash Motors at 17 $\frac{3}{8}$ against 18; Packard Motors at 4 $\frac{7}{8}$ against 5 $\frac{1}{8}$; Hudson Motor Car at 11 $\frac{3}{8}$ against 12 $\frac{1}{2}$, and Hupp Motors at 5 against 5 $\frac{1}{8}$. In the rubber group Goodyear Tire & Rubber closed yesterday at 20 against 25 on Friday of last week; B. F. Goodrich at 6 against 6 $\frac{3}{4}$; United States Rubber at 5 $\frac{7}{8}$ against 6 $\frac{1}{2}$, and the preferred at 10 against 11.

The railroad shares have been exceptionally depressed. Pennsylvania RR. closed yesterday at $22\frac{3}{4}$ against 28 on Friday of last week; Atchison Topeka & Santa Fe at $90\frac{3}{4}$ against $101\frac{1}{8}$; Atlantic Coast Line at 44 against $47\frac{1}{8}$; Chicago Rock Island & Pacific at 11 against 17; Erie RR. at $8\frac{7}{8}$ against 11; New York Central at 31 against 37; Baltimore & Ohio at 25 against $28\frac{1}{4}$; New Haven at $24\frac{1}{2}$ against $28\frac{1}{2}$; Union Pacific at $82\frac{1}{2}$ against $91\frac{1}{2}$; Southern Pacific at $31\frac{1}{2}$ against $41\frac{1}{4}$; Missouri-Kansas-Texas at 6 against $7\frac{1}{8}$; Missouri Pacific at 9 against $12\frac{1}{8}$; Southern Railway at $10\frac{1}{8}$ against 15; Chesapeake & Ohio at $27\frac{3}{4}$ against 30; Northern Pacific at $19\frac{1}{2}$ against 20, and Great Northern at 23 against $24\frac{1}{4}$.

The oil shares have held quite steady on the improved condition in the oil trade and the action of the Standard Oil Co. of N. J. in calling for redemption of \$30,000,000 of its debentures. Standard Oil of N. J. closed yesterday at $32\frac{1}{8}$ against $32\frac{3}{8}$ on Friday of last week; Standard Oil of Calif. at $30\frac{7}{8}$ against $31\frac{3}{4}$; Atlantic Refining at 11 against $11\frac{7}{8}$; Freeport-Texas at $17\frac{3}{4}$ against $18\frac{1}{2}$; Sinclair Oil at $6\frac{5}{8}$ against $6\frac{3}{4}$; Texas Corp. at $17\frac{1}{8}$ against $18\frac{3}{8}$; Phillips Petroleum at 6 against $6\frac{3}{4}$, and Pure Oil at $5\frac{3}{4}$ against 6.

The copper stocks have also held relatively steady. Anaconda Copper closed yesterday at 14 against $14\frac{1}{8}$ on Friday of last week; Kennecott Copper at 13 against 12; Calumet & Hecla at 4 against 4; Phelps Dodge at $7\frac{1}{4}$ against 8; American Smelting & Refining at $23\frac{1}{2}$ against $24\frac{5}{8}$, and Cerro de Pasco Copper at 15 against $13\frac{3}{4}$.

Share prices on the stock exchanges in London and Paris moved irregularly lower this week under the influence of numerous international uncertainties and persistently poor reports of general business conditions. Trading was of small proportions on the two leading European exchanges, as investors apparently preferred to await the outcome of the reparations negotiations, the Sino-Japanese clash and the British tariff rulings. The Berlin Boerse remained closed, and it is now considered unlikely that it will reopen before the turn of the year. The question of sterling exchange was prominent at London this week, owing to the severe drop in the sterling rate. With England, Finland and all the Scandinavian countries off the gold standard, the financial situation remains cloudy, notwithstanding virtual cessation of the huge gold movements that marked recent months. British unemployment reflected further improvement this week, the roster dropping 35,495 to an aggregate of 2,648,429. German official unemployment figures for the first half of November, made available Tuesday, aggregated 4,844,000, an increase of 224,000. Heavier taxation looms in all the leading European countries as government revenues continue to drop, and this factor is occasioning some unsettlement on the stock exchanges.

The London Stock Exchange was irregular and exceedingly quiet in the initial session of the week. A heavy decline in sterling brought about a reaction in British funds, but in the industrial division an advance followed, owing to the artificial stimulus afforded British exports by the lower valuation. The new anti-dumping measure also was viewed favorably, as far as British industrial shares are concerned. International stocks were slightly better at first, but the gains were lost in later dealings. In Tuesday's session British funds again dropped, owing

to a further decline in sterling which carried the rate at the opening to the lowest level since Sept. 25. A subsequent rally in exchange also was followed by recovery in the Government bonds. The industrial list was uncertain, most changes being toward somewhat lower quotations. British funds improved a little Wednesday, but the volume of dealings was extremely small. In the industrial market most of the day's changes were again downward. South African gold mining stocks were higher. Weakness in sterling, Thursday, occasioned lower prices for securities at London. British funds were sharply lower, while industrial stocks also declined on this occasion. All departments of the market were dull. In the dealings yesterday, small additional recessions occurred throughout the list.

The Paris Bourse was inactive Monday, and stock prices drifted to somewhat lower levels owing to an almost complete lack of buying interest. Rumors that the Bank of France dividend might be reduced were followed by a sharp reaction in the shares of the institution, and other bank stocks also dropped. International stocks were quiet and but little changed. After a heavy opening, Tuesday, a better trend appeared on the Bourse and a majority of the issues registered small gains for the session. Bank of France and Suez Canal shares led the recovery, but all groups participated. The trend was again reversed Wednesday, prices moving irregularly downward in a quiet market. Quotations were not greatly changed, however, owing to the dullness of dealings. In a further uncertain session, Thursday, prices moved downward during early dealings and recovered parts of the losses later on. Some buying appeared at the lowest levels, and in the subsequent recovery quotations of the previous close were very nearly attained. The Bourse was weak yesterday, and all departments of the market dropped.

Formal procedure for the downward revision of reparations payments having been initiated by the German Government Nov. 19 in accordance with the Young plan provisions, interest this week centered on the meeting of the consultative committee which is to start at Basle Dec. 7. The speedy announcement in New York that Walter W. Stewart, of Case, Pomeroy & Co., will be the American member of the advisory committee was followed by a London announcement, Tuesday, that Sir Walter Layton, editor of the Economist, will serve as the British member. The committee is to inquire into the German financial situation and examine the ability of the Reich to pay reparations. In view of the dispute between France and Germany regarding the priority of reparations or German private debts, it is noteworthy that a further meeting of German bankers and their foreign creditors will begin in Berlin Dec. 10, and run concurrently with the Basle committee meeting. Albert H. Wiggin, chairman of the governing board of the Chase National Bank, will be the American member of this group, which will negotiate a new agreement on short term German debts to take the place of the "stillhaltung" agreement expiring Feb. 29, next. Mr. Wiggin and Mr. Stewart will sail for Europe today on the steamship Olympic.

The differences between Germany and France on the reparations and private debts question were emphasized this week by political pronouncements in both countries. The Prussian Diet voted overwhelmingly, Wednesday, in favor of a resolution demanding

the cessation of all reparations payments. The Reich Government was urged, in the resolution, to take immediate steps for elimination of the payments. This action, a Berlin report to the New York Times said, may be taken as a reliable index to the sentiment prevailing in the Reichstag. The position of the French Government was again made clear by Premier Laval in a debate in the Chamber of Deputies which began Thursday and continued until 3 A. M., Friday. In a series of confidence votes taken during the session, the Premier was upheld by comfortable margins. "We will accept rearrangements for a limited time," M. Laval said, "but will not consent to a revision of reparations unless reductions in an equal measure at least are consented to with respect to war debts. We will demand payment of the unconditional annuities and we will not accede to priority being given to private debts over our reparations."

Referring to the German petition for an experts' committee re-examination of her position, M. Laval stated that when the report of the experts has been received a conference of governments will be held. "For the period of the depression we will not refuse to examine the possibility of a new arrangement between debtors and creditors," he added. "It is in our interest that Germany recover her solvency." The Premier also commented on his recent visit to Washington which, he said, resulted in an agreement to substitute for the exceptional regime of the Hoover moratorium the normal procedure supplied by the Young plan. "Henceforth France will be protected against initiatives like that of last June," he stated. "While accepting a discussion of the question of intergovernmental debts and reparations, Mr. Hoover could not set aside the prerogatives of Congress any more than I could infringe on the rights of the French Parliament."

Acting with unusual speed under the authority of the Abnormal Imports Act, which was approved Nov. 20, the British Government announced late the same day that a 50% tariff would be imposed on a long list of manufactured imports grouped as "Class 3" by the Board of Trade. This extremely prompt application of the emergency measure introduced in Parliament on Nov. 16 will be followed, it is understood, by further anti-dumping duties on other schedules now being studied for the purpose. The legislation gave the Board of Trade the power to levy import duties of up to 100% ad valorem on all manufactured goods for a period of six months, in order to prevent dumping while tariff legislation is under consideration in Parliament. The new 50% impost was made effective Wednesday, and until that time merchandise was rushed into Britain from the Continent by all means of transportation, including airplanes. The influx was incessant, dispatches said, and up till the last minute on Wednesday, airplanes arrived in twos and threes from Paris, Berlin and Cologne.

British imports of the various classes of goods covered by the first order are estimated at about \$220,000,000 a year. They include a wide variety of small wares, such as tools, razors, electrical implements, radio sets, typewriters, woolen goods, linoleum, perfumery and cosmetics, table glassware, tiles, and silk hosiery. All the items were previously on the free list with the exception of silk hosiery, which was formerly taxed at 33% and has now been raised to 83%. American exports to Britain affected by the new duties are chiefly typewriters, cutlery, hand

tools, vacuum cleaners and hosiery, while the value of such merchandise exported annually to the country is estimated in Washington at \$12,000,000. This initial tariff ruling under the new act will thus have relatively little effect on American exports to England, but it is believed in Washington that further orders may result in serious curtailment of the normal trade figures. After study of the new levies, it was indicated that the Board of Trade avoided duties on articles that would make feasible the application of counter-vailing duties under the Smoot-Hawley tariff. It was made clear at the White House, Tuesday, that the United States Government has no intention of taking any action whatever in the way of a protest against the British emergency duties. Paris reports of the same day indicated that reprisals are under consideration by the French Government. The British anti-dumping duties do not apply to imports from the Dominions.

Assurances that the MacDonald Government will speedily take additional measures for protection were given in the House of Commons, Thursday, by Sir John Gilmour, Minister of Agriculture. The second proposed step, he announced, will consist of a quota-system regulating the amount of home-grown wheat in all flour ground in Britain. Although details were not announced by the Minister, it was assumed in London, according to a report to the New York Herald Tribune, that the bill will provide for a fixed proportion of 15 to 20% of British wheat in such flour. "The scheme will be designed," he said, "to secure for the producers a certain margin and enable them to obtain an enhanced price, subject to the statutory maximum for wheat of milling quality."

A test of strength between the MacDonald Cabinet and a diehard group of Conservative supporters of the National regime occurred Tuesday as the result of differences regarding the Statute of Westminster bill, which implements the findings of the Imperial Conferences of 1926 and 1930, and accords complete equality of status to the British Dominions. The Conservative faction, led by Winston Churchill, complained that the bill was dangerous in the case of the Irish Free State, and even more dangerous in the case of India. Many amendments to the bill were proposed and again withdrawn, but a division finally resulted on a proposal that the Irish Free State be denied the right to amend its own Constitution. The vote on the proposal was 350 for the Government and 50 against it. The opposition in this case was supplied entirely by the Conservative faction, as the official Laborite Opposition supported the bill and voted against the amendment. Acceptance of the bill means that the Dominions will be completely independent of the London Parliament, and that the Crown will be the sole link between them and the mother country.

Foreign Minister Dino Grandi of Italy, and his official entourage, embarked on the steamer Augustus yesterday for the return journey to his native Italy, after an 11-day visit to Washington and New York which, doubtless, did much to cement the friendly relations between Italy and the United States. The visit of State in Washington having been concluded Nov. 19 and the results announced in a joint statement by Signor Grandi and Secretary of State Stimson, the Italian Minister returned to New York Nov. 20 for his first official visit in this city. After the traditional landing at the Battery

and procession up Broadway, Signor Grandi was greeted by Mayor Walker at the City Hall, where compliments were exchanged. In the round of functions which followed this week, the Italian Minister took occasion several times to reiterate the known views of his Government on important international questions.

His most significant utterances were delivered Monday before the Council on Foreign Relations. He discussed at some length the great issue which he declared is back of the problems now before the world, such as the financial obligations resulting from the war, disarmament and economic co-operation. "The issue is whether we shall or shall not be able to defend the greatest achievement of modern civilization; that is to say, the highest moral and material standard of life secured by our working classes," he said. Referring to previous declarations that Italy is ready to reduce her armaments and military budget to the lowest level, Signor Grandi asserted that his country remains faithful to this principle. With regard to the financial obligations growing out of the World War, he reminded the Council of the clearly defined stand of Premier Mussolini upholding the principle of the relation between debts and reparations. The importance of American co-operation with European nations was emphasized by the speaker, who asked the help of the United States "in the common cause of labor and of peace among men."

Signor Grandi conferred with Mr. J. P. Morgan, Tuesday, in the famous Morgan library at Madison Avenue and Thirty-seventh Street. He lunched the same day with a group of prominent bankers and financiers, including Mr. Morgan, Thomas W. Lamont, John D. Rockefeller, Jr., Owen D. Young, Myron C. Taylor, George L. Harrison, Marshall Field, Gates W. McGarrah, George F. Baker, Winthrop W. Aldrich, George Whitney and S. Parker Gilbert. A further conference took place Wednesday with Charles E. Mitchell, Chairman of the National City Bank. As a result of these discussions, it was reported in some quarters that Italy was about to negotiate for a new loan. When questioned about this late Wednesday, Foreign Minister Grandi denied the assertions vigorously. "Italy doesn't need a loan," he said. "We are strong and perfectly sure of ourselves. Let me point out that only recently my chief, Mussolini, asked for an internal loan of 3,500,000,000 lire. The people of all classes in Italy subscribed 7,000,000,000 lire, more than double what had been asked." At the meetings with the bankers, problems of world economics had been discussed informally, he declared.

International tension occasioned by the Manchurian dispute between Japan and China began to show some signs of relaxation this week, and there is now ample reason for believing that the plan for an international commission of inquiry, first put before the League Council by Japan, will soon be placed in effect. By this means, it is hopefully reported, a way is likely to be opened for peaceful adjustment of the struggle, as all aspects of the Manchurian problem would be debated quietly and at length in a judicial atmosphere. With the passage of the time thus provided, a less belligerent attitude would probably develop between the two peoples, it is contended, and it is even held possible that a final solution of the long standing question might be

effected. Not only is this proposal officially sponsored by the Council of the League of Nations, but it is believed also to have the support of the United States Government.

There were few new developments of any great military significance this week. The Japanese forces remained in control of the entire network of Manchurian railways owned by Japan or built with the aid of Japanese capital. Extension of the Japanese lines to Tsitsihar last week completed the investiture and no further clashes of importance occurred. The struggle for Tsitsihar between the 3,000 Japanese troops and the 20,000 Chinese under General Ma Chen-shan resulted, according to a Mukden report of Monday, in the deaths of at least 600 Chinese. Japanese losses were placed at 31 killed, 104 wounded and 13 missing. A new and decisive diplomatic element was injected into the situation, however, as a result of rumored intentions on the part of the Japanese military commander, General Honjo, to disperse an army of 30,000 Chinese troops at Chinchow, on the Peiping-Mukden Railway, which was built by British capital. A Japanese force began to move toward Chinchow Tuesday, with the avowed intention of suppressing banditry in the Shanhaikwan area traversed by the Peiping-Mukden line. It was widely assumed that the real intentions of the Japanese commander were to force a withdrawal south of the Great Wall of this last body of troops in Manchuria subject to the orders of Chang Hsueh-liang, who was removed by the Japanese from his post as War Lord of Manchuria. The Japanese troop movement came to a decided halt, Wednesday, when the British Government reminded Japan that Great Britain had an interest in seeing the region remain undisturbed.

"The Japanese military authorities, who had not hesitated about crossing the Chinese Eastern Railway, in which Russia has a half share, have realized that it would be inadvisable to take any steps which might bring protests from Great Britain by operating along the Peiping-Mukden Railway," a Tokio report of Wednesday to the New York "Times" said. "The result is a virtual pledge from the Japanese Government that Chinchow, the headquarters of Marshal Chang Hsueh-liang in Southwest Manchuria, will not be attacked, as had been forecast in recent reports from Mukden and elsewhere. This action followed a conference of Japanese military authorities who, according to the Rengo News Agency, decided to act according to instructions of the Central Government even in case the Japanese were compelled to act in self-defense in the Chinchow District, as it is traversed by the Peiping-Mukden Railway, in which British capital is invested, and any disturbance there is therefore fraught with the risk of international complications." There were indications, it was said, that British forces stationed in Tientsin were proceeding to Tangshan, on the Peiping-Mukden road, to protect the Kailan Mines, which are under joint Sino-British management.

Authorities of the Nanking Nationalist Government of China continued to maintain, this week, their attitude of concern regarding the Manchurian developments, and of reliance upon the League Council. The decision of the Kuomintang, reached Nov. 19, to send President Chiang Kai-shek to the disturbed area, was apparently a gesture. General Chiang remained at Nanking this week, and a certain amount of skepticism was reported in Shanghai dispatches

regarding his departure to the north. "In any case," a report of Sunday to the New York "Times" said, "General Chiang's trip north is not expected to extend any further than a consultation with Marshal Chang Hsueh-liang, who is gradually assuming a minor position since he has been deprived of his rich Manchurian domain." The Japanese view of the difficulties was restated last Sunday by Foreign Minister Shidehara, who declared that the troubles originated from a long series of open violations by China of treaties which are essential to the security of Manchuria. Summarizing the events of the past 30 years, Baron Shidehara referred again to the intense Chinese campaign against the "unequal" treaties, under which all nations have suffered. Outrage succeeded outrage, he declared, but such a situation could not last, even though Japan "relies and continues to rely on peaceful means for settlement." As soon as Manchuria is safe, Baron Shidehara asserted, Japanese troops will be withdrawn to the railway zone and the situation will again become normal.

In view of the presence of Japanese troops at Tsitsihar, well within the Russian sphere of influence, the attitude of the Soviet Government remained of acute interest. A further exchange of notes between Tokio and Moscow was reported late last week, but the communications were apparently circumspect and conciliatory. As a result of the exchange, it was announced in Moscow, Nov. 20, that the Japanese army was determined not to interfere with the movement of traffic on the Chinese Eastern Railway. The bridge carrying the Taonan-Tsitsihar Railway over the Chinese Eastern was not even damaged, it was remarked, and causes for anxiety were thus greatly diminished. There were lurid accounts in the Soviet press of Occidental diplomatic intrigues whereby Japan served as the "tool" of the Western powers in furthering aims inimical to Russia, and it was also asserted that war between Russia and Japan was the real aim of the Washington and other Governments. Of more importance, however, was the laconic announcement by the Russian Consul-General at Harbin that traffic over the Chinese Eastern Railway had not even been interfered with by the Japanese move on Tsitsihar. Comments in the Soviet press regarding the League of Nations were distinctly derogatory.

Earlier reports of a rift between the Japanese civil and military authorities regarding the Manchurian question were somewhat strengthened this week by indications of a strained political situation in Tokio. Dispatches of last Sunday from the Japanese capital reported the possibility of a national emergency government being formed to control the army. Kenzo Adachi, Minister of the Interior, was said to have indicated that he was prepared to support a national government. "The inside aspect of this development, as described by a very experienced politician," a Tokio report to the New York "Times" said, "is that, while the whole Japanese nation demands a settlement of the Manchurian affair and supports the army's efforts thus far, many leaders are privately alarmed by the army's determination and the success with which it has overridden political restraints." It was suggested that Mr. Adachi, as the leader of the Minseito party, was the logical leader of any movement of this sort. Other party leaders failed to rally to the support of Mr. Adachi, however, and the attempt to form a national Cabinet was abandoned Tuesday.

The sessions of the League Council at Paris were largely a reflection of the developments elsewhere in regard to the Manchurian conflict. Much confusion resulted over the last week-end regarding the premature announcement of an agreement between China and Japan for maintenance of the status quo and a general investigation of the whole situation. Although the proposed settlement was based on Japanese suggestions, the Tokio Government declared last Saturday that the suggestion for a so-called armistice in Manchuria was "unthinkable." The Chinese delegate at Paris, Dr. Alfred Sze, also announced that the Nanking Government has not accepted the proposal and had not even been fully informed of the details. It was stated in Washington, last Saturday, that the United States would not join any League inquiry into the Manchurian situation, and the whole matter was thus left wide open. Diplomatic exchanges were in progress, however, between Washington and Tokio. The United States Government informed Japan, according to Washington reports of last Saturday, that the occupation of Tsitsihar, in the Russian sphere of influence, seemed to threaten dangerous complications. Tokio is said to have replied that the advance to Tsitsihar was only the consummation of an operation necessary to self-defense, and not an extension of hostilities. There were reports this week that the League Council members were considering sanctions of an economic or political nature against Japan. The co-operation of the United States would be necessary in any such move, it was pointed out in Washington, but this could only be secured by Act of Congress, which was regarded as improbable in the extreme.

The Council in Paris held its first public session on the Manchurian question last Saturday, and the debate centered entirely on the proposal to send an international commission of inquiry to Manchuria to investigate the problem in all its ramifications. The delegates approved the step in principle, only Dr. Alfred Sze of China making any important reservations. Before approving such action, he said, China would require full satisfaction on the chief question under consideration—the cessation of hostilities and the immediate withdrawal of Japanese troops from the occupied territory. A draft resolution covering the matter was prepared by leading statesmen and in the meantime indications were given by the Washington Government that the suggested inquiry would be supported, notwithstanding the lack of active participation.

Concurrently with the British warning regarding the Japanese advance toward Chinchow, the League Council reached a decision to take decisive steps in the same direction. Two moves resulted from a secret meeting on Wednesday, a Paris dispatch to the New York "Times" said. The first move was to bring pressure to bear on Japan not to attack Chinchow, it was said, while the second was to bring pressure to bear on China to accept the draft resolution providing for withdrawal of troops and a commission of inquiry. General Dawes, United States Ambassador to London, issued a statement at the same time announcing the approval of the Washington Government of the general plan of settlement embodied in the proposed resolution. The United States Government, he said, has urged both China and Japan to acquiesce in the plan. The resolution urges the two governments to assure execution of the resolution of Sept. 30, which provided for withdrawal

of Japanese troops within the South Manchuria Railway zone and for careful avoidance by both the disputants of further actions which might lead to fighting and loss of life. The proposal to appoint a commission of inquiry on the Manchurian affair also was affirmed. The Tokio and Nanking Governments both indicated, Thursday, that they would accept the resolution as a basis for settlement of the conflict. A drafting committee was appointed at Paris, under the chairmanship of Aristide Briand, to reword the resolution and make it acceptable to both countries.

The most detailed official statement on the affair so far made was given in the House of Commons in London, Wednesday, by Sir John Simon, Foreign Secretary in the new National Cabinet. In reply to a question by George Lansbury, spokesman for the Labor Opposition, Sir John assured the House that the Council was doing its utmost to promote a peaceful settlement. He asked the members to refrain from what might be regarded as a partial judgment. "There has been what we may call the unsolved problem of China and Japan in Manchuria for over 20 years, ever since the Japanese succeeded to the Russian rights in that region after the Russo-Japanese war," he explained. "I don't mean by that statement to cast doubt on the view that the provinces which make up Manchuria are part of China. They are part of China." A great deal of ill-organized Chinese banditry has existed in the area, Sir John continued, and out of that origin has proceeded the present serious feature of the situation, namely, the spreading of the Japanese forces to strategic points of what is undoubtedly Chinese territory. "Information reaching me to-day was encouraging," he added, "and we may now assume that there is no desire on the part of Japan to insist on the recognition of disputed or disputable treaty rights as one of the terms on which she is prepared to assent to the League inquiry." While declining to make further statements, Sir John indicated that it would hardly be right for him to predict a happy issue out of the trouble within the next day or so.

Trouble at Tientsin, the treaty port of Peiping, again broke out Thursday between Chinese troops and the Japanese forces stationed there to protect the Japanese concession. Although the city is some distance south of the Manchurian zone, clashes occurred two weeks ago as a result of the aroused feelings of the people. Tokio dispatches stated that Japanese troops on the border of the concession were suddenly attacked by Chinese soldiers late Thursday. Requests to cease firing were ignored, it was stated, and the Japanese commanders were compelled in self-defense to take hostile action. An urgent conference of military authorities was held in Tokio on receipt of the reports, and it was decided to send reinforcements to Tientsin. This incident is said to have jeopardized the proposed settlement of the Manchurian dispute. Italian troops were fired on as well as Japanese, Tokio dispatches said. In Peiping reports the incident was attributed to bandits, and orders were issued to the authorities to avoid any kind of conflict.

The Round Table Conference on India, which began in London Sept. 5, and in which Mahatma Mohandas K. Gandhi began to participate Sept. 11, is at length drawing to its conclusion, with the results still uncertain. Reports on some of the vital

questions discussed at the conference, such as control of the army, the finances and the foreign relations of India, began to appear this week. Lord Sankey, Chairman of the Federal Structures Committee of the gathering, agreed on Nov. 18 to submit reports on these matters, and he accordingly issued, Tuesday, a statement in which he recommended that Britain, through the Viceroy, retain control of the Indian army and of the foreign relations. Commercial, economic and other matters, Lord Sankey suggests, should come under the jurisdiction of India's proposed new Federal Legislature and of its responsible ministers. The report is described as "necessarily vague," in view of the sharp disagreement among the British and Indian delegates on the points. It attempts to represent the consensus of the gathering, and is to be submitted for consideration at a plenary session next week. Lord Sankey mentions that Mahatma Gandhi and other Nationalist delegates hold the view that India's self-government will not be genuine unless the army is placed under control of the Legislature. It is apparent, of course, that the report will have little weight unless the Gandhists approve it. London dispatches indicate, on the other hand, that the suggestions made may not prove acceptable to the House of Commons in London, which is now thoroughly Conservative. It is accordingly assumed that the current conference will have difficulty in effecting a lasting settlement of the Indian problem.

Little progress was made at the Conference for almost two months after its belated start, owing to the interruption occasioned by the British political crisis and the national election of Oct. 27. Even Mahatma Gandhi, whose patience is proverbial, declared on several occasions that it was useless for him to remain in London, and he announced twice that he would return to India without awaiting the outcome. He was persuaded to stay, but held out no hope that he might agree to any of the suggested plans for a measure of Indian autonomy. At a gathering of M. P.'s on Sept. 23 he voiced a strong demand for Indian independence and declared that safeguards, such as British control over the army and finances, would be quite unacceptable. Although given to soft and gentle speech, the words of the Mahatma were occasionally very disquieting. "We do not want to sacrifice the life of a single person to end British rule in India," he said on Oct. 2, "but the Indians are willing that the holy Ganges should run with blood if that is necessary to gain the freedom so long delayed." Among the Indian delegates themselves, however, great differences prevailed. The Communal issue between the Hindus and Moslems was especially prominent at times, and the utmost efforts of Prime Minister MacDonald were required to prevent a break in the Conference on this question. The dispute was so acute on Nov. 13 that Mr. MacDonald announced the impending end of the gathering, but again the difficulties were surmounted and the Conference proceeded.

A further crisis developed at the Conference early this week as a consequence of agitation by certain Conservative groups in the British Parliament against any concessions to Indian Nationalist aspirations. The Marquess of Lothian made a sensational speech in the House of Lords, Wednesday, urging strong measures to crush terrorism in India, while Lord Elibank followed with a demand for the deportation of Mr. Gandhi to the Andaman Islands.

Viscount Rothermere, proprietor of the "Daily Mail" and other newspapers, began last Sunday a campaign for termination of the Conference. He urged the Government to send Mr. Gandhi home. Even the Moderate delegates to the Round Table Conference were alarmed at such statements and made bitter speeches Wednesday. Mahatma Gandhi expressed the conviction that no tangible result would come out of the meeting. "What I fear," he said, "is that the slender hope which I had again built up of cooperation with the British nation and the British Ministers is about to end, and that I must again declare myself a convinced non-co-operator and civil resistor." Sir Samuel Hoare, Secretary of State for India, reassured the delegates with statements to the effect that the British Government had no intention of going back on a single pledge and would try to carry out all its promises at the earliest possible date. "I hope we can dissipate this atmosphere of panic and tragedy into which so many members of the committee have drifted," he added. Plans for a Round Table Conference on Burma were announced in London last Saturday, and this meeting, which is designed to formulate a Constitution for a separate Burmese State, was started in London yesterday. Mr. Gandhi, speaking in behalf of the Nationalists, reiterated his firm opposition to separation of Burma from India.

The Bank of England statement for the week ended Nov. 25 shows a decrease of £86,705 in bullion, which reduces the total of the item to £121,684,262, as compared with £157,573,187 at the corresponding week a year ago. Circulation fell off £214,000 and this, together with the loss in gold holdings, brought about an increase of £127,000 in reserves. Public deposits increased £5,820,000 and other £705,542. The latter consists of bankers' accounts and other accounts, which increased £181,965 and £523,577 respectively. The proportion of reserves to liabilities, which is now 33.82% was 35.57% a week ago and 59.54% a year ago. Loans on Government securities rose £5,575,000 and those on other securities £862,954. Other securities include "discounts and advances" and "securities," which advanced £630,412 and £232,542, respectively. The discount rate remains unchanged at 6%. Below we furnish a comparison of the various items for five years:

BANK OF ENGLAND'S COMPARATIVE STATEMENT.

	1931.		1930.		1929.		1928.		1927.	
	Nov. 25	Nov. 26	Nov. 26	Nov. 29	Nov. 28	Nov. 28	Nov. 28	Nov. 30	Nov. 30	Nov. 30
	£	£	£	£	£	£	£	£	£	£
Circulation a.....	354,401,000	351,124,928	354,557,000	367,001,148	136,904,860					
Public deposits.....	27,033,000	18,868,951	17,433,000	21,452,051	18,371,801					
Other deposits.....	97,984,604	92,713,944	96,419,773	99,564,612	95,182,732					
Bankers' accounts.....	59,844,438	55,901,187	58,219,448	-----	-----					
Other accounts.....	38,140,166	36,812,757	38,200,325	-----	-----					
Govt. securities.....	56,580,906	34,596,247	57,703,855	52,180,327	41,275,179					
Other securities.....	43,931,116	28,316,592	33,144,227	33,801,148	57,355,259					
Disc't & advances.....	12,698,193	6,080,597	15,263,821	-----	-----					
Securities.....	31,232,923	22,235,995	17,880,406	-----	-----					
Reserve notes & coin.....	42,283,000	66,448,259	40,823,000	52,844,838	32,763,005					
Gold and bullion.....	121,684,262	157,573,187	135,381,905	159,845,986	149,918,765					
Proportion of reserve to liabilities.....	33.82%	59.54%	35.85%	43 3/4%	28 3/4%					
Bank rate.....	6%	3%	5 1/2%	4 1/2%	4 1/2%					

a On Nov. 28 1928 the fiduciary currency was amalgamated with Bank of England note issues adding at that time £234,199,000 to the amount of Bank of England notes outstanding.

The Bank of Danzig on Nov. 24 reduced its rate of discount from 6% to 5%. Rates are 8% in Germany, Austria and Hungary; 7% in Portugal and Italy; 6 1/2% in Spain and Ireland; 6% in Norway, Sweden and Denmark and in England; 3% in Holland; 2 1/2% in Belgium, and 2 1/2% in France and Switzerland. In the London open market discounts for short bills yesterday were 5 1/2@5 3/4% against 5 1/2@5 5/8% on Friday of last week, and for three

months' bills 5 3/4@6% against 5 11/16@5 15/16% the previous Friday. Money on call in London on Friday was 4 3/4%. At Paris the open market rate continues at 1 7/8%, and in Switzerland also at 1 7/8%.

The Bank of France statement for the week ended Nov. 20 records a gain in gold holdings of 95,373,517 francs. The total of gold now stands at 67,675,698,284 francs, in comparison with 51,709,874,264 francs last year and 40,618,246,475 francs the year before. An increase appears in credit balances abroad of 2,565,000,000 francs and a decrease in bills bought abroad of 2,577,000,000 francs. The proportion of gold on hand to sight liabilities is now 59.98%, compared with 58.86% last week and 53.16% a year ago. Notes in circulation fell off 632,000,000 francs, reducing the total of notes outstanding to 81,643,909,410 francs. Circulation last year amounted to 74,140,423,640 francs and the year before to 66,242,576,185 francs. French commercial bills discounted and advances against securities show decreases of 153,000,000 francs and 73,000,000 francs, while creditor current accounts rose 565,000,000 francs. Below we furnish a comparison of the various items for three years:

BANK OF FRANCE'S COMPARATIVE STATEMENT.

	Changes for Week.		Status as of		
	Nov. 20 1931.	Nov. 21 1930.	Nov. 22 1929.	Nov. 22 1929.	Nov. 22 1929.
	Francs.	Francs.	Francs.	Francs.	Francs.
Gold holdings.....Inc.	95,373,517	67,675,698,284	51,709,874,264	40,618,246,475	40,618,246,475
Credit bals. abr'd.....Inc.	2,565,000,000	15,660,307,445	6,551,404,918	7,126,939,925	7,126,939,925
aFrench commerc. bills discounted.....Dec.	153,000,000	6,817,176,378	7,424,185,838	9,625,931,231	9,625,931,231
bBills bght.abr'd.....Dec.	2,577,000,000	8,749,429,166	19,138,110,832	18,714,197,901	18,714,197,901
Adv. agr. secur's.....Dec.	73,000,000	2,725,935,566	2,847,793,014	2,498,975,135	2,498,975,135
Note circulation.....Dec.	632,000,000	81,643,909,410	74,140,423,640	66,242,576,185	66,242,576,185
Cred. curr. acct's.....Inc.	565,000,000	31,179,148,051	23,126,920,410	21,531,051,927	21,531,051,927
Proportion of gold on hand to sight liabilities.....Inc.	1.12%	59.98%	53.16%	46.28%	46.28%

a Includes bills purchased in France. b Includes bills discounted abroad.

The Bank of Germany in its statement for the third quarter of November reveals a loss in gold and bullion of 29,457,000 marks. Owing to this decline, bullion now aggregates 1,008,551,000 marks, as compared with 2,179,927,000 marks last year and 2,236,223,000 marks two years ago. Increases are shown in reserve in foreign currency of 15,743,000 marks, in silver and other coin of 43,492,000 marks, in notes on other German banks of 2,478,000 marks, in advances of 5,600,000 marks, in other daily maturing obligations of 17,597,000 marks and in other liabilities of 24,326,000 marks. The proportion of gold and foreign currency to notes in circulation stands now at 27.5%, compared with 26.7% last week and 70.5% last year. Bills of exchange and checks and other assets record decreases of 126,353,000 marks and 45,848,000 marks, while the items of deposits abroad and investments show no change. Notes in circulation declined 176,268,000 marks, bringing the total of the item down to 4,277,191,000 marks. Circulation a year ago stood at 3,954,312,000 marks and the year before at 4,162,489,000 marks. A comparison of the various items for three years is shown below:

REICHSBANK'S COMPARATIVE STATEMENT.

	Changes for Week.		Status as of		
	Nov. 23 1931.	Nov. 22 1930.	Nov. 23 1929.	Nov. 23 1929.	Nov. 23 1929.
	Reichsmarks.	Reichsmarks.	Reichsmarks.	Reichsmarks.	Reichsmarks.
Assets—					
Gold and bullion.....Dec.	29,457,000	1,008,551,000	2,179,927,000	2,236,223,000	2,236,223,000
Of which depos. abr'd.....	Unchanged	66,719,000	221,589,000	149,788,000	149,788,000
Res'v in for'n curr'.....Inc.	15,743,000	167,517,000	509,809,000	389,669,000	389,669,000
Bills of exch. & checks.....Dec.	126,353,000	3,655,016,000	1,611,190,000	1,927,762,000	1,927,762,000
Silver and other coin.....Inc.	43,492,000	164,340,000	187,671,000	121,535,000	121,535,000
Notes on oth.Ger.bks.....Inc.	2,478,000	11,012,000	23,041,000	26,648,000	26,648,000
Advances.....Inc.	5,600,000	118,964,000	61,253,000	49,920,000	49,920,000
Investments.....Unchanged	Unchanged	102,884,000	102,474,000	92,562,000	92,562,000
Other assets.....Dec.	45,848,000	849,056,000	475,948,000	611,828,000	611,828,000
Liabilities—					
Notes in circulation.....Dec.	176,268,000	4,277,191,000	3,954,312,000	4,162,489,000	4,162,489,000
Oth. daily mat. oblig.....Inc.	17,597,000	424,433,000	402,282,000	559,127,000	559,127,000
Other liabilities.....Inc.	24,326,000	886,385,000	300,792,000	292,135,000	292,135,000
Prop. of gold & foreign curr. to note circul'n.....Inc.	0.8%	27.5%	70.5%	63.1%	63.1%

A slight tendency toward harder rates appeared in the New York money market this week. It was reflected solely in yield rates on bankers' acceptances maturing up to 90 days, which were raised $\frac{1}{8}$ of 1% by dealers Wednesday. A change in the contrary direction was made in its bill buying rate by the Federal Reserve Bank, Monday, the level for bills up to 45 days' maturity being brought down from $3\frac{1}{8}$ to 3%. This was done, dealers indicated, to bring the buying rate of the institution more nearly into line with open market figures then prevalent. Call loans on the Stock Exchange again were quoted $2\frac{1}{2}$ % for all transactions, whether renewals or new loans. Funds were available in the "Street" market at 2%, or a concession of $\frac{1}{2}$ % from the official rate. Time loans were unchanged. Brokers' loans against stock and bond collateral declined \$24,000,000 in the statement of the Federal Reserve Bank of New York for the week to Wednesday night. Gold movements reported by the institution for the same period consisted of imports of \$3,348,000, exports of \$21,000, and a net decrease of \$4,674,000 in the stock of gold held earmarked for foreign account.

Dealing in detail with call loan rates on the Stock Exchange from day to day, $2\frac{1}{2}$ % was again the ruling quotation all through the week, both for renewals and for new loans. There has been very little movement in time money this week, as there is absolutely no interest displayed in this section of the money market. Rates for 30- to 60-day money are $2\frac{1}{2}$ % bid 3% asked, for 90-day accommodation $3\frac{1}{4}$ % bid and $3\frac{1}{2}$ % asked, and for four to six months $3\frac{1}{2}$ % bid and 4% asked. These quotations are nominal, as each transaction is given special attention. The demand for prime commercial paper has been fairly brisk this week, but transactions were greatly restricted, as there was an inadequate supply of paper. Rates remain unchanged. Quotations for choice names of four to six months' maturity are $3\frac{3}{4}$ @ $4\frac{1}{4}$ %. Names less well known are $4\frac{1}{2}$ %. On very short maturities of high grade there have been some transactions at $3\frac{1}{2}$ %.

The supply of prime bankers' acceptances exceeded the demand this week, and dealers were able to fill all orders promptly. On Nov. 25 rates were raised $\frac{1}{8}$ of 1% on 30-, 60- and 90-day maturities. The quotations of the American Acceptance Council for bills up to 90 days are $3\frac{1}{8}$ % bid, 3% asked; for four months' bills, $3\frac{1}{4}$ % bid, 3% asked; for five and six months, $3\frac{7}{8}$ % bid and $3\frac{5}{8}$ % asked. The bill buying rate of the New York Reserve Bank was reduced on Monday from $3\frac{1}{8}$ % to 3% on maturities up to 45 days. The Federal Reserve banks show a further decrease this week in their holdings of acceptances, the total having fallen from \$534,017,000 to \$479,798,000. Their holdings of acceptances for foreign correspondents further increased from \$114,685,000 to \$117,650,000. Open market rates for acceptances are as follows:

	SPOT DELIVERY.					
	180 Days		150 Days		120 Days	
Prime eligible bills	Bid.	Asked.	Bid.	Asked.	Bid.	Asked.
	$3\frac{1}{4}$	$3\frac{3}{4}$	$3\frac{1}{4}$	$3\frac{3}{4}$	$3\frac{1}{4}$	3
	90 Days		60 Days		30 Days	
Prime eligible bills	Bid.	Asked.	Bid.	Asked.	Bid.	Asked.
	$3\frac{1}{4}$	3	$3\frac{1}{4}$	3	$3\frac{1}{4}$	3
	FOR DELIVERY WITHIN THIRTY DAYS.					
Eligible member banks						$3\frac{1}{4}$ bid
Eligible non-member banks						$3\frac{1}{4}$ bid

There have been no changes this week in the rediscount rates of the Federal Reserve Banks. The

following is the schedule of rates now in effect for the various classes of paper at the different Reserve Banks:

DISCOUNT RATES OF FEDERAL RESERVE BANKS ON ALL CLASSES AND MATURITIES OF ELIGIBLE PAPER.

Federal Reserve Bank.	Rate in Effect on Nov. 27.	Date Established.	Previous Rate.
Boston	$3\frac{1}{4}$	Oct. 17 1931	$2\frac{1}{4}$
New York	$3\frac{1}{4}$	Oct. 16 1931	$2\frac{1}{4}$
Philadelphia	$3\frac{1}{4}$	Oct. 22 1931	3
Cleveland	$3\frac{1}{4}$	Oct. 24 1931	3
Richmond	4	Oct. 20 1931	3
Atlanta	$3\frac{1}{4}$	Nov. 14 1931	3
Chicago	$3\frac{1}{4}$	Oct. 17 1931	$2\frac{1}{4}$
St. Louis	$3\frac{1}{4}$	Oct. 22 1931	$2\frac{1}{4}$
Minneapolis	$3\frac{1}{4}$	Sept. 12 1930	4
Kansas City	$3\frac{1}{4}$	Oct. 23 1931	3
Dallas	4	Oct. 21 1931	3
San Francisco	$3\frac{1}{4}$	Oct. 21 1931	$2\frac{1}{4}$

Sterling exchange was under severe pressure during the week. In Monday's trading it dropped to 3.65 for cable transfers and a still further break occurred on Wednesday, when sterling fell to $3.61\frac{3}{4}$. On Thursday, Thanksgiving Day, there was no market in New York. Friday sterling broke still further to 3.52 for cables. The range this week has been from $3.51\frac{3}{4}$ to 3.73 for bankers' sight bills, compared with $3.73\frac{1}{2}$ to $3.79\frac{1}{2}$ last week. The range for cable transfers has been from 3.52 to $3.73\frac{1}{4}$ compared with $3.73\frac{3}{4}$ to 3.80 last week. According to London advices the market there is looking for still further pressure in the coming weeks, based on the fact that a considerable portion of the imports into Great Britain which were made after the general election, when it became apparent that an import tariff would be imposed, have not yet been paid for. The autumn is normally the period of heaviest importation but this condition has been accentuated by attempts to move additional goods into the country before a new tariff could become effective. The course of sterling during the coming week will be watched closely as it may have an important bearing on the manner in which the Bank of England will meet its credit arrangements with the Bank of France and the Federal Reserve banks upon maturity. These obligations mature at the end of January. If sterling shows considerable improvement during that period, which seems hardly probable, the Bank of England may acquire franc and dollar balances with which to make the payment. If no improvement is shown, payment of whatever amount of the credit may be in use at that time will create unfavorable pressure on sterling. In some quarters it is thought that the Bank of England may make at least a partial payment in gold. This is likewise improbable, although it will be recalled that on October 30 the Bank of England announced the sale of £15,000,000 of gold in connection with the reduction of its credit at that time.

The London money market is suffering from stringency, which though not abnormal at this time of the year, is impressive for its intensity. The present stringency in the money market is due in part to the seasonal expansion of Treasury bill issues prior to the war loan dividend payment on Dec. 1. Coupled with this is the insistent calling by clearing banks. Two-months' bills in London are at $5\frac{5}{8}$; three-months' bills at 5 11-16; four-months' bills at $5\frac{7}{8}$, and six-months' bills at 6%. In the London bullion market gold was quoted several times during the week at better than 110s. This week the Bank of England shows gold holdings of £121,683,262, against £121,770,967, on Nov. 18. This compares with £157,573,187, a year ago. At the Port of New York the gold movement for the week ended

Nov. 25 consisted of imports of \$3,348,000, of which \$1,994,000 came from Canada, \$225,000 from British India, \$205,000 from Straits Settlements, \$305,000 from United Kingdom, \$194,000 from Argentina, \$134,000 from Mexico and \$291,000 chiefly from Latin-American countries. Exports totalled \$21,000 of which \$10,000 was shipped to Holland and \$11,000 to Germany. There was a decrease of \$4,674,000 in gold earmarked for foreign account. In tabular form the gold movement for the week ended Nov. 25, as reported by the Federal Reserve Bank of New York, was as follows:

GOLD MOVEMENT AT NEW YORK, NOV. 19-NOV. 25 INCL.	
Imports.	Exports.
\$1,994,000 from Canada	\$10,000 to Holland
225,000 from British India	11,000 to Germany
205,000 from Straits Settlements	
305,000 from United Kingdom	
194,000 from Argentina	
134,000 from Mexico	
291,000 chiefly from Latin-American countries	
<hr/>	<hr/>
\$3,348,000	\$21,000

Net Change in Gold Earmarked for Foreign Account.
Decrease: \$4,674,000.

During the week approximately \$29,036,000 of gold was received at San Francisco, of which \$26,979,000 came from Japan, \$966,000 from China, and \$1,091,000 from Australia. There were no imports or exports on Thursday (Thanksgiving Day) or on Friday, and there was no further changes in gold earmarked for foreign account.

Canadian exchange continues at a severe discount. On Saturday last Montreal funds were at a discount of $11\frac{3}{4}\%$, on Monday at $12\frac{3}{8}\%$, on Tuesday at $12\frac{3}{8}\%$, on Wednesday at $12\frac{1}{4}\%$, and on Friday at $13\frac{1}{4}\%$.

Referring to day-to-day rates, sterling exchange on Saturday last was under pressure. Bankers' sight was $3.72@3.73$, cable transfers, $3.72\frac{1}{4}@3.73\frac{1}{4}$. On Monday sterling broke sharply. The range was $3.64\frac{1}{2}@3.66\frac{3}{4}$ for bankers' sight, and $3.65@3.67$ for cable transfers. On Tuesday there was a slight rally in exchange. Bankers' sight was $3.64\frac{1}{4}@3.69\frac{3}{4}$; cable transfers were $3.64\frac{3}{4}@3.70$. On Wednesday sterling was again under pressure. The range was $3.61\frac{1}{4}@3.68\frac{3}{4}$ for bankers' sight and $3.61\frac{3}{4}@3.69$ for cable transfers. On Thursday, Thanksgiving Day, there was no market in New York. On Friday sterling dropped still further, the range was $3.51\frac{3}{4}@3.56$ for bankers' sight and $3.52@3.56\frac{1}{4}$ for cable transfers. Closing quotations on Friday were $3.54\frac{3}{4}$ for demand and 3.55 for cable transfers. Commercial sight bills finished at 3.53, sixty-day bills at 3.47, ninety-day bills at 3.45, documents for payment (60 days) at $3.47\frac{1}{2}$, and seven-day grain bills at $3.51\frac{1}{2}$. Cotton and grain for payment closed at 3.53.

Exchange on the Continental countries is inclined to greater ease than at any time since the crises of June and September, following upon the financial difficulties and the debt moratorium of Germany in the first instance and the suspension of the gold standard in London in September. German marks have been easier than at any time in several weeks. On Monday a broad plan of national economy was announced by President von Hindenburg. The President issued a communique relative to the plan after the closing session of the economic general staff composed of leaders of German industry, finance and labor, which had been summoned to advise on a national program. The recommendations of the

plan, in addition to a simultaneous reduction in wages and prices, included a lowering of public utility rates, reduction of interest rates, strengthening of the banking and credit structure, assistance for smaller enterprises, and reduction of rents. Chancellor Bruening in making the communique public recommended that the Reichsbank do its utmost to increase its reserves of foreign currency. The Reichsbank statement for the week ended Nov. 23 shows a reduction of 29,457,000 marks in gold coin and bullion, and a decrease of 126,353,000 marks in bills of exchange and checks, the latter item being only partly offset by an increase of 15,743,000 marks in reserves of foreign currency. Total gold holdings are now 1,008,551,000 gold marks, which compares with 2,179,927,000 gold marks a year ago. The ratio of reserves to outstanding circulation is at 27.5% , compared with 26.7% a week ago and with 31.2% on Sept. 30. Berlin financial interests are concerned over the loss in gold holdings.

The Reichsbank ascribes the drain on reserves, which have been uninterrupted since September, partly to evasions of foreign currency decrees and partly to unsatisfactory working of the Basle agreement. According to Berlin opinion it now appears that the agreement required repayment of credits beyond Germany's power, that in fact it ignored the Layton Committee's recommendation that the volume of foreign credits then outstanding in Germany should be maintained. The feeling is that further prolongation of the Basle agreement after February will not of itself be adequate. At the time the agreement was concluded Germany expected that her repayments to foreign creditors would not exceed 200,000,000 marks monthly. The Reichsbank now calculates, however, that since September there has been repaid, including interest, 942,000,000 marks, or nearly 400,000,000 marks per month. The Reichsbank authorities do not admit that any serious flight of capital is in progress, but hold that importers are not making full use of the reimbursement credits which foreign banks are obliged to give under the Basle agreement. Importers on the other hand contend that they do not use the credits because they fear losses from unforeseen fluctuation of foreign currencies, particularly sterling, and are forbidden by the currency ordinances to insure themselves against such risks through buying forward exchange. Importers also complain that the exporters, in addition to understanding the real export prices and leaving the differences abroad, are intentionally giving foreign customers needlessly long credit, the effect of which is to retard the inflow of foreign exchange. It is pointed out that Germany has accumulated an export surplus in the past nine months amounting to approximately \$67,800,000, but her trading is largely with Russia, which now owes Germany approximately \$273,000,000 on rather long short-term credits.

According to dispatches from Vienna on Wednesday a committee of the international creditors of the Austrian Creditanstalt, the crash of which in the spring precipitated the German crisis of June and which in all probability was largely responsible for the London crisis in September, are in Vienna with a view to urging upon the Austrian Government the immediate reorganization of the Creditanstalt. These foreign creditors at the time of the crash had agreed to leave \$70,000,000 in short and medium term credits which they had advanced to the institution untouched for two years in return for the

Austrian Government's guaranty of repayment. Thus far it would seem that the Austrian Government has been unable to decide what action to take with respect to the Creditanstalt. The committee of the international creditors is trying to press upon the Government the resumption and completion of the investigation of the bank's position by English chartered accountants, a reduction in the running costs of the bank and in its industrial holdings, and the appointment of a capable managing director with wide powers to prune the bank of subsidiary concerns which are not paying. It is understood that the Austrian Government would like the foreign creditors to scale down their claims, but this the latter are not yet ready to do. The greater part of the Austrian deposits in the Creditanstalt have been withdrawn. It is understood that in the absence of such deposits it is costing the Austrian National Bank \$15,000 daily to keep the Creditanstalt going. It is understood that the delay in reorganizing the bank is due largely to the Government's fear of political repercussions from the dismissals, cancellation of pensions, and closing down of factories which will be necessitated by the painful task of rehabilitation.

French francs are practically unchanged, but are ruling easier than at any time since September. It would seem that the franc is nearing the point of profitable shipment of gold from Paris to New York. If the franc drops to the gold point, however, it seems more likely that the Bank of France will release gold held under earmark in New York. Most of the gold earmarked in New York is held by the Bank of France. France is running in import trade balance and now that the abnormal demand for francs has subsided it is probable that much of the French gold earmarked in New York will be released.

Italian lire are relatively steady though they have receded fractionally from the quotations prevailing earlier in the year. This is partly due to weakness in all the exchanges resulting from the world-wide business depression and from the events in Berlin and London in June and September. The current return of the Bank of Italy dated Nov. 10 shows an addition of 55,159,000 lire to gold stocks, which now amount to 5,625,961,000 lire. The position of the Bank of Italy is regarded as very sound. Dispatches on Saturday last from Rome stated that the minimum capital of 500,000,000 lire of the new Italian Securities Institute, the corporation set up by Premier Mussolini on Nov. 9, has been oversubscribed. It is expected that the Institute will play an important part in strengthening the economic structure of Italy.

Exchange on Finland is at all times extremely dull, with only a nominal market in New York, but interest attaches to it at this time because of the close connection between Finland and the other Scandinavian currencies in trade and financial transactions. This week a dispatch from Copenhagen to the "Wall Street Journal" states that Danish banks have been advised by the Nordiska Foreningsbanken of Helsingfors that the Finnish banks will no longer be able to remit foreign currency in settlement of accounts, unless the clients for whom payment is to be made have, in fact, made the requisite foreign currency available. Where a client merely instructs that a certain foreign account is to be paid, the bank will not be able to give effect

to the order in any other manner than by crediting the payee's account in Finnish marks. The money will have to remain on deposit in Finland.

The London check rate on Paris closed at 90.00 on Friday of this week, against 95.56 on Friday of last week. In New York sight bills on the French centre finished on Friday at 3.91, against 3.91 on Friday of last week; cable transfers at 3.91 1-16, against 3.91 $\frac{1}{8}$ @ 3.91 $\frac{1}{2}$, and commercial sight bills at 3.90 $\frac{7}{8}$, against 3.91 3-16. Antwerp belgas finished at 13.88 for bankers' sight bills and at 13.88 $\frac{1}{2}$ for cable transfers, against 13.86 and 13.87. Final quotations for Berlin marks were 23.73 for bankers' sight bills and 23.78 for cable transfers, in comparison with 23.77 and 23.78. Italian lire closed at 5.16 for bankers' sight bills and at 5.16 $\frac{1}{4}$ for cable transfers, against 5.15 and 5.15 $\frac{1}{2}$. Austrian schillings closed at 14.15, against 14.10; exchange on Czechoslovakia at 2.96 $\frac{1}{2}$ against 2.96 $\frac{1}{2}$; on Bucharest at 0.60, against 0.60; on Poland at 11.25, against 11.22, and on Finland at 1.80, against 1.90. Greek exchange closed at 1.28 $\frac{5}{8}$ for bankers' sight bills and at 1.28 $\frac{7}{8}$ for cable transfers, against 1.28 $\frac{5}{8}$ and 1.28 $\frac{7}{8}$.

Exchange on the countries neutral during the war is generally softer than at any time since September, due partly to seasonal pressure but chiefly to sympathetic relation to the action of the pound. The Scandinavian exchanges on Monday broke on average from 40 to 60 points on the decision of the Swedish Riksbank to abandon its attempt to peg the kroner at kr. 18.5 to the pound. The bank has requested the co-operation of bankers and others to restrict the demand for foreign exchange whenever possible. The Scandinavians, Sweden, Norway and Denmark, were all quoted 20 cents flat on Saturday of last week, which compares with dollar parity of 26.80. They broke further on Monday and Tuesday. Holland guilders are nearing the point where gold might be expected to move from Amsterdam to New York. Were some of the Dutch gold to be returned to New York, it would not necessarily weaken the position of the Bank of The Netherlands as the private banks in Holland are holding large amounts of the bullion in their vaults. Any export movement from Holland would probably reduce these stocks first. It is believed also that the Bank of The Netherlands has large amounts of gold earmarked in New York, and were the guilder to fall lower might release some of this earmarked stock. On Nov. 9 the Netherlands Bank reported gold holdings of 864,400,000 guilders and foreign balances of 81,549,000 guilders. Since Sept. 21 gold has been increased 161,300,000 florins and foreign balances have declined 150,700,000 florins, showing that most of the increase in the bank's gold holdings have been the result of conversion of its own foreign balances into gold, rather than receipts of gold imported by the commercial banks. The Bank's gold held abroad has increased since Sept. 21 by 135,600,000 florins to 164,200,000 florins. This represents earmarking operations on the part of the bank which are believed to have been conducted for the most part in New York. Dutch money rates continue to weaken. The private discount rate has been fixed at 1 $\frac{1}{8}$ % and the buying rate on prime guilder acceptances at 1 $\frac{1}{4}$ %. These rates compare with the official bank rate of 3 %, but do not indicate that the bank rate will be lowered, as the situation of the money market in Amsterdam is considered to be far from normal.

Bankers' sight on Amsterdam finished on Friday at 40.14, against 40.08; cable transfers at 40.15, against 40.15; and commercial sight bills at 40.00, against 40.00. Swiss francs closed at 19.38 for checks and at 19.38½ for cable transfers, against 19.44 and 19.45. Copenhagen checks finished at 19.50 and cable transfers at 19.55, against 20.25 and 20.28. Checks on Sweden closed at 19.57 and cable transfers at 19.60, against 20.25 and 20.30; while checks on Norway finished at 19.20 and cable transfers at 19.25, against 20.28 and 20.30. Spanish pesetas closed at 8.43½ for bankers' sight bills and at 8.44 for cable transfers, against 8.50 and 8.51.

Exchange on the South American countries presents no new trend. Exchange on Buenos Aires has been firm, notwithstanding the reaction in the price of wheat and other cereals. An improvement in wheat prices was largely responsible for the firmer tone displayed by Argentine exchange a few weeks ago. The Chilean Government has appointed an advisory committee to the foreign exchange board whose operations, it is understood, have brought about a serious situation in the import business. Rigorous exchange control by the board has made it increasingly difficult for importers to make foreign remittances and has sent prices of imported articles soaring. The Finance Minister of Brazil, Jose Maria Whittaker, resigned last week, a fact which caused some disturbance in Brazilian financial circles, although confidence was restored with the announcement by the new Finance Minister, Osvaldo Aranha, that he would follow Whittaker's policy of firmly opposing the issuance of more paper currency. The decision of Finance Minister Whittaker to resign from the Cabinet was followed by the resignation of Almeida Parado as President of the Bank of Brazil, who was succeeded by Carlos Figueiredo, former manager of the exchange department of the Bank. Despite the political unsettlement, the financial situation remains calm in Rio de Janeiro.

Argentine paper pesos closed on Friday at 25 15-16 for bankers' sight bills, against 25 7-16 on Friday of last week; and at 26.00 for cable transfers, against 25½. Brazilian milreis are nominally quoted 5.95 for bankers' sight bills and 6.00 for cable transfers, against 5.95 and 6.00. Chilean exchange is nominally quoted 12½, against 12½. Peru is not quoted.

Exchange on the Far Eastern countries has followed very closely the trend of the silver market, which has been ruling fractionally lower the past few weeks, as the bullish elements in silver have been largely frustrated by the indifference of some of the leading powers to the idea of a silver conference. Japanese yen continue relatively steady, although the heavy exports of gold throughout the past year are a cause of anxiety to Japanese banks. Other influences affecting the Far Eastern currencies show no change.

Closing quotations for yen checks yesterday were 49 9-16@49¾, against 49.50@49 9-16. Hongkong closed at 25¾@25 11-16, against 26¼@26 5-16; Shanghai at 33¾@33¼, against 34½@34½; Manila at 49½, against 49½; Singapore at 45½, against 47½; Bombay at 26½, against 28½, and Calcutta at 26½, against 28½.

Pursuant to the requirements of Section 522 of the Tariff Act of 1922, the Federal Reserve Bank is now certifying daily to the Secretary of the Treasury the buying rate for cable transfers in the different countries of the world. We give below a record for the week just passed:

FOREIGN EXCHANGE RATES CERTIFIED BY FEDERAL RESERVE BANKS TO TREASURY UNDER TARIFF ACT OF 1922, NOV. 21 1931 TO NOV. 27 1931, INCLUSIVE.

Country and Monetary Unit.	Noon Buying Rate for Cable Transfers in New York, Value in United States Money.					
	Nov. 21.	Nov. 23.	Nov. 24.	Nov. 25.	Nov. 26.	Nov. 27.
EUROPE—						
Austria, schilling	\$ 1.39750	\$ 1.39757	\$ 1.39642	\$ 1.39632	\$	\$ 1.39632
Belgium, belga	1.38547	1.38466	1.38823	1.38984		1.38673
Bulgaria, lev	.007137	.007137	.007137	.007150		.007150
Czechoslovakia, krone	.029626	.029626	.029625	.029625		.029622
Denmark, krone	1.99733	1.95336	1.93717	1.95812		1.94176
England, pound sterling	3.727142	3.662976	3.665357	3.662976		3.527023
Finland, marka	.019003	.019078	.018887	.018638		.018700
France, franc	.039099	.039097	.039112	.039135		.039097
Germany, reichsmark	2.37178	2.36590	2.37240	2.37352		2.36789
Greece, drachma	.012882	.012882	.012875	.012881		.012868
Holland, guilder	4.00855	4.00640	4.00927	4.01200		4.01120
Hungary, pengo	1.74762	1.74708	1.74658	1.74816		1.74800
Italy, lira	.051503	.051475	.051458	.051388		.051375
Norway, krone	2.00000	1.95453	1.93694	1.95737		1.91135
Poland, zloty	1.11915	1.11996	1.11858	1.11857		1.11962
Portugal, escudo	.036000	.035900	.036250	.036375		.036125
Rumania, leu	.005966	.005975	.005955	.005948		.005959
Spain, peseta	.084937	.08440	.084512	.084617	HOLIDAY	.084110
Sweden, krona	1.99678	1.94466	1.95247	1.97853		1.94794
Switzerland, franc	1.94278	1.93792	1.93845	1.93965		1.93597
Yugoslavia, dinar	.017860	.017866	.017877	.017823		.017847
ASIA—						
China—						
Chefoo tael	3.44375	3.38750	3.39375	3.44375		3.42500
Hankow tael	3.36718	3.29375	3.29843	3.32343		3.33750
Shanghai tael	3.31875	3.23571	3.25089	3.27767		3.28750
Tientsin tael	3.34708	3.41250	3.41875	3.43125		3.45000
Hong Kong dollar	2.54464	2.49464	2.50000	2.50535		2.50392
Mexican dollar	2.40625	2.32500	2.33125	2.33750		2.34375
Tientsin or Peiyang dollar	2.43750	2.38333	2.38333	2.40833		2.41666
Yuan dollar	2.41666	2.34166	2.34166	2.36666		2.37500
India, rupee	28.1000	27.6458	27.9516	27.6666		26.6030
Japan, yen	4.93875	4.94093	4.94671	4.95153		4.95015
Singapore (S.S.) dollar	4.32500	4.28750	4.23750	4.22500		4.33750
NORTH AMER.—						
Canada, dollar	.883455	.875257	.874742	.877132		.866654
Cuba, peso	.999875	.999906	1.000125	1.000125		1.000062
Mexico, peso (silver)	3.88350	3.91866	3.95100	3.95066		3.85500
Newfoundland dollar	.881000	.873000	.873125	.874625		.864500
SOUTH AMER.—						
Argentina, peso (gold)	.589675	.592873	.585813	.587557		.587124
Brazil, milreis	.061687	.061777	.061888	.062000		.061750
Chile, peso	1.20750	1.20750	1.20750	1.20750		1.20750
Uruguay, peso	4.51666	4.46875	4.47666	4.51500		4.46833
Colombia, peso	.965700	.965700	.965700	.965700		.965700

The following table indicates the amount of bullion in the principal European banks:

Banks of—	Nov. 27 1931.			Nov. 28 1930.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England	£ 121,684,262	£	121,684,262	£ 157,573,187	£	157,573,187
France a	543,005,586	d	543,005,586	413,678,994	d	413,678,994
Germany b	47,009,100	c994,600	48,003,700	101,506,950	99,600,000	201,106,950
Spain	89,871,000	20,923,000	110,794,000	99,155,000	28,018,000	127,173,000
Italy	59,329,000		59,329,000	57,243,000		57,243,000
Neth'lands	72,687,000	2,345,000	75,032,000	35,514,000	2,069,000	37,583,000
Nat. Belg.	73,102,000		73,102,000	37,005,000		37,005,000
Switz'land.	55,250,000		55,250,000	25,624,000		25,624,000
Sweden	11,854,000		11,854,000	13,425,000		13,425,000
Denmark	9,121,000		9,121,000	9,561,000		9,561,000
Norway	6,560,000		6,560,000	8,135,000		8,135,000
Total week 1	1,089,532,948		24,262,600	1,113,795,548	958,421,131	31,081,600,980,502,731
Prev. week 1	1,084,600,715		24,529,600	1,109,130,315	955,263,541	30,990,600,986,254,141

a These are the gold holdings of the Bank of France as reported in the new form of statement. b Gold holdings of the Bank of Germany are exclusive of gold held abroad, the amount of which the present year is £3,335,950. c As of Oct. 7 1924. d Silver is now reported at only a trifling sum.

Signor Grandi's Visit and the Outlook for Peace.

Whether any agreements, expressed or implied, will later be revealed as the fruit of Signor Grandi's conversations with Mr. Hoover the country does not know, for the Administration has been even more uncommunicative regarding what was said or done in their case than it was in regard to the conversations with Premier Laval. All that the country has been allowed to know, and this only in a general way, is that there was some discussion of "economic questions" and an understanding that both Italy and the United States would do all they could to make the disarmament conference next February a success. There can be no doubt, however, that Signor Grandi has made a good impression, and that his visit has increased the friendly interest of this country in Italy. In the numerous addresses which he made during his stay, the Italian Minister of Foreign Affairs spoke with dignity, generosity and discre-

tion, and his courteous and democratic manner won general commendation. Thanks to police precautions and elaborately laid plans, the untoward incidents which it was feared the antifascist following in New York and elsewhere might precipitate did not occur, and the country was spared the chagrin of seeing political zealots resorting to violence as a means of advertising their dissent and discontent.

In the most important of his addresses, that delivered on Monday at a dinner of the Council of Foreign Relations in this city, Signor Grandi outlined in a clear and persuasive way the general attitude of Italy toward international matters. Pointing out that the Italian Government "has made and is making every effort to strengthen in the Italian people the feeling of national solidarity," and that Premier Mussolini "starts from the idea that the nation is the social unit best fitted to withstand the disintegrating forces now threatening civilization, and that one's duty to one's own country is one's first duty toward civilization," Signor Grandi urged that "the all-important thing is to have an intelligent understanding of one's own national welfare and to realize the fact that other peoples also are entitled to theirs." The inevitable effect of a great war, he continued, is to drive nations "toward a strictly selfish interpretation of their interests," a result injurious to victors as well as to vanquished because the former "are sometimes led to exceed the limits of common sense" and "find themselves faced by dissatisfactions and reactions which revive the very problems they considered as solved." "In the post-war years," he declared, "grave mistakes have been made in the attitude taken toward the problems of peace and reconstruction," but beginning with the Dawes Plan there has been progress in revision and co-operation, and that progress is continuing.

On the question of economic reorganization, Signor Grandi recalled that as far back as the London Conference of 1922 Italy defined its stand regarding reparations and war debts, and that the "substantial reductions" of its war debts obtained at Washington in 1925 and at London in 1926 "enabled us to use all our influence in favor of a substantial reduction of German reparations such as that obtained by Germany under the Young Plan." "Whatever may be the future developments of the problem of financial war obligations," he declared, "Italy will always support the most liberal solution proposed" as advantageous alike to creditors and debtors, and "should new settlements be considered which would require of Italy a definite and proportional sacrifice for the common good, she is prepared to make it."

Turning to the problems of security and disarmament, Signor Grandi recalled his proposal of an armament truce submitted to the Assembly of the League last September, and emphasized the need of basing peace upon the peaceful settlement of international disputes and a general reduction of armaments. In 1913 the twenty-seven countries that were armed the most expended \$2,400,000,000 for armaments; in 1928, with some of those countries disarmed, the figure had risen to \$3,400,000,000 and has increased since. In view of this "alarming phenomenon," Signor Grandi pleaded for support for disarmament and for a regime of both peace and justice. "But let us make no mistake on one point," he added. "By no method can peace be secured apart from justice. . . . I deem pernicious those mystical theories of peace which teach that to maintain peace

we must have faith in it. I also consider dangerous the teaching that peace comes first and then justice. Peace is not a matter of blind faith, nor is it an abstraction. . . . Nor can we suppose that peace can be maintained independently of the historic conditions within which the international problems are framed. . . . We must fortify justice and not justify force. Nor do I mean by justice a mere system of treaties, of written or verbal agreements, of international courts. I mean justice as a standard of conduct, as a moral habit, as a spirit of co-operation; I mean justice compounded of human sympathy."

Signor Grandi was careful to say, in his New York address, that his comments upon the international situation were of a general nature only, and that he had not in mind the policies of any particular country. He could hardly have been unmindful, however, of the obstacles to disarmament, and to the establishment of the reign of peace and justice for which he pleaded, which the troubled conditions in various parts of the world present at the moment, nor of the insistence of France upon linking disarmament with security. The latter contention, as it happens, had received an unexpected reinforcement and enlargement only a few days before Signor Grandi spoke. On Nov. 19 the French Radical Socialist party, at its meeting in Paris, not only declared in strong terms its opposition to any scheme of disarmament for France that did not carry with it guarantees of security, but Edouard Herriot, leader of the party and former Premier, in an interview with the United Press, called for the creation of an international police under the direction of the League of Nations. "A thorough examination of the disarmament problem," M. Herriot was quoted as saying, "led us to the belief that a mere reduction of man-power or budgets would not be real disarmament. Any two nations, even with reduced armaments, could still rise against a third. . . . Technical considerations would work to favor the most industrial and scientific nation. . . . We are convinced that such disarmament would be chimerical and dangerous. We ask . . . that an international army or police force be organized, to be used under the League of Nations in the service of any victim nation against its aggressor. Nothing is more logical." A similar opinion, but limited to the creation of an air force under the League, has recently been voiced by Louis Dumesnil, the French Minister of Air. The Radical Socialists, it should be remembered, are the strongest opposition party in France and in the forefront of the opposition to Premier Laval which for a time had seemed to put his Ministry in jeopardy.

Quite aside from the attitude of France, whether official or among parties of the opposition, the atmosphere of the present moment is not very favorable for the calm consideration of any general disarmament proposal. The discussions in the meetings of the League Council at Paris over the Sino-Japanese conflict have gone far to destroy such confidence as there was in the ability of the League to deal promptly or firmly with a controversy in which one strong Power appears determined to end a chaotic situation in a neighboring weak State, and the well-nigh helpless appeal of the Council for American help in a situation which the Administration at Washington would have been well advised to let alone has been an international object lesson not soon to be forgotten. The Hitler movement in Germany is still a serious menace to the political stability of the

Bruening Government, if not of the Reich itself, and the complete breakdown of the Economic Council which was recently set up, with President von Hindenburg as its President, to aid the Government in dealing with disputes between capital and labor, while it leaves Chancellor Bruening in form more of a dictator than before, robs him of an important support upon which he had counted. The trade relations between Austria, Jugoslavia and Rumania, involved in a tangled maze of commercial and financial restrictions, prohibitions and retaliations, have reached a point where they may easily produce a deadlock, and in that region of Europe the small sparks of international resentment have always been a danger to peace. It can hardly have escaped notice that a number of Governments, in announcing their general acceptance of the League suggestion of a year's armament truce, have specifically reserved the right to conform their armament policies to changed conditions.

More than ordinary interest, accordingly, attaches to a recent report from France which, while relating particularly to the question of reparations, has a possible application to the perplexities and anxieties of the general European situation. The Paris correspondent of the New York "Times," cabling on Nov. 20, reported that "for the first time in many years there has begun to appear in the political world something of a revolt against the iron logic of the Poincare pattern which has dominated all political thinking and action during the past ten years." Out of the discussion in the Foreign Affairs Commission of the Chamber of Deputies, this correspondent notes, there has "suddenly sprung a demand that in this time of world crisis France should do more than fuss about a return to the legal formula of the Young Plan and should have a more real, more active policy in that internationalism to which she has paid such lip service. Here the Bourse is abidingly weak, the trade balance for the year has fallen steadily, those tourists who contributed so much to French life and livelihood are not coming, the French people themselves are not buying, in every trade there are failures, art has come to a complete standstill, antiquity dealing has just ceased, dressmaking is without customers, taxation alone seems to increase, and yet the budget is not balanced." "If that is so," the correspondent sees the French people beginning to ask, "why don't we do something? It is surely a meagre result of all this power and boasting that we should announce as a great victory that we have gone back to the Young Plan. Something more than that must be done."

What that something is was sufficiently indicated in Signor Grandi's New York address. What the troubled States of Europe need is a consideration of their particular problems in the light of the general welfare. So long as the creditors of Germany, and France especially as the largest beneficiary, insist upon treating reparations as a hard and fast legal obligation, or scrutinize the details of every proposed mitigation to see if by any chance it may free Germany somewhat from leading-strings, the reparations issue will continue to distract European economic and political life. The substantial support which was given to Premier Laval in the Chamber of Deputies on Thursday, following his statement that France could not allow Germany's commercial credits to be dealt with ahead of reparations, tends only to increase the financial anxiety with which the

whole German financial situation is viewed. So long as the war debts are held up as a crushing financial burden to the debtor nations when in fact it is Germany, and not they, which is carrying the load, international recrimination will continue and friendly relations between Europe and America will be disturbed. No progress, surely, is to be looked for in the reduction and limitation of armaments so long as each nation insists upon measuring its own needs by the supposed strain that may be put upon it in another imminent war. There is need of a broader view than this, a view, as Signor Grandi said in his last formal address in this city on Thursday, which is inspired and controlled by mutual confidence rather than by fear, by a sincere desire for international justice and fair play, and by a resolute purpose to remain at peace. One would like to believe that such a change of heart as the "Times" correspondent detects is actually spreading in France, for it would indicate the emergence of a new national attitude from which Europe might indeed take hope. It will not be easy to think so, however, until France ceases to emphasize the political aspects of reparations and looks at the European financial situation from the standpoint of a broader interest.

Three Billion Dollars for Roads.

On his return to the Capital on Nov. 9, Senator George W. Norris of Nebraska announced that he would introduce a bill in the next Congress providing for an issue of three billions of dollars in long term bonds for the building of roads throughout the country in relief of unemployment. Of the proposal he is quoted as saying: "Under ordinary circumstances I would oppose an issue of Government bonds, but the question of meeting the unemployment situation has passed all bounds, and the necessity for the Federal Government to take some action to give employment to the very large number of people out of work has become imperative."

In explanation he further said: "It is preferable to give employment to men instead of charity, I would use Government funds to build public roads throughout the country. We already have a law by which the Federal Government contributes to road building in the States, with the State matching dollar for dollar. . . . "It is a practical impossibility for all the States to make such contributions now. Some of them are prohibited by their constitutions, and in others it would be impossible to raise the money. In my opinion we should issue Government bonds in the amount of \$3,000,000,000. This money could be used during the next two or three years on the road-building program. By that time business should have recovered and with it employment. I expect to introduce a bill providing for such a bond issue when Congress meets."

Senator Norris is modest in his proposal. Most of the free-thinkers in billions estimate the unemployment need at five billions of dollars. By what mathematical necromancy he reaches the sum of three billions as sufficient we do not know, with six millions unemployed, say, three billions will provide five hundred dollars per capita for a term of two or three years,"—not an adequate sum—provide it in work. Senator Norris continues to explain in this vein: "It is a terrible thing for an able-bodied man who wants work to be compelled to accept charity. My plan would obviate this. Furthermore, when we give charity, the country, generally speaking, gets no

benefit from it. My plan would give the country value received for the money expended."

We may as well begin, as citizens, to fix our minds on these billion dollar propositions, for they are certain to come trooping into Congress in great abundance. It is so easy to think in billions since the war. Have we not, as a people, "unlimited resources and inexhaustible energies"? Charity is easily translatable into the "Dole". Of that we intend to keep clear. We have an abiding interest in the self-respect of the man "out of a job". We would not, as a nation, degrade him by offering him annual alms. Having the Fortunatus purse of the "richest nation on earth" at our disposal, we need not hesitate to give him "work" and thus obtain value received. Work, in roads! Where? over the country! Not in the metropolitan cities that pay such a preponderant share in the taxes.

At the same time, as we look on "conditions", as we seek sources of the "Depression," we are firmly resolved, one and all, that we will cut down our governmental expenses, and balance our budgets. These are horses going in opposite directions. How we will successfully ride them we have yet to learn. Of course, the details of these vast appropriations are important and may soften the blow of the weight of the tax bills though they cannot prevent the taxes to be laid. So that we have enough to consider when the amount and the purpose are announced. Could we not postpone this extraordinary road building in behalf of Federal economy? Perhaps, but then where will we get the money to relieve unemployment?

At once we see that, not roads, but work for men is the prime object. Since we will not insult "able-bodied" men by offering them the "Dole" we must deceive ourselves into believing that Federal taxes to give the States roads is legitimate. What the States cannot do, the nation must do—namely support the men out of work, by furnishing them roads to build. Is this not invading the States, taxing the people in one State for the benefit of the people in other States? Is it not shifting the charity from the man to the State? Is it not forcing the power of the Nation to overcome the inability of the States?"

We await the details of this "internal improvement" with some trepidation. Upon what basis will the distribution of this tidy sum of three billions be made? Will it be territory, wealth, or population? Territory is more important to Nebraska than to Connecticut. Wealth is more important to New York than to New Mexico. Population is more important to California than to Florida, though each is equally interested in good "tourist routes." The middle Western States, with alluvial soils, with scant, some of them, native road building materials, need the roads even more than the Rocky Mountain States with abundant materials. There are several trans-continental roads, East and West, North and South, under the old plan; will the major portion of this appropriation go to building by roads or "feeders", or will it parallel existing roadways?

Which authority will lay down the lines, Nation or State? This is no longer a fifty-fifty proposition: will the Nation make the map or the individual State for its own territory. Which one will sacrifice itself for the other? Or will there be new and grand joint commissions to sit in solemn conclave and listen to the petitions of the inhabitants along the way? Will already existent "old roads" be utilized

or will it be necessary to condemn or purchase rights of way? Whose voice will have the greater weight—the farmer with grain and stock to haul to the local market or the automobilist out to view the scenery or to reach a winter or a summer resort? Of course, with so generous a movement, with the chief motive to furnish work for the man "willing to work", there will be no selfish bickering and all will be as merry as a marriage bell!

Three billions divided among forty-eight States reduces billions to millions and will not pave all the cow-paths—still it is a snug sum to have at hand in an emergency. We can only hope that the roads will be wide enough for autos going in opposite directions to pass in safety—something in fact more than the conventional eighteen or twenty-four feet—and the further hope that they may be so built as to outlast the life of the bonds. Upkeep by nation or State is not indicated. But if we are to have a veritable labyrinth of roads the taxes will be worth thinking about. Do we actually need these many-many roads—or are we just looking for a place to spend money and provide work? In times of ebullient quasi-charity it is important, but not imperative, to know.

A few years ago a magazine writer called on the automobile companies to promote the paving of all the country lanes to lessen congestion. We do not imagine that under the fostering care of Senator Norris there lurks anywhere in the background any such force as this. We *have* builded roads faster than they were needed due to collective automobile-owner influence. But now the poor man "out of work" is our sole cause. He cannot travel the roads he builds save at the risk of his life, but he needs the money and auto drivers need the smooth surface,—as for the taxpayers what they need only they know. We cannot sell our post offices and post roads to increase our foreign trade, but how essentially pleasant it is to speed along in a ten dollar flivver!

Glimpses Into the Future.

No doubt it is too soon to indulge in this propensity of "looking ahead." Especially under present circumstances. Though we peer intently, we have no crystal ball. Rather must we look through a glass darkly. Nevertheless, some truths seem to present themselves. We may begin with the Stock Exchange, and in doing this we make all allowances for laws by the coming Congress. Owing to certain indications, we cannot imagine that for many years to come there will come another Saturnalia of seven or eight million share days. This Stock Exchange is an invaluable adjunct of our financial life. But it ought to be purged of that form of speculation which is pure gambling. Finance and Commerce both need this universal market.

Laws will not effect this reform. But the history of the past panic in prices and the swift following of the present depression, when it comes to be analyzed and understood, as it will of necessity be in the recovery now faintly dawning, must teach, primarily, that though the investment in stocks and bonds increase through the decade, these tremendous share-days cannot come save through sheer gambling. Men will buy (even the solid basis of investment) and sell again for a profit. Legitimate speculation of this kind is wholesome, and moderately advances general prices. But the pools for driving up or down prices will not again sweep the whole country into a gigantic whirlwind of gambling speculation.

The lesson has been too severe and costly. Even the new generation will have heard too much of the fatal folly.

Congress may try to tax this form of speculative-gambling out of existence. Short-selling may be prohibited by law; and certain forms of it are being prohibited by the Exchange. Hedges may be built up around brokers loans, and this is in process. But the main deterrent will be the natural one of superior knowledge and informative experience. Even the common man will know that this huge turn-over day after day is not due to legitimate buying and selling. When the mania in the "provinces" has run its long and devious course we find two or three million shares a day (and some part of this artificial) represent an entirely different tempo to that prevailing at the time of the collapse in the Fall of '29. And so as we try to peer through the cloud (admitting all the other depressing influences of actual conditions) we cannot discover a renewal of the great and disastrous "long-time boom."

Our "better times" will be saner times. The incalculable harm, brought about by that Stock Exchange orgy, we cannot believe will be repeated. The universal-market feature of the Exchange will have increased value. Buyers in the hinterland will have more sense. The colossal error will be too evident. And for this reason we must deprecate too drastic, too ill-considered, laws at the hands of Congress. And as a corollary the Exchange must continue to purge itself of all features that tend to encourage gambling. If it is to preserve its essential character as a great light-house in a sea of prices over the world it must stand high in a solid rock of confidence.

As to changes in our banking system when the mists are swept away, we will come to a realization that credits, the legitimate grists of our banks, have their origin and security in an open and free commerce. To some extent banks, through interest rates, control the being and flow of credits. They are themselves, also, bound by these tides of trade. But if we expect to control commerce by the acts of the Federal Reserve Banks we will entertain a delusion. This is already amply proven by the numerous bank failures over the country. Every bank, large or small, will know in the future the primal law of the liquidity of assets, the close connection between good marketable loans and the readiness of the bank to pay its deposits.

At this very time, owing to the dulness of trade, member banks are not borrowing, save to a small extent, from the Regional Banks. There is idle credit and superfluous money. Tinkering with the Federal Reserve laws, as to interest and reserves, will not change the conditions that lie underneath. There is danger of doing more harm than good. Throwing down the bars of experience to pave the way for inflation of credits through a lax security-basis is not the way. We are already under the stress of expedients that must be avoided in the future. Huge credit pools are not extensions of legitimate banking.

The proposed transformation of good but slow-maturing assets into ready cash must, rightly understood, prove to depositors that their hurried withdrawals because of panicky fears have contributed to the closing of many small banks throughout the country. The fault, it will appear, was not entirely in the management of these unfortunate banks, though manifestly some of them acquired too much

of this kind of paper. The "hard times" on the outside of the bank caused many customers, forced them, to offer this species of security.

Banks were often dragooned into this sort of accommodation. And on top of this came the peremptory demand for actual cash. Depositors of the future will be able to see, as never before, the injustice of this attitude toward the banker. These patrons did not deposit cash but checks, or a very small percentage of cash. Are they then entitled, without warning, to demand cash? Savings banks and trust companies may exact notice of withdrawal. Not so commercial banks. These *may* be required to segregate their savings deposits. But whether so or not, this serves to foreshadow some minor changes in procedure that may ensue. But it would be a calamity if we could foresee a change to branch banking at this time.

Our foreign relations are so broad and complicated that we may herein barely touch upon a few phases. We are far enough along after the enactment to see that our last tariff law has done incalculable harm to our foreign trade. It has not helped agriculture and distinctly harmed manufacture. If it is still considered as a domestic question little hope of change may be entertained. But there is a strong undercurrent of belief among "protected" interests that revision downward would advantage foreign trade. Economics will finally overcome politics in the argument. But how soon no one can tell. It is not likely that Congress will permit the United States to enter into "entangling alliances" by actually joining the League of Nations or the World Court, though to some extent by official observers we are participating in their deliberations, at least so far as the League is concerned. The same may be said of the Bank for International Settlements.

As to international peace, despite threatening incipient wars and the ceaseless vigil of militarists over the world to maintain the status quo of preparedness, the agitation for total and universal disarmament as the prelude to lasting peace does not diminish. Whether the Geneva Conference of next year will be able to accomplish its main object depends upon the overclouding by current politics here and abroad. From the United States visit of Dino Grandi, the Italian Foreign minister, it is evident that Italy will be a powerful influence for peace. We need not fear the paralysis of another, sudden great war. Public opinion, the final arbiter, is swelling into a tidal wave that will finally rush over all obstacles and bear the waters of enduring peace over all lands.

It may carry some destruction to ancient ideals as to man, "the fighting animal," and as to the endurance of hates and rivalries, but the world will benefit thereby. Just now the constant disputes over reparations and debts not only retard peace but restrain trade.

But in order to derive comfort from these fleeting glimpses into the future we must perceive the purpose in all things. Retribution for follies and wrongs follows swift upon their doing. The world war was a climax. Nations and peoples had become indifferent to the natural laws in which they live and strive. Hates had been nursed and enmities fostered. The selfishness of classes, the encouragement of militarism, the absorption of peoples and races in the getting of wealth and the overdevelopment of resources and energies miscalled progress, brought on

the final catastrophe of death and destruction. The repercussion of the conflict affected the life and trade of every people. Complications infinite, and disparities undreamed of, came to break down the orderly relations, domestic and foreign, from which we are all now suffering.

But every State as the representative of every people must put its own house in order first. Not alone must budgets be balanced and onerous taxes reduced, but citizens and subjects must attain a new outlook upon the personal as well as collective life. There are augurs that this is swiftly coming. Boasting has turned to doubting. There is, true, too much despairing. But common sense is rising, and second thought is explaining much that was overlooked. The silver lining is growing brighter every year.

Favorable Rail Merger Indications.

If one may judge by outcropping minor developments the Interstate Commerce Commission is gradually coming around to the point where approval of mergers of the lines of railroads in the East will be given before long and consolidations will be permitted substantially as outlined by the principal railroads involved, for four trunk line systems.

In substantiation of this view the action of the Commission taken at the end of last week respecting the unification of two lines the control of which has been obtained by the Baltimore and Ohio through stock ownership is cited. This trunk line owns directly or indirectly over 99% of the Buffalo, Rochester & Pittsburgh and the Buffalo & Susquehanna, which together operate 855 miles of road. The Buffalo, Rochester & Pittsburgh owns the smaller line and since ownership of the Rochester road has been sanctioned by the Commission, approval is thus given of the operation of both lines by the trunk line, as was designed in the plan of the Eastern roads for four trunk line systems.

The same plan further provided that the Lehigh Valley Railroad should pass to the New York Central and the Commission has approved the sale by the New York Central to the Lehigh Valley of a half interest in the Owasco River Railway, which is a

switching line at Auburn, N. Y., tapping industries which are the source of much traffic. This step also is in line with the four trunk lines project as advocated by the New York Central, the Pennsylvania, the Baltimore and Ohio and the Van Sweringen interests.

A third and somewhat similar ruling has been made respecting the Pennsylvania Railroad, which through the Pennroad Corporation, a holding company, reputed to be controlled by the Pennsylvania, owns the Detroit, Toledo & Ironton, the Detroit & Ironton and the Toledo-Detroit railroads. Early this month the I. C. C., overruling an objection by its examiner, authorized the consolidation of the three minor roads as desired by the Pennsylvania, the indirect owner, in order to simplify operation under its plans for a rounded out system.

There are major propositions to be passed upon such as the operation of the Reading by the Baltimore & Ohio, which with the New York Central already controls that system, and the operation of the Wabash by the Pennsylvania and likewise approval of the Chesapeake & Ohio extended system. The unifying links, however, above outlined show that progress is being made.

Should the Commission announce its approval of the trunk line projects without waiting to take up the minor points respecting consolidations of other systems, which may require much more delay, a cloud will be lifted from the financial and business atmosphere. The trunk lines cover a large and very important traffic area of the United States and the settlement of just one link of the long drawn out controversy would no doubt do much to revive confidence and inspire hope in investment and traffic circles. For a decade the merger agitation has been a source of annoyance and uncertainty to the whole business world. The Commission has had many other subjects to divert its attention from the complex issues raised, such as valuation and rates which are important of themselves, but the minds of the commissioners must by this time be very well defined and a speedy determination, if it may safely be arrived at, will be welcomed by the whole population.

Rail Unions Reject 10% Cut in Wages—Roads to Push Fight—Men Object to Lack of Assurance That Saving Will Be Applied to Help the Jobless.

The Railway Labor Executives' Association rejected Nov. 22 a proposal for voluntary acceptance of a 10% reduction in railroad wages. The sponsors of the reduction proposal, a committee of nine railway presidents, countered by announcing that the individual railways immediately would start simultaneous action for the wage cut in accordance with the terms of the labor provisions in the transportation act. The wage reduction proposal was made at meetings which began in New York November 19 and which closed November 22 after the presidents had acknowledged receipt of the labor leaders' statement. The rail presidents will report the results of the conference to the Eastern, Southern and Western regional organizations and the labor leaders will take similar action at a meeting of about 1,500 general chairmen in Chicago on Dec. 8.

Although the union leaders and presidents failed in their four-day meeting to agree on a mutual policy, effort was made on both sides to show that the negotiations had been carried on in a friendly spirit.

Speaking for the committee of nine presidents, of which he was chairman, Daniel Willard, President of the Baltimore & Ohio RR., said "he felt sure that a better understanding had

been arrived at concerning many matters of mutual interest." In an announcement he said, "the conferences had been carried on in a fine spirit of friendship and that the discussions had been wholly devoid of any unpleasantness."

In his letter rejecting the proposal for a voluntary 10% wage reduction D. B. Robertson, Chairman of the Railway Labor Executives' Association, remarked that "you have listened courteously to our propositions."

The chief reasons cited by the association in its rejection was that the presidents failed to give assurance that money saved through a wage reduction would be applied either "to increase employment or even to stabilize existing employment." Further elucidating its attitude toward the proposal, the association's letter said: "More than one-third of the employes of this industry are idle and more than one-third of the capital in this industry is idle. You are taking nothing from the earnings of capital to support unemployed workers. You are asking that the employed workers take 10% from their earnings to support idle capital. We submit that the first duty of the employed workers, after their duty to their dependents, is an obligation to their fellow employes who are denied an opportunity of employment."

The letter of D. B. Robertson, Chairman Railway Labor Executives' Association, dated November 21 and addressed to Daniel Willard, Chairman, Special Committee of Railroad Executives, follows:

In the interest of a clearer understanding of the results of this conference, not only by those concerned directly in the transportation industry, but also by all the people who depend on the industry for an essential public service, we submit the following summary statement:

The Railway Labor Executives' Association sought this conference for the express purpose of seeking the adoption of measures to provide relief from the present severe unemployment and to obtain assurances of present and future increase and stabilization of employment. We submitted for the consideration of the Committee of Railroad Presidents our program as the product of long and earnest consideration of these problems. You have listened courteously to our propositions and have discussed them to some extent, but we have received no encouragement that any action would be recommended or taken by railway managements to provide any substantial measure of relief of the present intolerable conditions.

In behalf of the interests which you represent (in a word to protect and to increase the present wages of capital) you have suggested that we recommend that all railway employees offer to take a voluntary reduction of 10% in the payrolls based on present wage rates. This suggestion has not been coupled with any assurance that the money thus saved would be applied either to increase employment, or even to stabilize existing employment. We cannot regard seriously the argument that employment would be increased by such a wage cut, when those who make the argument decline positively to give any assurance that even men now employed will be continued in employment for any definite period.

We must point out that we represent in our proposals the elemental needs of approximately 1,750,000 workers—supporting probably 8,000,000 human beings. Of these workers, in round figures, 500,000 have practically no employment. Another 500,000 have only the insecure promise of less than a subsistence wage. Another 500,000 have only the expectation of earning little more than subsistence in the coming year.

We have sought to obtain agreement on practical measures that would stabilize existing employment and put as many additional men to work as possible. And although we recognize the obligations of railway managements to other interests, we submit that their obligations to the human beings dependent upon this industry ought to take precedence. If these obligations cannot be voluntarily given by you a first lien upon operating revenues, at least you cannot reasonably expect the railway employees voluntarily to place the claims of human life secondary to the claims of property.

More than one-third of the employees of this industry are idle and more than one-third of the capital in this industry is idle. You are taking nothing from the earnings of capital to support unemployed workers. You are asking that the employed workers take 10% from their earnings to support idle capital. We submit that the first duty of the employed workers, after their duty to their dependents, is an obligation to their fellow employees who are denied an opportunity of employment.

The Railway employees have been called upon to share their earnings with their fellow employees for two years and they have responded to that call. Several hundred thousand men have reduced their hours of work and their earnings voluntarily to give employment to others. All railway employees have contributed generously to the relief of their fellow workers in distress. If they were called upon to budget all their contributions and to contribute 10% of their earnings to the relief of 500,000 unemployed railway workers, such a proposal would seriously appeal to them.

Therefore, when the question was quite generally raised throughout the country as to whether the railway employees would accept voluntarily a 10% reduction in payrolls, and when it was urged that such an action would increase employment, their representatives sought this conference for the primary purpose of determining whether any program could be adopted which would give assurance of stabilizing and increasing employment, to relieve in part the widespread distress of railway employees. We have been informed that no such assurances can be given. We have been asked to contribute, not the relief of our fellow employees, but to the relief of those who have no claim upon our charity. We submit that impartial public opinion will support our answer that labor cannot be called upon to pay a dole to idle capital. We are confident that this proposition can be submitted to any well-informed, impartial judgment without fear of the consequence.

The argument has been widely made that the wages of railway labor should be reduced because it is claimed that the wages of labor in other industries have been reduced. Regardless of the justice or wisdom of such reductions, we submit that the comparison is utterly unsound. The prices of the products of nearly all other industries have been reduced. It has been argued that since the labor of each employee was producing less money he should accept less compensation. Regardless of the soundness of this argument, it cannot be applied to the railroad industry. For many years the labor of each employee has produced more revenue than the year before. Since the present depression began the prices of the transportation service, which is the product of this labor, have not been reduced. In fact, authority has recently been granted to increase the rates for transportation service in amounts estimated to produce \$125,000,000, more revenue from the same amount of labor. Whether this increase, which can be accepted by the managers of the railroads, will be accepted on the conditions proposed, rests within their decision. But, regardless of their action, it cannot be denied that the labor of each railroad employee in the future will produce as much revenue for the employer as in the past and probably more revenue.

Therefore, the suggestion of a wage reduction means simply that the labor share out of every dollar of revenue shall be decreased in order that the capital share may be increased. We submit that justice and a decent regard for the value of human life demand that, in this time when millions of men and millions of dollars are unemployed, every dollar deducted from the earnings of employed men should be used to provide employment, or to support those workers who are denied the opportunity to earn a living. No other principle of a distribution of the rewards of industry should be voluntarily accepted by the workers, and we do not believe that any other principle will be imposed by the power of Government, or the force of public opinion.

In view of the results of our conference as above outlined, the organizations affiliated with the Railway Labor Executives' Association have decided to convene respectively their General Chairmen for the purpose of submitting this entire matter to the consideration of these immediate representatives of the employees on the various railroad systems for their appropriate action in conformity with the laws of the respective organizations.

Respectfully submitted,
RAILWAY LABOR EXECUTIVES' ASSOCIATION.
D. B. Robertson, Chairman.

The letter of Daniel Willard, Chairman, Committee of Nine, dated New York, Nov. 22, and addressed to D. B.

Robertson, Chairman, Railway Labor Executives' Association, follows:

This will acknowledge receipt of your letter of the 21st instant written, as you say, in the interest of a clearer understanding of the results of our conference, and also in reply to the suggestion which we ventured to make that in view of the present condition of business, the railroad employees consider the wisdom of voluntarily accepting a general reduction of their wages equal to 10% for a limited period of one year, such arrangements to terminate automatically at the expiration of 12 months unless continued by agreement for a longer period. We were moved to make this suggestion having in mind not only the very wide-spread and serious business depression, with the resultant decreased railroad earnings, with which you are all familiar, but also the further fact that the reduction in cost of living since many, if not all, of the present rates have been in existence, has been so great, as shown by the official reports of the Labor Department in Washington, that with a 10% reduction in the day's pay of the individual he would nevertheless be able to purchase substantially more of the things that enter into the cost of living than could have been purchased on the basis of the present wages at the time when they became effective. We will not enlarge further upon this matter at this time because the whole subject as you know was very fully discussed during our conference.

You refer in your letter to the fact that our suggestion concerning a voluntary wage reduction was "not coupled with any assurance that the money thus saved would be applied either to increasing employment or even to stabilize existing employment." This matter, you will recall, was also very fully discussed in conference and we gained the impression that you realized the difficulties, in fact the impossibilities, of giving any assurances concerning the future with conditions as uncertain as they are at the present time. We did, however, express the view that should such a reduction be made as we suggested, it would naturally tend to stabilize the employment of those now in the service and probably result in bringing back into the service many now temporarily unemployed. We also pointed out that in case a reduction should not be made and business continue on the present basis, it would probably come about that some of the men now working would have to be furloughed.

In view of what is said in your letter concerning the earnings of capital, we think we should call attention to the fact that without capital there could be no railroad industry at all. A capital investment of approximately \$15,000 is necessary for each man employed in the railroad industry, and railroad men with their well-known habits of industry and thrift would, we are sure, be the last to advocate any policy that would result in those who have invested their capital in the industry being deprived of a fair return thereon. That they are not now receiving as a whole the fair return to which it would seem they should be justly entitled, is too well understood by yourself and your associates to require further elaboration by us. Those who constitute the committee of nine with which you have been dealing have spent their entire business lives in the railroad service and we would not like to have it thought that we are in any sense indifferent concerning the welfare of those men or any part of them with whom our entire active life has been spent.

The railroads at the present time are confronted with a very serious situation and as we explained to you earlier in the conference, the matter has received the serious consideration of the railroad officers and they had concluded previous to the receipt of your letter of Nov. 2 that conditions made it necessary for them to take steps to bring about a reduction in railroad wages. It was generally understood, however, that that action would be withheld until after the termination of this conference. This matter has been fully discussed during our conference and the reasons which in the minds of the railway executives have made such action imperative, have been fully set forth, and nothing has so far developed in our discussion, nor is anything suggested in your letter of the 21st instant, which would seem now to make unnecessary the course which the railway executives had decided upon before this conference was called.

This committee will report back to the railway executives in their respective regions advising what has taken place.

This letter may be considered as not only a reply to yours received this date, but also as a confirmation of our verbal statements made during the conference.

Very truly yours,
(Signed) DANIEL WILLARD,
Chairman, Committee of Nine.

L. W. Baldwin
C. E. Denney
L. A. Downs
J. E. Gorman
A. C. Needles
J. J. Pelley
H. D. Pollard
C. A. Wickersham.

Daniel Willard, Chairman, Committee of Nine, in a letter dated Nov. 21, to D. B. Robertson, President and Associates, Railway Labor Executives' Association, stated:

Gentlemen:

In your letter of November 2 you requested a conference for the purpose of discussing a resolution adopted by the Railway Labor Executives' Association at Washington on the same date, and in your resolution it was stated that it was your wish that such a conference might be held for the purpose of considering and recommending to the respective Associations action regarding:

"1. Any proposals affecting railroad operations which railway managements desire to advance;
"2. Any proposals, including present and future relief of unemployment and stabilization of employment, which this Association (Railway Labor Executives' Association) desires to advance."

At a meeting of railway executives held in New York City on Nov. 13 the following resolution was adopted:

"Resolved: 1. That a committee of nine executives be appointed, consisting of three from the Eastern Region, three from the Western Region and three from the Southern Region, to confer with Mr. D. B. Robertson, Chairman, Railway Labor Executives' Assn., and such members of his Association as he may desire, in order that the two groups composing such conference may gain an understanding of each other's respective viewpoints regarding the subjects for consideration suggested in the resolution of the Railway Labor Executives' Association.

"2. That in arranging for such conference the committee shall in advance thereof call Mr. Robertson's attention to the following facts: that of the numerous railroad labor organizations comprising the membership of the Railway Labor Executives' Association only four of them—namely, those of the Engineers, Firemen, Conductors and Trainmen represent their respective classes of employes on substantially all the Class I railroads in the country and have agreements with said railroads covering wages and working conditions; that, accordingly a considerable number of the organizations comprising said Association do not represent their respective classes of employes upon, nor have contracts with, many of the Class I railroads.

"3. That said committee, while expected to confer with Mr. Robertson and his associates is not authorized to enter into any negotiations touching the matters discussed."

In harmony with this resolution the Eastern, Western and Southern groups of railroads, as commonly understood, each selected three presidents of railroads in such respective groups to constitute a committee of nine, of which I am the Chairman, to meet with you and your associates, responsive to your request.

Arrangements were made, as you know, for a conference to be had between our respective groups in New York on Thursday the 19th instant. At our first conference you submitted a printed statement, entitled "Outline of Program of Railway Labor Executives, Association to Relieve Unemployment and to Stabilize Employment," and this statement was made the basis of our discussion for the greater part of two days. During our joint discussion the several suggestions therein contained were very fully and freely discussed, and the purpose of this letter is to put in more definite form the substance of what was said by the representatives of the railroads concerning your several suggestions.

Under the caption "Immediate measures" you propose the following:

1. "Stabilize employment by assuring one year of employment to the necessary employes in every class:

(a) This stabilization should include provisions for putting to work as many men as possible consistent with maintaining satisfactory conditions in the respective classes of employment."

(b) The necessary stand-by forces should also be assured of a minimum amount of part time employment."

The members of our committee are sympathetic with your desire that whatever may be practicable should be done for the purpose of removing so far as possible the feeling of uncertainty concerning the future which no doubt may exist at the present time in the minds of many who are now employed either upon a whole-time or part-time basis. We are quite willing to recommend to those whom we represent that this matter be given careful and sympathetic consideration with the view of stabilizing employment. We do not feel, however, that we would be justified in encouraging the thought that the so-called necessary stand-by forces can be or should be assured of a minimum amount of work each month. You, of course, realize that we cannot offer employment, certainly not in times like the present, beyond our necessary requirements.

2. "Since the six-hour day is necessary and must be instituted to absorb the existing number of experienced employes without reduction of compensation, a commission should be created to determine the ways and means of applying this principle to the different classes of employes."

This subject, as you will recall, was quite fully discussed during our conference and I need not repeat what was said at that time. For reasons which we have fully stated in conference and with which you are familiar, we have found ourselves unable to accept your conclusion that the six-hour day is necessary and that it must be instituted in order to absorb the existing number of experienced employes without reduction of compensation. Consequently we would be unwilling to recommend the appointment of a commission to determine the ways and means of applying this principle to the different classes of employes.

3. "Joint action should be undertaken between managements and employes to promote:

(a) One billion dollar United States bond issue for grade crossing elimination on main traveled highways. One-half cost to be borne by government as improvement of inter-State highways. One-half cost to be borne by railroads to be repaid by payment of interest and sinking fund payment to retire bonds in 50 years.

We doubt the wisdom of recommending to the Federal Congress the appropriation of one billion dollars for the purpose set forth in your program. We realize, however, that there is much disparity of practice concerning this matter and the manner in which it is dealt within the several States, and we think it is quite possible that the railroads could co-operate with you and your associates towards bringing about an improvement over the present situation. We would be in favor of a full and careful study of the subject and we believe that a common basis might be developed upon which we could jointly seek to obtain action beneficial to all concerned. The railroads have an established law committee under the chairmanship of Colonel Alfred P. Thom, with headquarters in Washington, and we would suggest that you confer with Colonel Thom concerning this matter and he will, we are sure, be glad to arrange with you for a joint conference for the purpose of giving this subject further consideration. We will advise Colonel Thom that he may hear from you.

(b) Regulation of motor transportation and freight forwarding companies; including provision for employment of furloughed railroad employes."

There seem to be three distinct and separate thoughts involved in this particular suggestion.

We believe our views are in accord with yours concerning the fair and proper regulation of motors engaged in highway transportation. We do not think any unfair or unjust burden should be placed upon transportation agencies of any character. At the same time it is believed that the motor transportation now enjoys certain advantages which in effect are prejudicial to the railroads. The Inter-State Commerce Commission has been conducting an investigation concerning this matter and we understand it has in mind proposing to Congress legislation deemed necessary in this connection. The railroads through their legal committee of which Mr. Alfred P. Thom is Chairman, have outlined, in a memorandum, essential features to be protected and covered in legislation, a copy of which we will furnish you. We feel that much may be accomplished in National and State legislation, and appreciate the opportunity of working with you to this end.

As to freight forwarding companies, this matter is also as we understand, under investigation by the Inter-State Commerce Commission, and we question the wisdom of our attempting to reach any conclusion in that connection at this time based, as it would be, upon insufficient knowledge of the situation. We do not think that the interests of the railroads and its employes concerning this matter are or should be at variance.

Concerning provision for employment of furloughed railroad employes which you refer to, we understand that it is your desire that furloughed railroad employes be given opportunity for employment by motor companies and forwarding agencies when controlled by railroads. We think this request has merit and we will be pleased to recommend to the railroad executives concerned that consistent with the requirements of the service preference be given to furloughed railroad employes when additional men are required.

(c) "Protection of all interests in railroad consolidation."

You will recall that this matter was very fully discussed at our conference but owing to the conflicting viewpoints concerning certain phases of the subject as presented by you, and having in mind also that the subject is one concerning which railway executives are not in complete accord, we think it would be difficult if not impossible for us to reach any joint conclusion concerning the matter at this time.

(d) Federal legislation to provide retirement insurance and elective workmen's compensation."

This matter was also discussed exhaustively during our conference and we think we now have a correct understanding of the viewpoint of yourself and your associates in this connection. So far as we know, this subject is one which has not been discussed by the railroad executives in general conference, and we doubt if any generally accepted view is held by executives concerning this matter. We will be glad to report back to the railroads the substance of our discussion, together with a statement of your views as we understand them. In the meantime it is our understanding that this matter has been the subject of brief discussion between some of the members

of your Association and small group of railroad executives in the East, and that arrangements have been made for a joint committee to study the subjects and report to the executives who name the representatives to confer with your committee. This committee hesitates to express itself as to the desirability of legislation on these subjects.

(e) Establishment of an emergency employment bureau to prepare the way for the eventual establishment of a National placement bureau and to provide means for placing unemployed rail workers as additional opportunities of employment may develop."

It is clear, of course, that the purpose of the above recommendation is to provide agencies where necessary to assist in finding work for men with railroad experience who for one reason or another may happen to be out of employment. We are not unsympathetic with your thought in this connection. We can see, however, that an arrangement of this kind might, if not carefully worked out, tend to close the avenues of advancement for men already in the service, and we do not understand that it is your wish to create such a situation. We are quite willing to recommend to the railroad executives that your request be given careful study and that an effort be made to meet your views so far as it can be done without injury to others.

(f) Co-ordination of train crews and train lengths on the basis of economical, safe operation—including any desirable State of Federal legislation.

This matter was also fully discussed during our conference. With you we believe that train lengths and train crews should be co-ordinated on the basis of economical and safe operation, but unfortunately it has not been easy to agree as to what is safe and what is economical operation. The two terms are relative rather than absolute. It was our conclusion, as expressed in the conference, that probably we would be unable to agree concerning this matter and consequently we doubt the wisdom of recommending to the railroad executives at this time joint effort in this connection as you suggest. The question is one which we think can best be dealt with by the employees and managers of the individual companies.

4. Inasmuch as this particular paragraph involves two distinct recommendations, we have for convenience sub-divided the paragraph into sections (a) and (b).

(a) In order to carry forward the foregoing program, a continuing co-operation between railroad managements and railroad employes is essential.

We are in hearty accord with a policy of co-operation between the railroad companies and their employes, and we shall recommend to the railroad executives that such a policy be encouraged to the greatest possible extent.

(b) This will require complete willingness and good faith of railroad managements in dealing with the self-chosen representatives of railroad labor, and whole-hearted compliance with the spirit and the letter of the Railway Labor Act.

This subject was quite fully discussed in our conference but as we explained at that time it raised questions which our committee was not authorized to deal with and consequently we do not feel in position to make any definite recommendation in that connection to the group or groups of railroad executives by whom we were appointed.

The foregoing has direct reference to the proposals submitted on behalf of yourself and your associates, and relates more particularly to the matters referred to in your printed statement under the caption—"Immediate Measures." We believe it covers in substance the matters discussed during our two-day conference and is in substantial accord with our conclusions as verbally expressed.

Very truly yours,
(Signed) DANIEL WILLARD,
Chairman, Committee of Nine.

The outline of the program of the Railway Labor Executives' Association to relieve unemployment and to stabilize employment, as submitted to the Special Committee of Railroad Executives under date of Nov. 19, follows:

I—THE PROBLEM WHICH RAILWAY LABOR MUST SOLVE.

A. Insecure employment: Less than 50% of necessary workers assured of continuing employment.

B. Diminishing employment: 33% less employees used to handle same traffic as 20 years ago.

C. Inadequate wages to provide reasonable living conditions and to protect against—(a) Disability (temporary or permanent); (b) unemployment (400,000 earning less than \$20 per week; another 600,000 earning less than \$30).

A. *Insecure Employment.*

Seasonal character of traffic has always made employment insecure, and relief for older employees through seniority rules has been sought. But technological changes, reducing total volume of employment, have limited seniority protection to fewer and fewer employees.

The solution of this problem lies in stabilizing employment along two lines:

1. Where work can be budgeted for the year and spread evenly, an average force should be assured employment for one year and at least part time employment should be assured to the stand-by force necessary for heavy traffic periods. The maintenance of equipment and maintenance of way work are examples of work which can be budgeted to a large extent. Running repairs and inspection service, dependent on volume of traffic, may require treatment similar to transportation service.

2. Where the fluctuating and uncertain volume of traffic calls for expansion and contraction of forces somewhat irregularly, it should be possible to establish minimum forces assured of full employment for one year and the necessary stand-by forces assured of a certain amount of part time employment in one year.

The workers who are normally required for the operation of a railroad must have as much assurance of a fixed compensation from their fixed investments in the enterprise as those who invest money for a fixed return. In fact, the essential labor charge should be a first lien upon the revenues of any business. The insecure income of the worker-buyer is a greater menace to the good order and progress of society than the insecure income of the investor-seller.

The amount of seasonal employment on the railroads is not indicated in the averages of all railroads. Heavy movements of grain from the West, of fruits and vegetables from the South and from the West, of coal from the East and from the South, and movements of cotton, lumber, oil, manufactured goods, &c., from different parts of the country occur in different months. Therefore, the total number of employees required by the industry is greater than the annual average number reported by the Inter-State Commerce Commission, and the fluctuations in employment on individual roads are far greater than indicated in the monthly averages reported.

If employment could be stabilized by a common program throughout the industry, the excessive number of men now furloughed by each road, who earn annually far less than even a living wage, could be materially reduced. Then it might be possible to create a mobile force of extra workers, shifting from one road to another somewhat as Pullman cars and freight cars are shifted to meet traffic requirements. Nothing less than a co-

ordinated effort of all employers and employees could accomplish such an assurance of practically full time employment for all experienced employees. But this achievement without an increase in rates of pay would raise considerably the actual average earnings of the employees, and would increase substantially the efficiency of labor, while decreasing the labor cost of all railroads by reducing the turnover and improving the quality and morale of the employees.

There should be established a national placement bureau for the purpose of relocating railway employees separated from the service of a railroad because of permanent reductions of force and to provide for the temporary transfer of employees to extra work produced by seasonal or other temporary increases of traffic.

In order thus to stabilize employment without a vast amount of individual hardship it will be necessary to deal with the problem of diminishing employment so as to absorb between 200,000 and 300,000 unemployed men now dependent on the industry, but without reasonable expectation of re-employment even in a revival of past traffic volume.

B. Diminishing Employment.

Technological changes, including the use of larger equipment and the constant substitution of machine power for man power, have eliminated jobs more rapidly than they could be recreated by increased traffic. It is reasonable to assume that further diminutions will result from future similar developments and from the transfer of a part of rail transportation service to the motor transportation agencies.

In order to prevent unfair competition, motor transportation should be required to observe the same principles of safe, efficient and socially just operation that have governed rail transportation. The rail managements and investors are particularly interested in a fair competition with money invested in the railroads. The rail workers are particularly interested in a fair competition with labor invested in the railroads. Similar working conditions should prevail; and there is no reason why rail workers displaced by motor transportation agencies should not be relocated in furnishing motor transportation services similar to those they are trained to perform on the railroads. The operating services, the maintenance and clerical services call for much the same general training in both fields.

The principal method of dealing with diminishing employment which should be adopted is shortening the hours of labor. The social advantage of this program is clear. Instead of adding employees to the ranks of the unemployed, an industry in which the productivity per employee is greatly increased can be called upon to shorten hours of work without reduction of annual earnings per employee.

Comparing 1910 and 1930—the employee of to-day handles over 50% more traffic and produces twice as much surplus revenue over labor cost.

The establishment of the eight-hour day has demonstrated that improved methods and machinery and the increased efficiency of the workers permit of a shortened work day without reduction of average earnings and without a corresponding increase in the total payroll.

It should, however, be recognized as more socially desirable to pay wages to workers than to pay returns on property. Unless costs of production can be materially reduced and displaced workers can be relocated, there is no social advance in the substitution of machine power for man power. Every industry should aim to reduce man power only by employing less new men and shortening work hours and not by discharging experienced workers. After such humane reductions of man power are accomplished an industry requiring less man hours should reflect this increased productivity in higher wages for the reduced forces.

C. Inadequate Wages.

A principal cause of inadequate wages in the railroad industry is part time employment. A wholly false picture is presented by the wage statistics reported to the Inter-State Commerce Commission. Thousands of train and engine service employees work only from four to eight months a year. Thousands of maintenance men (in the shops and on the right of way) are idle for a substantial part of the year. In the months of employment their wages may average about as reported, but average earnings on the basis of \$1,500 per year for only eight months of work equal only \$1,000 per year.

The average number of hourly workers in 1929 was less than 1,600,000, but it is fair to estimate that at least 1,000,000 employees collected the \$2,601,715,716 paid in wages. Thus the average compensation instead of \$1,623 would be only \$1,369. The stabilization of employment heretofore suggested would go far toward leveling up the present earnings of those now earning less than even a living wage.

Present provisions to protect against temporary or permanent disability are largely either voluntary deductions from wages to pay for insurances or voluntary pension payments by some railroads. There should be:

(a) An elective Federal compensation law to indemnify against occupational accidents and diseases.

(b) A Federal law to provide retirement insurance.

Such a compensation law would save a huge waste of money in litigation. The retirement law would save the waste or continuing employment beyond the time of efficient service.

There should be a provision made for the payment of a dismissal wage in all cases of permanent dislocation of experienced employees.

There should also be worked out a provision for payroll reserves to take care of exceptional periods of reduced traffic—which would provide a workable and economical substitute for unemployment insurance. The stabilization of employment should operate to reduce this liability to a minimum.

These reserves should be created by an appropriation of surplus up to the amount estimated as necessary to maintain earnings of employees during periods of depression. In such periods hours of service could be reduced without reduction of earnings, with payment of added cost of employing same number of men for less traffic to be borne out of employment reserves. Thereby there would be no payments for idleness, but increased payments for units of work—maintaining the total purchasing power with resulting public benefit.

II—IMMEDIATE MEASURES.

In line with the principles of the foregoing permanent program immediate measures to relieve present distress can be proposed.

1. Stabilize employment by assuring one year of employment to the necessary employees in every class. (This will increase the purchasing power of a payroll exceeding two billion dollars by releasing over 1,250,000 workers from fear of unemployment.)

(a) This stabilization should include provisions for putting to work as many men as possible consistent with maintaining satisfactory conditions in the respective classes of employment.

(b) The necessary stand-by forces should also be assured of a minimum amount of part time employment.

2. Since the six-hour day is necessary and must be instituted to absorb the existing number of experienced employees without reduction of compensation, a commission should be created to determine the ways and means of applying this principle to the different classes of employees. Such a commission should be created by the nomination of an equal number of

representatives of management and employees (including in the latter appropriate representatives of the principal classes of employment) with the designation of a Chairman from its membership by the Inter-State Commerce Commission. Any legislation necessary to establish the commission and to endow it with adequate authority to make a comprehensive study as a basis for a report to be made within a definite period should be sought by joint action so far as possible by the carriers and the employees.

3. Joint action should be undertaken between managements and employees to promote—

(a) One-billion-dollar United States bond issue for grade crossing elimination on main traveled highways. One-half cost to be borne by Government as improvement of inter-State highways. One-half cost to be borne by railroads to be repaid by payment of interest and sinking fund payment to retire bonds in 50 years.

(b) Regulation of motor transportation and freight forwarding companies, including provision for employment of furloughed railroad employees.

(c) Protection of all interests in railroad consolidation.

(d) Federal legislation to provide retirement insurance and elective workmen's compensation.

(e) Establishment of an emergency employment bureau to prepare the way for the eventual establishment of a national placement bureau and to provide means for placing unemployed rail workers as additional opportunities of employment may develop.

(f) Co-ordination of train crews and train lengths on the basis of economical, safe operation—including any desirable State or Federal legislation.

4. In order to carry forward the foregoing program, a continuing co-operation between railroad managements and railroad employees is essential. This will require complete willingness and good faith of railroad managements in dealing with the self-chosen representatives of railroad labor, and whole-hearted compliance with the spirit and the letter of the Railway Labor Act.

MEMBERS, RAILWAY LABOR EXECUTIVES ASSOCIATION.

Organization and Chief Executive.

Brotherhood of Locomotive Engineers—A. Johnston, Grand Chief Engineer.

Brotherhood of Locomotive Firemen and Enginemen—D. B. Robertson, President.

Order of Railway Conductors—S. N. Berry, President.

Switchmen's Union of North America—T. C. Cashen, President.

Order of Railroad Telegraphers—E. J. Manion, President.

National Organization Masters, Mates and Pilots of America—F. C. Boyer, President.

International Longshoremen's Association—Jos. P. Ryan, President.

National Marine Engineers Beneficial Association—Chas. M. Sheplar, President.

American Train Dispatchers Association—J. G. Luhrs, President.

Railway Employees Department, A. F. of L.—B. M. Jewell, President.

International Brotherhood of Blacksmiths, Drop Forgers and Helpers—Roy Horn, General President.

International Brotherhood of Electrical Workers—H. H. Broach, President.

Brotherhood of Stationary Firemen and Oilers—John F. McNamara, President.

Brotherhood of Maintenance of Way Employees—F. H. Fljoldal, Grand President.

Brotherhood Railway Carmen of America—Martin F. Ryan, General President.

International Association of Machinists—A. O. Wharton, President.

Sheet Metal Workers International Association—J. J. Hynes, President.

Brotherhood of Railroad Trainmen—A. F. Whitney, President.

International Brotherhood of Boltermakers, Iron Shipbuilders and Helpers of America—J. A. Franklin, President.

Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees—Geo. M. Harrison, Grand President.

Brotherhood of Railroad Signalmen of America—D. W. Helt, President.

Order of Sleeping Car Conductors—M. S. Warfield, President.

Conference of Railroad Presidents Adheres to Stand for 10% Reduction for All Unions—Delay Action Till Dec. 8.

What amounted to an ultimatum on wage reductions for all railroad union employees was issued Nov. 24 at a meeting of the Eastern Presidents' Conference, of which L. F. Loree is Chairman. The railroad officials decided at a two-hour conference to give the railroad brotherhoods an opportunity to cut their own pay. The officials, however, deferred action on the proposed wage reductions until they have been informed of the decision reached by 1,500 general brotherhood chairmen who are to meet in Chicago Dec. 8 to discuss the matter. If the brotherhoods refuse to decide on voluntary wage cuts the members of the Eastern Presidents' Conference feel that they have no course but to order the cuts under the procedure permitted by the labor provisions of the transportation act.

This was clearly stated by F. W. Leamy, Vice-President of the Delaware & Hudson, and Secretary of the Eastern Presidents' Conference, in explaining the situation in an interview after the meeting. He said further that "action to reduce wages would, of course, be made by all the railroads at the same time."

Mr. Leamy pointed out that the railroad officials had made it clear at a meeting with labor officials that they desired a reduction in wages. He further stated:

However, in view of the fact that an important meeting of labor officials is to be held soon in Chicago we decided to defer any action in this connection until after the results of this meeting were known.

The railroads would naturally prefer to have reductions made through voluntary action by labor and there would be some advantage to labor in such a procedure. Hence, although we are not in a position to discuss what decision labor may make at Chicago, we are waiting to see whether the outcome of that meeting will be a voluntary acceptance of a wage reduction.

If the attitude of labor toward a voluntary reduction is negative the presidents have no alternative but to undertake a reduction in wages under the procedure provided by the labor provisions of the transportation act.

The presidents have made no formal agreement as to the percentage of reduction to be made nor even on the point of whether a reduction of any kind should be made. However, as was shown in the letters exchanged by Daniel Willard, President of the Baltimore & Ohio, and D. B. Robertson, Chairman of the Railway Labor Executives' Association, it is the general opinion of the presidents that a reduction of 10% should be made in wages.

It is said that the advantage to organized labor in accepting a voluntary reduction is that such action would be con-

sidered as an emergency measure, lasting about a year, and open to modification after that period. Should the unions refuse to act, the railroad managements would then consider any reductions imposed as permanent.

Labor to Plan Fight Against Wage Reductions.

Railroad labor's fight to maintain wage scales will be planned at a meeting in Chicago on Dec. 8 when 1,500 chairmen, representing all railway unions of the nation, will gather to outline proposals the brotherhoods will make to offset proposed cuts.

The employers' first step toward reduction is expected to develop in early regional conferences to draft a formal notice to be served on representatives of the employees of individual lines. Indications are that within a week railroads of the country will post the 30-day notice prescribed by law for the notification of their train service employees that a wage reduction of 10% is proposed. The reduction, of course, is suspended during mediation arbitration and fact finding.

The railways' wage cut suggestion, according to David B. Robertson, Chairman of the Railway Labor Executives' Association, "has not been coupled with any assurance that the money thus saved would be applied either to increase employment or even to stabilize existing employment."

Professor Ripley on Rail Situation—Says Rail Wages Must be Reduced.

Railway wages must be reduced immediately to enable the carriers to meet their financial emergencies, William Zebina Ripley, Harvard professor of transportation and former member of the Inter-State Commerce Commission, asserts in an article which the magazine "World's Work" will publish in its December issue. Professor Ripley, who helped

to establish the eight-hour day for trainmen, calls for a fairer distribution of wages among rail employees rather than a horizontal reduction of the scale.

Giving for the first time his considered opinion of the I.-S. C. C. revenue pooling plan, the Harvard transportation expert declares that "even with all possible economies and with such increases of revenue as the Commission has seen fit to grant, further substantial aid must somewhere be had" if railroad treasuries are to withstand the present strain. The greatest operating economy possible lies in wages, Professor Ripley continues, but on this subject "no one dares a whisper, except behind closed doors."

"Shall railroad pay remain untouched, as a butte on the economic landscape?" Professor Ripley asks. "A question of the utmost gravity, it is peculiarly significant because these carriers are the largest single purchasers of goods in the country. The release of their buying power, therefore, will do more in itself than almost anything else to start the wheels of prosperity going. It is more than a matter germane to the railroads themselves; it becomes a matter of prime national importance."

Attributing high character and intelligence to the body of rail workers, Professor Ripley nevertheless warns that "public opinion will not tolerate an exception to the general trend of economic events solely in their favor." To effect, before it is too late, the needed revision of wages and working rules offers the brotherhood leaders a rare opportunity for "economic statesmanship," the railroad critic points out. "I have faith to believe," he declares, "that these men will be found ultimately responsive to suggestions for cutting corners and snipping administrative red tape. There is no time to waste upon protracted formalities."

"One cannot but hope for readjustment (not horizontal reduction) not only to bring the wage scale into line with the cost of living but also to work out a more equitable distribution as among the men themselves. There are too many exceptionally good runs, which, as a local chairman recently described to me, 'it takes whiskers to get.' Here is a wonderful opportunity for economic statesmanship, presenting itself to the leaders of this great army of railroad employees. These chiefs, and the rank and file too, well know how acute is the competition from all sides threatening the vitality of the industry from which they draw their livelihood. An alleviation, to be worth while, should be immediate—not final, necessarily, but it should take effect without delay."

Indications of Business Activity

THE STATE OF TRADE—COMMERCIAL EPITOME.

Friday Night, Nov. 27 1931.

Unseasonably warm weather in the Eastern and Middle States has hurt trade, although within the last few days it has been colder. In other parts of the country, notably at the West and Northwest, freezing weather has stimulated retail trade in seasonal lines. Blizzards here and there have held up trade and transportation. Here to-day the temperatures were below the freezing point. Stormy weather has tended to help business in clothing and footwear, whatever effect it may have had on other lines. But thus far, it must be confessed the holiday trade has not been brisk. Efforts are being made to push it by numerous special sales. During the coming week cold weather may do much to help. Naturally collections are still slow, despite some slight increase here and there. The turnover in trade is so small that it is not surprising to learn that collections are still backward. The steady fall in the stock market of course, has a more or less depressing effect on trade. Good rains have helped the winter wheat section. Grain markets have fallen sharply. The Farm Board is supposed to hold nearly 190,000,000 bushels of wheat and the Farm Board and allied interests undertake to hold 6,600,000 bales of cotton off the market unless they can get 12½ cents per pound. While the weather was abnormally warm the sale of heavy clothing naturally suffered. Quite as naturally however, the cold weather and bad storms tended to help the sale of such articles. Clothing has sold well in Chicago. The shoe trade here is fully as good as that of a year ago. Department stores as a rule have been doing better than specialty shops. The big stores offer low prices. Unless the people are coaxed by cheap prices they will not buy except when they are compelled to. There is thus far less travel it seems, to Florida than usual. Economy is the order of the day everywhere. Travel can be dispensed with. Food stores have had a brisk week, as usual at Thanksgiving time.

Meanwhile wholesale trade suffers from the persistent cautiousness of retailers, who buy only in small quantities. In Boston dry goods have been dull. The wholesale jewelry trade there is not equal to that of a year ago which is not at all surprising. The leather trade in Boston is quiet. Hides here are 10 to 45 points lower for the week. Jobbers are in the same boat with wholesalers. Yet, it is noticed, that failures among the wholesale and jobbing trade have decreased. Failures among manufacturers are also smaller than last week. Building shows no increase. There is no improvement in the steel trade, or automobiles. In steel the output is said to be 2% smaller than last week. There seems no prospect of an immediate increase in the demand from the building and railroad industries for steel. The lumber trade is as dull as ever. Seattle reports that the

lumber production is at 25% of capacity only. That is the worst showing of the year. Pittsburgh is having a poor trade in plate and window glass. Cotton goods have been quiet and in some cases ½c. lower. Manchester, England, has been dull. And there may be some labor trouble in Lancashire over the manufacturers proposal to increase working time from 48 to 55½ hours a week. At Nashua, N. H., a cut in cotton mill workers wages is reported of about 10%. The tendency is towards curtailment of output in the cotton goods industry. The wool trade is said to be a little more animated. In London the wool auction sales have been at firm prices, but at Sydney some descriptions have fallen 7½ to 10½%. In some articles, retail trade is not equal to that of a year ago, as for instance in automobiles, clothing, coal, furniture, hardware, specialty goods, tires, and jewelry. The same is true of many lines in the wholesale trade, including woolen goods and worsteds, cotton goods, coal, furs, silks, radio sets, and so on.

Wheat declined some 4 to 6c., with export trade disappointing in the presence of enormous supplies. Moreover, the decline in the stock market has naturally had a bad repercussion on wheat and other grain. Corn has fallen 4c. or more, and rye some 6 to 7c., despite the fact that the rye crop in North America is small. The trouble is there is no export trade in American rye. There has been some export business in oats and barley, but not enough to count as a stimulus. In raw sugar there is a drop of 8 to 14 points, attributable in part to the liquidation of December sugar on a considerable scale. Later months have shown, on the other hand, no little steadiness, especially at times, as the long interest in December was transferred to later positions. The trade in refined sugar is slow at 4.50c. Coffee, on the other hand, has advanced 2 to 8 points, though not without weakness at times under the effects of December liquidation on the eve of notice day, Nov. 25. But the notices seemed to have been very promptly stopped. On the other hand, actual coffee has been quiet. Brazilian interests have been selling futures. There are persistent projects in Brazil for the destruction of surplus stocks of coffee on a large scale, of course with the view of an ultimate advance in prices. Cotton has dropped 12 to 15 points, not a very impressive decline considering the amount of December and liquidation and other selling which the market has had to face, and the decline in stocks and wheat. The talk of a revival of the debenture scheme has certainly not done the cotton market any good, though it is doubted whether such a measure will go on the statute books. And there is not believed to be very much of a chance of its passing over a Presidential veto, if one should be issued. Meanwhile, of course, there are the large supplies, the poor

condition of textile trades and the sluggishness of exports. An announcement that 6,600,000 bales will be withdrawn from the market by the Farm Board and its allies had little if any effect. But it is noticeable that the trade buys steadily on the way down, and though the feeling here is generally bearish the actual decline for the week is so small as to suggest a rather effectual buffer in the shape of persistent trade buying. Rubber declined 12 to 15 points. Malayan and Ceylon interests have made no suggestions looking to restriction of output. But rubber is already selling at around $4\frac{1}{2}$ c. per pound, which some think discounts anything at all bearish in the situation. Cocoa declined 25 to 32 points. Silk fell 3 to 6 points. Silver futures dropped 90 to 94 points.

In the stock market, there was on the 23d inst., a decline of 1 to 4 points. The railroad shares, as usual, led the decline, but industrials made little better showing. Railroad workers refused to accept a cut of 10% in wages. This was a disappointment to not a few. Bonds were lower, especially the railroad issues. Foreign exchange fell. Leading the downward way were such stocks as New York Central off $2\frac{1}{4}$; Pennsylvania, $1\frac{1}{2}$; Baltimore & Ohio, $1\frac{1}{2}$; Southern Pacific, $2\frac{1}{2}$; Southern Ry., 2; Union Pacific, $2\frac{1}{2}$; Erie 1st preferred, $4\frac{1}{2}$; Rock Island, $1\frac{3}{4}$; New Haven, $1\frac{1}{4}$; Atlantic Coast Line, 3; Louisville & Nashville, $2\frac{1}{2}$; most selling at new lows for the year. United States Steel declined $1\frac{1}{2}$; Western Union, $2\frac{1}{4}$; du Pont, $1\frac{1}{4}$; Columbian Carbon, $2\frac{3}{8}$, and some others also fell. Steel was at the lowest price in 16 years. American Tobacco fell 3 points. On the 24th inst., with the technical position better, and wheat and silver higher, stocks advanced with some railroad and industrial shares up to 3 to 4 points. At any rate, in some directions it was evidently short. Wheat and silver advanced, feeling the same technical stimulus. On one railroad, the Georgia & Florida, the men voluntarily accepted a wage reduction of 10%. Some reasoned that this might be symptomatic of the feeling of the workers in some other and larger railroads. It certainly did not escape gratified observation that the Standard Oil Co. of New Jersey had decided to retire \$30,000,000 of its 5% debentures. At the same time in the early trading, before prices felt the impetus of pre-holiday covering, some stocks sank to new lows for the year. They included Western Union, Lackawanna, Lehigh Valley, Southern Ry., Southern Pacific and Santa Fe preferred. But on the 25th inst., in a 1,494,995 share market, stocks declined 3 to 6 points, with wheat down $2\frac{1}{2}$ c. and cotton and silver inclined to react. The stock market lacked gripping and holding power. That was plain enough. So was the subordination of the stock market to commodities. Railroad and industrial shares slipped backward with almost equal readiness. Sterling exchange declined. London and Paris were lower on most shares. British funds advanced. Many railroad stocks were down to new lows. They included Santa Fe, Union Pacific, New York Central, Baltimore & Ohio, Lackawanna, Pennsylvania, New Haven and Southern Pacific. Some stocks were at the lowest in a generation. United States Steel was at the lowest in 16 years and Westinghouse Electric at the lowest in 14. Bonds were off with railroad issues leading the decline.

To-day stocks declined 1 to 4 points on trading in 1,824,195 shares with wheat, cotton and bonds all lower. Wheat fell as much at one time as $3\frac{1}{2}$ cents. On the other hand, there was firmness in an unexpected quarter. Mining shares for instance. Copper stocks rose 1 to 2 points as Belgian copper producers will accept the American proposals for curtailing their production to $26\frac{1}{4}$ % of their estimated capacity. To-day some 1,375,000 pounds were reported sold for export at a price approximating $6\frac{3}{4}$ c. or $6\frac{1}{2}$ c. for the domestic. Sterling exchange was lower, declining 12c. in a few days. Stock Exchange seats declined \$23,000 to \$157,000, as against a high for the year of \$310,000. Rallies in stocks came in the later trading but they did not hold. New low prices, a monotonous tale, were made for Santa Fe, Union Pacific, New York Central, Pennsylvania, Southern Pacific, Southern Ry. and Baltimore & Ohio. Industrials in not a few cases were down to new low levels. General trade has suffered from unseasonably warm weather in some parts of the country and big storms in some others.

Providence, R. I., wired Nov. 22 that a "between-season" lull, intensified this fall by unseasonably warm weather, retarded sales of autumn goods by Rhode Island cotton goods mills. Makers of coarse yarn gray goods as well as manufacturers of fine spun fabrics, are feeling the effect of

curtailed buying on the part of converters and retailers whose primary aim, it is stated, has been to rid themselves of unsold stocks. Nashua, N. H., wired today that the Nashua Co. had reduced wages about 10% affecting 2,000 workers in the Nashua and Jackson Mills in Nashua and the Suffolk Mills in Lowell, Mass. At Somersworth, N. H., the Dwight Manufacturing Co. will observe a three-day holiday period to include Thanksgiving. The mill was to close down Wednesday night and reopen on Monday, Nov. 30. The Androscoggin, Hill, Edwards and York Manufacturing Companies in Maine suspended operations Wednesday night for the remainder of the week. The Cross Manufacturing Co. of Marion, N. C., will also observe a three-day holiday period.

Charlotte, N. C., reported on Nov. 24 that practically all cotton mills in that section would close down the last three days of this week beginning Thanksgiving Day and a few have about decided to shut down for a whole week. Further curtailment seems certain and several mills have already reduced their running time one day a week. Carded yarn mills are beginning to talk of curtailing their operations on account of the low prices for yarns. Fine yarns have declined and staple cotton is in very poor demand. At Fort Worth, Ark., the Fort Smith Body Co. and the Radiant Glass Co. men have resumed operations. The body plant had been closed three months. At Dallas, Tex., the Dallas Cotton Mills in South Dallas are working full time, which means day and night operation for the various shifts.

Manchester cabled: "The turnover in the Manchester cotton market fell off during the past week, because of abrupt fluctuations in the dollar rate of sterling exchange and because of a sharp decline in buying from China. Apparently Chinese buyers had covered their needs for at least two months ahead. The demand from India continues to expand, and manufacturers hope that this will in the near future offset the decrease in business with China. With Egypt there is an improved trade in bleaching cloths and dyed fancies. From the Continent there is a satisfactory demand for fine goods. South American markets are more active. The home trade is operating freely. Both American and Egyptian yarns are quiet."

London cabled Dow Jones & Co. to-day: "A meeting at Manchester of the Federation of Master Cotton Spinners adopted unanimously a resolution giving one month's notice to reconsider agreements entered into in July 1919 on working hours and wage rates. The Masters are requesting a meeting with organizations of operatives with a view of obtaining a new agreement which would provide for reversion to a working week of $55\frac{1}{2}$ hours from the present week of 48 hours, and for a corresponding alteration in wage rates.

"Six hundred spinning mills and 200,000 operatives are affected by the proposal of the Masters. On the Manchester Cotton Exchange it is anticipated that the operatives will strongly resist the change.

"A meeting of master weavers adjourned for further consideration of the proposal made by the spinners."

Chicago wired that holiday trade was starting in heavy volume. Streets and stores were crowded. This has made necessary the re-employment of thousands of clerks laid off during the height of the depression. It also means the employment of additional thousands in factories supplying the stores. The distribution of millions of dollars in Christmas savings is being felt in all lines of trades. St. Louis reported that recent declines in grain prices had a rather depressing effect on conditions in that territory as considerable beneficial effects, though most psychological, were the result of the advance. Mild weather also had a deterring effect upon retail trade and most of the stores expect only a moderate holiday business. The buying, it is believed, will be mostly in cheap goods. In Detroit it was stated that the warm springlike weather of the last week—made to order for the army of unemployed—was a severe blow to retail merchants, and the expected rush for winter wearing apparel failed to materialize. On the whole, however, a slight improvement in business was noted in both wholesale and retail trade, and more noticeable than that is the better sentiment. Binghamton, N. Y., wired that nearly 500 workers in the tannery of the Endicott-Johnson Corp. will work on Thanksgiving Day because of the necessity of rushing orders to supply other plants of the firm with leather. This is the first time in the history of the company that it has been necessary to work on Thanksgiving Day.

The weather early in the week was remarkably warm for this time of the year. The temperature on Sunday, Nov. 22,

was up to 70 degrees, a high record, exceeding the 68 degrees of 48 years ago. On Nov. 22 1880, the temperature was down to 14 degrees. In strange contrast with 70 degrees here was the raging blizzard in the West. It sent the temperature in Montana, it was declared, 40 degrees below zero near Helena. People here brought out summer clothing. Some went to the beaches. While it was 70 degrees the temperature at Franklin, Pa., was up to 76 degrees, which is summer heat. Cincinnati also had 76. Meanwhile, temperatures swept over Kansas, Oklahoma, Texas, Nebraska and the Dakotas. Temperatures at points in Wyoming, Colorado, New Mexico and Northern Arizona ranged from a few degrees above to a few below zero. A big snowfall in San Juan Basin, Colo., blocked mountain passes and interrupted travel in the southwestern part of that State. Fog and heavy rain with extreme cold prevailed at Kansas City. Air travel was halted and trains were running on reduced schedule. No transport passenger or mail planes arrived or departed from Kansas City. Snow and temperatures close to zero prevailed in western Kansas. Rivers in southeastern Kansas and Oklahoma threatened to overflow. Further East the conditions were not so bad. Snow and light rain fell in Minnesota; Michigan was cloudy, but Detroit's temperature was in the 60s; Chicago had light rain and thick fog. Summer still prevailed, however, from Maine to Georgia. Boston and Plainfield, N. J., had 74 degrees. New York State cities 60 to 73, the latter at Plattsburgh. Boston had 58 to 74 degrees; Chicago, 52 to 62; Cincinnati, 58 to 76; Cleveland, 56 to 64; Denver, zero to 6 above; Detroit, 48 to 56; Helena (official), 6 to 10 degrees; Minnesota-St. Paul, 28 to 38; New Orleans, 68 to 78; Portland, Me., 54 to 72; Portland, Ore., 30 to 42; San Francisco, 44 to 52; Seattle, 34 to 42; St. Louis, 54 to 70; Winnipeg, 14 to 18.

In New York on Nov. 23rd the temperatures were 57 to 72 degrees. The maximum of 72 was 23 degrees above normal for Nov. 23rd and was a high record for that date. But it was chilly in parts of California and the Northwest. A line running roughly from Duluth, Minn. to Abilene, Tex. marked the dividing line between the wintry storms of the West and the nearly summerlike weather of the East. Along this separating line, what is termed a "squeeze" developed which brought with it big rains and floods in Oklahoma, Kansas, Missouri and Iowa. Meantime Boston had 56 to 76 degrees; Buffalo, 56 to 66; Chicago, 62 to 70; Cincinnati, 54 to 74; Cleveland, 60 to 74; Denver, 4 to 22; Detroit, 54 to 70; Helena, 4 to 18; Kansas City, 62 to 66; Los Angeles, 40 to 58; Milwaukee, 54 to 62; St. Paul, 38 to 42; Montreal, 46 to 52; Portland, Me., 46 to 58; Portland, Ore., 32 to 43; Seattle, 30 to 46; St. Louis, 60 to 74; Winnipeg, 18 to 24; San Francisco, 38 to 52; Philadelphia, 54 to 72.

On the 24th inst. fog here again interrupted transportation. Two big ocean liners were held up. It was still 18 degrees higher here than the average for 46 years. But there was a drop in temperatures on the Pacific Coast averaging 19 degrees. Central and northwestern California had freezing temperatures and the lemon and orange growers were busy all night with smudge fires to offset the frost. Snow plows fought through drifts to the top of Cumbres Pass on the Colorado-New Mexico line near Almosa, Colo. and rescued 16 persons from a stalled train.

On the 25th inst. it was 42 to 62 degrees here, 58 to 68 in Boston, 26 to 32 in Chicago and 20 to 48 in Kansas City and 22 to 30 at Milwaukee. Rochester, N. Y., had a drop on the 25th inst. of 29 degrees, or from 67 to 38. At Buffalo it was close to the freezing point. A chilling drizzle in the Adirondacks struck raspberries and strawberries. Parts of western New York State had snow. Chicago had the first severe storm of the season, which moved eastward. South Dakota's rain-soaked roads became coated with ice. Minneapolis had 16 to 24 degrees. The Southwest was colder. California fruit crops, on the other hand, were saved by warm weather after four days of frost.

To-day it was 31 to 37 degrees at New York and it was rainy, sleeting or snowing practically all day. The forecast was for snow to-night, mostly cloudy to-morrow and continued cold. Yesterday New York had 35 to 43. To-day it fell below the freezing point. Boston had 26 to 40, Philadelphia 36 to 46, Portland, Me., 24 to 36, Chicago 32 to 36, Cincinnati and Cleveland 30 to 36, Louisville 32 to 38, Milwaukee 28 to 30, Kansas City 32 to 34, St. Paul 26 to 30, St. Louis 32 to 34, Denver 10 to 28, Portland, Ore., 30 to 44, San Francisco 44 to 54, Seattle 34 to 46, Hamilton, Bermuda, 66 to 80, Montreal 22 to 32 and Winnipeg 4 below to 20 above zero.

Wholesale Price Index of National Fertilizer Association Moved Up Slightly in Week Ended Nov. 21.

Led by a small number of important commodities, the wholesale price index of the National Fertilizer Association for the week ended Nov. 21 advanced one fractional point. During the preceding week the index declined four fractional points, while three weeks ago the index advanced 1.2 points. The last index number is 67.5, which is nine fractional points higher than it was a month ago. A year ago the index stood at 80.9. (The index number 100 represents the average for the three years 1926-1928.) Continuing, the Association says under date of Nov. 23:

Four of the 14 groups constituting the index advanced during the latest week; three declined and seven showed no change. The advancing groups were grains, feeds and livestock, foods, fats and oils and the group of miscellaneous commodities. The groups which declined were textiles, metals and fertilizer materials. Neither the upward nor downward changes in any of the groups during the latest week amounted to as much as one full point.

Despite the fact that only 12 commodities advanced, while 25 declined during the latest week, the general index number moved up because of the weighted importance and amount of the rises in the commodities showing stronger prices. The commodities that advanced were principally foodstuffs, including butter, eggs, corn, cattle, coffee and wheat at Minneapolis. Listed among the declining commodities were lard, sugar, flour, hogs, practically all metals, cotton and vegetable oils.

The index numbers and comparative weights of each of the 14 groups is shown in the table below:

WEEKLY WHOLESALE PRICE INDEX—BASED ON 476 COMMODITY PRICES (1926-1928=100).

Per Cent Each Group Bears to the Total Index.	Groups.	Latest Week Nov. 21 1931.	Preceding Week.	Month Ago.	Year Ago.
23.2	Foods.....	73.5	72.9	70.6	87.0
16.0	Fuel.....	61.6	61.6	58.9	76.1
12.8	Grains, feeds and livestock.....	54.3	53.7	51.6	75.2
10.1	Textiles.....	50.4	51.3	52.0	67.9
8.5	Miscellaneous commodities.....	66.1	65.8	66.4	77.5
6.7	Automobiles.....	89.3	89.3	89.3	89.8
6.6	Building materials.....	75.0	75.0	76.0	86.8
6.2	Metals.....	74.8	75.6	75.4	82.9
4.0	House furnishings.....	84.4	84.4	86.0	96.7
3.8	Fats and oils.....	60.4	60.1	62.2	70.9
1.0	Chemicals and drugs.....	86.7	86.7	86.8	94.9
.4	Fertilizer materials.....	70.5	70.3	71.4	86.0
.4	Mixed fertilizer.....	80.2	80.2	79.7	93.8
.3	Agricultural implements.....	93.0	93.0	95.2	95.6
100.0	All groups combined.....	67.5	67.4	66.6	80.9

Federal Reserve Board's Summary of Business Conditions in United States—Further Decline in Production and Employment in Manufacturing Industries.

"Production and employment in manufacturing industries declined further in October, while output of minerals increased more than is usual at this season," says the Federal Reserve Board in its monthly summary of business conditions in the United States, issued on Nov. 26. The Board continues:

There was a considerable decrease in the demand for Reserve bank credit after the middle of October, reflecting a reduction in member banks reserve balances and, in November, an inflow of gold, largely from Japan.

Production and Employment.

Total output of manufactures and minerals, as measured by the Board's seasonally adjusted index of industrial production, declined from 76% of the 1923-1925 average in September to 74% in October. Output of steel remained unchanged at 28% of capacity in October, although it usually shows an increase for that month; in the first half of November activity at steel mills increased somewhat. Automobile production declined sharply in October; production of shoes and woollens decreased and cotton mill activity showed little change, although an increase is usual at this season. Output of bituminous coal increased seasonally, and there were large increases in the output of anthracite and petroleum.

Volume of factory employment declined substantially from the middle of September to the middle of October. At woolen mills where an increase in employment is usual at this season, there was a large decrease. In the automobile and shoe industries reductions in employment were considerably larger than usual, while in the canning industry the decline was wholly of a seasonal character. In the silk goods and hosiery industries employment increased by more than the usual seasonal amount.

The November cotton crop estimate of the Department of Agriculture was 16,903,000 bales, 600,000 bales larger than the October estimate and 3,000,000 bales larger than last year in spite of a reduction in acreage.

Data on the value of building contracts awarded in the period between Sept. 1 and Nov. 15, as reported by the F. W. Dodge Corp., showed a continuation of the downward movement. In this period value of contracts was 29% smaller than in the corresponding period of 1930, reflecting smaller volume of construction and somewhat lower building costs.

Distribution.

Total volume of freight-car loadings remained unchanged in October, while loadings of merchandise decreased. Department stores sales increased by somewhat more than the usual seasonal amount.

Wholesale Prices.

The general level of wholesale prices declined from 69.1% of the 1926 average in September to 68.4% in October, according to the Bureau of Labor Statistics. Prices of grains, cotton and silver, after showing a rapid rise beginning early in October, declined considerably; but in the third week of November were still above their October low points; prices of hides and petroleum were also higher in the middle of November than in early October. During this period the prices of livestock and meats declined rapidly, reflecting in part developments of a seasonal character.

Bank Credit.

Reserve Bank credit, which had increased rapidly between the middle of September and the third week of October, declined by \$265,000,00

during the following four weeks. This decline reflected a large reduction in member bank and other balances at the Reserve Banks and also an inflow of gold, chiefly from Japan. Demand for currency, which had been on a large scale during September and the first three weeks of October, showed relatively small fluctuations after that time and in the second week of November declined by somewhat more than the seasonal amount.

Loans and investments of member banks in leading cities continued to decline during recent weeks, and on Nov. 18 the total volume was \$500,000,000 smaller than five weeks earlier. This decrease reflected substantial reductions in loans on securities and in other loans, as well as in the banks' holdings of investments. At the same time deposits of these banks also declined with a consequent reduction in the reserve balances which they were required to hold with the Reserve Banks.

Money rates in the open market, which had advanced sharply during October, declined somewhat early in November. Rates on prime commercial paper declined from a range of 4 to 4½% to a range of 3¾ to 4%, and rates on bankers' acceptances from 3½ to 2¾%.

Improvement in Sales of Life Insurance in United States During October—Figures, However, Below Same Month Last Year.

Sales of ordinary life insurance in October continued the trend evidenced during the preceding two months and seem to indicate that the bottom of the curve in life insurance sales has been passed, according to the Sales Research Bureau of Hartford, Conn., which, under date of Nov. 20, added:

Monthly sales reveal a better experience than figures for the previous months of the year, which is an encouraging sign. Since life insurance is an excellent reflector of general economic conditions, an advance in sales seems to indicate improved economic factors. The improvement in sales conditions is not confined to any particular section, but is reflected in every section, with the exception of the Mountain States. That section of the country which extends from the Great Lakes to the Gulf of Mexico shows very substantial improvement. The depression in this section of the country has been lightened by the increases in the prices of wheat, cotton and oil. The States on the Pacific Coast show the greatest improvement of any section of the country. Sales in these three States for the month of October were only 12% below sales of last October, while for the first nine months sales were off 22%.

Sales for the country as a whole during October were 12% below last October. Although no section showed a greater amount of sales for this October than for last October, the New England and Middle Atlantic States continued to show the best experience compared to a year ago. The New England States were only 6% below last October and the Middle Atlantic showed a loss of only 10%. The State of Wyoming and the District of Columbia recorded increases in October. Delaware just equalled sales of a year ago. The other States all showed decreases, but in many of these the loss during October was very much less than in preceding months.

The following table affords a comparison of sales in October and in the ten months of the year to the same period in 1930:

	October 1931 Compared to October 1930.	Ten Months 1931 Compared to First Ten Months 1930.
New England.....	94%	94%
Middle Atlantic.....	90	87
East North Central.....	88	84
West North Central.....	82	82
South Atlantic.....	85	85
East South Central.....	80	76
West South Central.....	84	78
Mountain.....	78	80
Pacific.....	88	79
United States total.....	88%	85%

These figures are compiled from reports made to the Life Insurance Sales Research Bureau at Hartford, Conn. The 76 companies reporting their experience represent 88% of the total legal reserve ordinary life insurance in force in the United States.

Bank of Montreal Reports No New Features in Canadian Wholesale and Retail Business During October.

Canadian wholesale and retail business during the past month presented no new features, says the Bank of Montreal in its review of business conditions dated Nov. 23. The mild weather of the month has been of advantage to building undertakings, to navigation and to farmers, permitting the latter to complete fall ploughing and keep their herds in pasture. On the other hand, buying of winter goods has been deferred. The opening of the Canadian Pacific Railway shops on Nov. 17th affords employment to some thousands of people who had been out of work for several weeks, and will help retail trade in the cities in which these shops are situated. Relating to the Canadian crop situation the Bank says:

The last estimate of the field crops of Canada places this year's yield of wheat at 298,000,000 bushels, an increase of 26,600,000 bushels over the September estimate, but 100,000,000 bushels less than the crop of 1930. All this wheat was produced in the three Prairie Provinces, with the exception of 19,000,000 bushels grown mainly in Ontario.

In part the Bank also says:

While transportation companies have been hit this year by reduced commodity movement on land and water, grain shipments from the Port of Montreal have been about 10,000,000 bushels in excess of those of last season, many tramp steamers having engaged in the trade. Ocean freight rates are relatively low, and with scant inward cargoes business has not been satisfactory. Importations of British anthracite at Montreal have not been as large as expected when the embargo was placed on Russian coal, the amount brought in during the last six months, 646,997 tons, being only 2,735 tons in excess of last year when 194,168 tons of Russian coal were imported. An increase of 54,642 tons in the quantity of anthracite coal imported from Germany is a feature in this trade.

The shrinkage in value of Canada's foreign trade continued in October,

total value falling to \$102,466,000 from \$162,656,000 in the like month last year. In the elapsed seven months of the current fiscal year foreign trade has diminished in value to \$721,971,000 from \$1,120,721,000 last year, a decline of about 35%. For the fifth month in succession there was an excess of domestic exports over imports amounting in October to \$9,605,000, and the adverse balance of trade in the last seven months has now been reduced to \$13,099,000 from \$76,973,000 in the corresponding period of last year.

Car-loadings have improved during recent weeks. During the four weeks ending Nov. 7th there was an increase of 3,013 cars as compared with the preceding four weeks, the total being 61,171 cars. The improvement, however, was largely confined to wheat, a brisker movement of which was caused by rising prices and increased demand. During the four weeks to Nov. 7th there were larger loadings of coke and newsprint than a year ago, but the movement of livestock, coal, lumber, pulpwood, ore, merchandise in less than carload lots and miscellaneous freight is still running below 1930.

Operations in Canadian newsprint mills, measured by output, were somewhat larger in October than in the preceding month, production having been 184,252 tons, with prospect of increased make at least over the holiday season. Shipments from the mills exceeded output by 7,473 tons. Production in Canada during the last 10 months at 1,854,649 tons was almost double that of United States mills, which turned out 971,365 tons while working at a higher ratio of capacity.

Annalist Weekly Index of Wholesale Commodity Prices.

The "Annalist" weekly index of wholesale commodity prices again declined, falling to a preliminary 101.2 on Monday, Nov. 23, from 102.2 (revised) a week ago. Declines were general, with steers, lambs and wool chief among the few commodities to advance, and the continued weakness in the grains and the meats, and new weakness in bituminous coal and the non-ferrous metals, together with lower security markets, determining the week's trend. The "Annalist" continues:

The present week is the 28th consecutive week in which the movement of the index has been confined within the 102.6-99.9 zone. It should be noted that on account of the holiday closing this week's index is based on Monday's prices, but will appear next week revised as of Tuesday.

The preliminary average for the month of November is 102.0, a rise of 1.5 from the 100.5 of the two previous months that reflects the price advances of the first part of November rather than the declines of the past two weeks.

THE ANNALIST WEEKLY INDEX OF WHOLESALE COMMODITY PRICES. (1913=100.)

	Nov. 23 1931.*	Nov. 17 1931.	Nov. 25 1930.
Farm products.....	89.3	a89.7	110.5
Food products.....	107.7	110.0	127.9
Textile products.....	84.1	a84.4	107.4
Fuels.....	132.3	133.0	142.2
Metals.....	99.5	100.2	106.6
Building materials.....	111.0	111.2	131.1
Chemicals.....	96.8	96.8	105.7
Miscellaneous.....	88.1	88.1	95.3
All commodities.....	101.2	a102.2	118.4

a Revised. * Based on Monday's prices, to be revised next week.

Business Conditions as Viewed by Conference of Statisticians in Industry—Activity in October at New Low Level.

Under date of Nov. 20 the conference of Statisticians in Industry, under the auspices of the National Industrial Conference Board, Ltd., stated:

General business activity in October declined to a new low level, but at a lower rate of decline than has been observed in recent months. Numerous indications of improvement in underlying conditions were not yet reflected in material evidences in the basic industries. The net balance of seasonal forces was in a downward direction.

The summary continued:

Productive activity on the whole continued to slacken during the month. Total distribution by freight showed the usual seasonal upturn in October. Retail trade also showed approximately seasonal gains. Commercial failures were intensified and showed more than the usual seasonal upturns in number and extent of liabilities incurred.

Automobile production fell off sharply during the month, strongly emphasizing the seasonal contraction that precedes the introduction of new models. Building and engineering construction declined more than was expected at this time of the year. Production of steel and iron declined in October though a slight upturn would have been normal. Bituminous coal output increased less than seasonally, while electric power produced failed to reflect the usual increase in demand in October, remaining practically at September's level.

In particular, total automobiles and trucks produced in the United States and Canada in October declined 43% under output in September, although an average decline of 3% has been observed in recent years. The total number of cars aggregating 81,300 units was 49% under output of a year ago.

The dollar value of building and engineering contract awards, reported by the F. W. Didge Corporation, declined in October to a total value of \$242,094,200 for 37 States east of the Rocky Mountains. The decline amounted to 4% under the level for September, while a 1% decrease is normally seasonal. Residential contract awards totaled \$60,540,100, reflecting an 11% decrease under awards in September, which was approximately seasonal.

Steel ingot production averaged 58,977 gross tons per day in October, which was 1% under average daily output in September. The usual seasonal movement is an increase of 1%. Pig iron produced declined by 3% to an average daily level of 37,848 gross tons, also moving counter to the seasonal, which is normally a 2.5% increase. Unfilled orders with the United States Steel Corporation at the end of the month declined 25,401 tons to a total of 3,119,432 tons.

Bituminous coal mined in October is estimated at 35,740,000 net tons, reflecting a 12% increase over output in September, which is an approximately seasonal increase. Production was at a level 19% under that of October 1930.

Electric power produced, averaging 1,651 million kilowatt hours per week in October, increased 1% over output during the previous month...

General distribution of commodities by freight measured by total carloadings increased 4% over shipments in September...

Retail sales during the month showed seasonal improvement. Although the dollar value of department store sales increased 7% between September and October...

Wholesale prices declined during October by 1%, showing slightly increasing tendencies toward general stability.

Altogether, business conditions in October fell off from the low point of the previous month. Because the decline was less than has been noticed since the mid-summer months...

Production of Electricity in the United States During Week Ended Nov. 21 1931 Shows a Decline of 3.9% As Compared with the Corresponding Period a Year Ago.

The production of electricity by the electric light and power industry of the United States for the week ended Saturday, Nov. 21, was 1,655,051,000 kwh., according to the National Electric Light Association.

Arranged in tabular form, the output in kilowatt hours of the light and power companies for recent weeks and by calendar months since the beginning of the year...

Table with columns: Weeks Ended, 1931, 1930, 1929, 1928, 1931 Under 1930. Rows include Sept. 5, Sept. 12, Sept. 19, Sept. 26, Oct. 3, Oct. 10, Oct. 17, Oct. 24, Oct. 31, Nov. 7, Nov. 14, and monthly data from Jan. to Nov.

x Because of irregularity of Labor Day holiday, change is calculated for the first two weeks of September. y Revised.

Decrease in Employment and Payrolls During October Reported by United States Department of Labor.

The Bureau of Labor Statistics of the United States Department of Labor reports the changes in employment and payroll totals in October 1931 as compared with September...

Three of the 15 industrial groups surveyed reported gains in employment and earnings over the month interval. Anthracite mining reported a large increase in number of workers combined with a much greater increase in payroll totals...

In the remaining 12 industrial groups in which decreased employment was reported decreases of 2.3% or less were shown in the following groups: Crude petroleum producing; telephone and telegraph; power, light and water; electric-railroad operation; wholesale trade; hotels; laundries, and dyeing and cleaning.

Manufacturing Industries.

Per capita earnings in manufacturing industries in October 1931 were 0.3% higher than in September 1931.

In October 1931 12,047 operating establishments in 64 manufacturing industries reported an average of 88% of full-time operation...

Employment in manufacturing industries decreased 3.3% in October as compared with September, and payroll totals decreased 3.1%.

Increased employment was shown in two of the 12 groups of manufacturing industries used in computing the Bureau's indexes of employment and earnings...

Sixteen of the 54 manufacturing industries on which the Bureau's indexes of employment and payroll totals are based reported gains in employment over the month interval.

The largest decreases in employment from September to October in these 54 industries were in the automobile, woolen and worsted goods, ice cream, brick, carriage, boot and shoe, women's clothing, millinery and structural ironwork industries.

The West North Central and the Mountain geographic divisions reported increased employment in October, the remaining seven geographic divisions showing a loss in number of workers over the month interval.

INDEX NUMBERS OF EMPLOYMENT AND PAYROLL TOTALS IN MANUFACTURING INDUSTRIES. (Monthly Average 1926=100).

Large table with columns: Manufacturing Industries, Employment (Oct. 1930, Sept. 1931, Oct. 1931), Payroll Totals (Oct. 1930, Sept. 1931, Oct. 1931). Rows include General Index, Food and kindred products, Slaughtering and meat packing, Confectionery, Ice cream, Flour, Baking, Sugar refining, etc.

Loading of Railroad Revenue Freight Still Declining.

Loading of revenue freight for the week ended on Nov. 14 totaled 690,366 cars, the car service division of the American Railway Association announced on Nov. 24.

Miscellaneous freight loading for the week of Nov. 14 totaled 251,576 cars, a decrease of 12,873 cars below the preceding week this year, 56,910

cars under the corresponding week in 1930 and 122,444 cars under the same week in 1929.

Loading of merchandise less than carload lot freight totaled 207,499 cars, a decrease of 5,179 cars under the preceding week this year, as well as 23,502 cars under the corresponding week last year and 52,044 cars under the same week two years ago.

Grain and grain products loading for the week totaled 37,994 cars, 2,353 cars below the preceding week this year, but 945 cars above the corresponding week last year and 2,084 cars above the same week in 1929.

Forest products loading totaled 22,972 cars, 384 cars below the preceding week this year and 10,089 cars under the same week in 1930.

Coal loading amounted to 130,473 cars, 3,406 cars below the preceding week this year and 10,899 cars under the same week in 1930.

Coke loading amounted to 5,636 cars, 407 cars below the preceding week this year, 2,613 cars below the same week last year and 5,914 cars below the same week two years ago.

Livestock loading amounted to 27,604 cars, an increase of 714 cars above the preceding week this year, but 2,066 cars below the same week last year and 5,837 cars below the same week two years ago.

All districts reported reductions in the total loading of all commodities, compared not only with the same week in 1930 but also with the same week in 1929.

Loading of revenue freight in 1931 compared with the two previous years follows:

Table with columns for 1931, 1930, and 1929. Rows include Five weeks in January, Four weeks in February, Four weeks in March, etc., up to Total.

The foregoing, as noted, cover total loadings by the railroads of the United States for the week ended Nov. 14. In the table below we undertake to show also the loadings for the separate roads and systems.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED NOV. 7.

Main table with columns for Railroads, Total Revenue Freight Loaded (1931, 1930, 1929), and Total Loads Received from Connections (1931, 1930). Includes Eastern, Central, and Southern districts.

Continuation of the main table, showing detailed data for various railroad districts including Allegheny, Pocahontas, Southern, Northwestern, Central Western, and Southwest.

C. D. Pugsley on Business Conditions.

Under date of Nov. 23, Cornelius D. Pugsley, Vice-Chairman of the Westchester County National Bank of Peekskill, New York, said:

"Business and agricultural conditions are improving, unemployment is less as expanding demand has occasioned resumption of manufacturing, and there should be a definite upturn in security prices after first of the year as sales for purpose of establishing income tax losses will not permit any considerable appreciation until after turn of year."

Five Disorders Must Be Corrected Before Recovery Is Maintained, Says Brookmire Economic Service.

Five outstanding disorders must be corrected before there can be lasting recovery of business, in the opinion of the Brookmire Economic Service, Inc. They are:

- (1) The frozen condition of banking assets.
- (2) The agricultural situation.
- (3) The railroad crisis.
- (4) The instability of England as symbolized by the pound sterling.
- (5) Instability on the Continent of Europe, especially in Germany and France.

It is observed that at the best considerable time must elapse before evidences of improvement in these respects can come into sight, and next spring or summer would be the earliest probable time for the beginning of recovery, with some reason to anticipate delay until after the elections in November.

Recent appearance of improvement, according to Brookmire, has not been convincing, and the significance of the events that have been transpired has been over-estimated. In wheat, it is pointed out, there has been no shortage of world supplies, and if prices rise in pronounced fashion it will probably be due largely to an offsetting reduction in next year's crop. On the whole it cannot be said, Brookmire maintains, that any material increase in farm income is foreshadowed for the 1932-33 season. Much will depend, however, upon Russia's success or failure to become again a large exporter of farm products. The statement says:

Agricultural conditions have reached a pass whereby payment of a substantial part of the \$10,000,000,000 of existing farm mortgages is endangered. Railroad earnings are so low, present and prospective, that payment of interest is in many cases threatened. The only important means of relief that seems available to the railroads is wage cuts. These would not be entirely adequate, but worse still they are likely to be too slow of realization for much immediate practical benefit. The result of these conditions is that real estate mortgages and railroad bonds have declined in value to a degree that threatens the ultimate solvency of savings banks, insurance companies and trust companies. Even commercial banks are serious losers and the liquidity of their secondary reserves is impaired.

Regarding currency troubles abroad, it is stated:

The financial troubles abroad present even more difficult problems. Briefly stated, stability can be restored only by:

- (1) An increase in exports;
- (2) A reduction in imports;
- (3) Loans from the United States.

The first depends chiefly on recovery of world trade; some stimulus, but no sufficient one, may result from depreciation of the currencies. The third expedient is for an indefinite period out of the question. The second one means a reduction in the standard of living; it raises the question of revolution, especially in Germany. Revolution would, of course, result in a decline of imports, but would probably also cause a slump in exports, so that stable government would have to be restored before improvement could be expected.

Nature of the needed readjustments in the situation is outlined as follows:

We are now in position to indicate the things prerequisite for business recovery. At home we need evidence of banking stability through either a lengthy period free from disturbance, or (if such proves necessary) some genuinely adequate emergency procedure. Further, we shall need to have some assurance regarding real estate and railroad bond values; this may come in the way of improved earnings of railroads and agriculture, or eventually Government action may be forced. The question is so critical that conceivably a Government guarantee of underlying railroad bonds and, under certain conditions, real estate mortgages (both farm and urban) might be found the only solution. Such a step is not by any means here advocated; but the possibility of its being found unavoidable is recognized. It is preferable, as a solution, to the remonetization of silver, which is to be proposed by the farmers and which may plague the country at least until after election next fall. Progress of wage reductions by the railroads will be of no small significance.

The Brookmire report continues:

Abroad, sustained strength in the currencies as evidence of economic stability in England and Germany must be seen. Proof is needed of the ability of France to maintain her gold reserves. (This latter test may not become apparent for some time.) Stability of currencies and gold reserves will depend upon the amount of exports and imports and the flow of short-term capital. It may prove necessary for European countries to ration imports—which would mean rationing food and supplies. It may prove necessary for the Governments to set up foreign trade monopolies of their own so that the money received for goods exported will not be kept abroad in dollars or other foreign currencies. In order to restore any measure of confidence and attract instead of repelling the international capital flow, it will be necessary for England and Germany to meet their repayments of short-term loans on schedule. In France, an orderly deflation of prices and credits is necessary; also proof of ability to maintain franc exchange at par in the absence of reparations from Germany. To accomplish all of these things, it may be found necessary to depart from present governmental forms. A series of fascist dictators may have to be set up in Europe. At any rate, no little time must elapse before the European peoples can bring about a balance in their international payments such as will result

in a sustained appreciation or stabilization of the currencies. Elections like that in England and conferences between statesmen prove nothing of a lasting nature. Temporarily, indications of stability may ensue, but the test will have to be met later.

To summarize, we must see:

- (1) Evidences of banking stability at home and in France;
- (2) Definite prospects of recovery in basic capital values (especially real estate mortgages and railroad bonds); and
- (3) Indications of the ability of England and Germany to maintain stable currencies and ultimately to draw gold (which, of course, will have to be grounded in political stability).

Employment Rises at Detroit With Increased Activity at Automobile Plants.

A dispatch Nov. 20 from Detroit to the New York "Evening Post" said:

A marked increase in activity in automobile plants, which are preparing for the introduction of their 1932 lines, resulted in a sharp rise in the employment index of the Detroit Board of Commerce as of Nov. 15.

From the low point for the year of 41.7% on Oct. 30, the index mounted to 50% on Nov. 15, compared with 80% on the same date last year. The high point for 1930 was 84% on May 31.

The index of the Board covers the metropolitan area, which includes many suburbs where automobiles, parts and accessories are manufactured, and is based on the 1923-25 average as 100.

Improvement Noted in November in Trade and Finance by Midland Bank of Cleveland.

November has brought improvement in various directions for trade and finance and the present outlook over the remainder of the year is for some further gain, says the Midland Bank, Cleveland, in its current "Midland Survey," edited by D. C. Elliott, economist. The "Survey" continues:

Promise of increased activity centres around the automobile industry, which has been almost out of production in recent weeks in preparation for the output of new models.

Steel operations have lately increased more than seasonally and will benefit by any expansion of automotive demand. The rise in wheat encouraged the public state of mind and the rapid increase of hoarding evident early in the fall has stopped. The fears concerning the maintenance of the gold standard in the United States have also abated. The foreign situation in general and Germany's financial prospects in particular remain uncertain.

In a study of the recent trend of commodity prices, the bank's economist concludes that one of the most encouraging business factors in recent months has been the relative stability of commodity prices. He continues:

In past depressions the stabilization of commodity prices after a long period of decline has frequently indicated the turning up of the business cycle from the bottom. In 1879 price levels steadied and then rose, while business also definitely looked upward in the latter half of the year. Similar events took place in the 90s and in 1921.

Stocks of many kinds of goods are abnormally low and steadying prices offer inducement to replenish these stocks. When the replenishing process begins the effect on business will undoubtedly be stimulating.

The bank finds Cleveland business in general in somewhat better condition, reporting that steel operations are up from 35% of capacity a month ago to 44% on Nov. 19. The machine tool trade reports a noticeable pickup in November. Automobile sales in the first half of November were larger than usual, as compared with October, with used car sales making the best showing. Employment in October was a trifle higher than in September.

Tire Prices Reduced by Lee Tire & Rubber Company.

From the "World-Telegram" of Nov. 27 we take the following:

A cut in tire prices of 5 to 12% was announced to-day by the Lee Tire & Rubber Co. Reports were current in the industry that leading mail order houses also would announce a cut effective upon issuance of new catalogues.

The Lee tire reductions have followed closely on the recent meetings of rubber executives at which aggressive opposition to any future price cutting was manifested.

Increase of 20% in Volume of Retail Sales and Decrease of 6% in Wholesale Trade in Philadelphia Federal Reserve District in October as Compared with September.

Retail sales were 20% greater in October than September, but this increase was not as large as it usually is in October, according to indexes prepared by the Philadelphia Federal Reserve Bank from reports by 161 retail establishments. The Bank also says:

In the first ten months of this year dollar retail sales were 11% smaller than in the same period last year. Sales in October as compared with the same month last year were 21% smaller, owing mainly to the fact that October last year showed a rather unusual gain over September. Lower prices and adverse industrial conditions are reflected in the unfavorable comparisons of sales between this year and last.

Business at wholesale declined 6% from September to October and was 22% smaller than in October 1930, the latter comparison being affected largely by recessions in prices. For the year to date, all lines have sustained losses in sales, declines varying from 5% in drugs to 38% in jewelry.

Inventories at retail establishments showed seasonal gains but as compared with a year ago both retail and wholesale lines reported smaller stocks of merchandise.

WHOLESALE TRADE IN THE PHILADELPHIA FEDERAL RESERVE DISTRICT FOR THE MONTH OF OCTOBER 1931.

Compiled by the Department of Research and Statistics of the Federal Reserve Bank of Philadelphia.

(Percentage Change Is Indicated by + and - Signs.)

Table with 9 columns: Books and Shoes, Drugs, Dry Goods, Electrical Suppls., Groceries, Hardware, Jewelry, Paper. Rows include Net Sales (10 mos. 1931 vs 10 mos. 1930), Actual Index, and Seasonally Adjusted Index.

* 1923-1925=100. r Revised.

RETAIL TRADE IN THE PHILADELPHIA FEDERAL RESERVE DISTRICT FOR THE MONTH OF OCTOBER 1931.

Table with 5 columns: Index Numbers of Sales (Per Cent of Monthly Average), Net Sales (Oct. 1931, Jan. 1 to Oct. 31 1931), and Comparison with Same Period a Year Ago. Rows include All reporting stores, Department, Men's apparel, Women's apparel, Shoe, and Stores in various cities.

Table with 6 columns: Stocks at End of Month Compared with (Month Ago, Year Ago), Stocks Turnover (Jan. 1 to Oct. 31, 1931, 1930), Accounts Receivable at End of Mo. Compared with Year Ago, and Collection During Month Compared with Year Ago. Rows include All reporting stores, Department, Men's apparel, Women's apparel, Shoe, and Stores in various cities.

Declining Automobile Production in October and the Ten Months.

October factory sales of automobiles manufactured in the United States (including foreign assemblies from parts made in the United States and reported as complete units or vehicles), based on data submitted to the Bureau of the Census, consisted of 80,142 vehicles, of which 57,764 were passenger cars, 21,727 trucks, and 651 taxicabs, as compared with 140,566 vehicles in September 1931, 154,401 vehicles in October 1930, and 380,017 in October 1929.

For the ten months to Oct. 31, the output of vehicles was only 2,199,330 in 1931 against 3,063,531 in 1930, and 5,020,840 in 1929.

The table below is based on figures received from 144 manufacturers in the United States for recent months, 42 making passenger cars and 113 making trucks (11 making

both passenger cars and trucks). Figures for passenger cars include only those designed as pleasure vehicles, while the taxicabs reported are those built specifically for that purpose, pleasure cars later converted to commercial use not being reported as taxicabs. Figures for trucks include ambulances, funeral cars, fire apparatus, street sweepers and buses. Canadian figures are supplied by the Dominion Bureau of Statistics.

NUMBER OF VEHICLES.

Table with 7 columns: United States (Total, Passenger Cars, Trucks, Taxicabs) and Canada (Total, Passenger Cars, Trucks). Rows include 1929-1931 monthly data, Total (10 mos), November, December, and Total (year).

x Includes only factory-built taxicabs, and not private passenger cars converted into vehicles for hire. * Preliminary.

Record Rubber Cargo Arrives in Brooklyn—\$800,000 Shipment Reported Largest of Its Kind to Enter Harbor in Many Years.

Under the above head, the New York "Times" of Nov. 17 stated:

All was activity aboard the Booth liner Phemius at the 33d St. pier, Brooklyn, yesterday with the unloading of more than 60,000 bales of rubber, the largest cargo of its kind to enter the harbor in several years.

The shipment, valued at \$800,000, arrived Friday. Previous to 1925 the cargo would have been worth nearly \$20,000,000, experts say, as the restrictions on rubber production brought the price as high as \$1.20 a pound at that time, whereas to-day the price is about five cents a pound for crude rubber.

The rubber brought in by the vessel, which also carried a general cargo of gum, sago, hemp, pepper and bamboo, will be refined here and later manufactured into products which will be exported to some of the very settlements from which the crude product was obtained. The cargo was brought from the Straits Settlements and the Federated Malay States, all under British control.

There are rumors in the Settlements the ship's officers said, about new restrictions on rubber which would tend to raise the price of the raw products, but would have little effect upon the general market.

Southgate, Calif., Plant of Firestone Tire & Rubber Co. to Adopt Six-Hour Day.

In order to permit the employment of about 350 additional men in its Southgate, Calif. plant, the Firestone Tire & Rubber Co. has decided to change from the eight-hour day to the six-hour day in all its departments at the plant. The new shift, it was announced, will go into effect in a few days. The company is said to employ an average of 1,200 workers.

Cubans Will Fight Sugar Restriction—1,500 Planters Launch Move for Cancellation of Pacts Limiting Production—Assail Chadbourne Plan.

Organized opposition to any restriction on Cuba's 1931-1932 sugar crop was launched at a meeting at Santa Clara on Nov. 26, under the auspices of the National Association of Cane Planters according to a cablegram from Havana to the New York "Times" from which we also quote as follows:

A unanimous decision to work for the cancellation of all international sugar agreements to which Cuba is a party was reached by 1,500 planters,

backed by representatives of many branches of Cuban industry, commerce and labor.

The cane planter of Cuba has been hoodwinked, and it is he who has suffered most on account of the sacrifices made by the republic under the Chadbourne plan, according to Dr. Rodriguez Blanco, President of the National Colonos Association and a member of the Sugar Commission operating under the plan. He made a strong denunciation of crop restriction.

Although various important questions were on to-day's agenda, the meeting adjourned late this afternoon after having spent the entire day discussing the adverse effects of government-controlled production and efforts to be made toward unrestricted production, which was said to be the most vital question in the minds of Cuban sugar producers to-day. It was agreed that all other matters should be subordinated to this fight.

Havana Associated Press accounts Nov. 26 said:

The Chadbourne plan, named after Thomas L. Chadbourne, a New York lawyer, began as a Cuban measure and finally was made a world regulation agreement when other great sugar-producing nations signed at Paris last Summer an agreement to limit production in order to maintain world prices.

The Cuban law for stabilization of sugar, the enforcing act of the plan, grants the President power to fix the extent of the forthcoming year's output, after taking into consideration United States' needs and surpluses on hand.

The following is from a cablegram from Havana to the "Times" Nov. 24:

Dr. Arturo Manas, Secretary of the Sugar Exporting Corp. operating under the Chadbourne plan, to-day indicated that restriction would be decreed despite all protests, but qualified his statement by saying that no definite calculations could be made until Dec. 15, by which time the world sugar stocks would be known.

Germans Fear Soviet Plans to Dump Sugar—Foresee Move to Force Others to Grant Russian Demand for 400,000-Ton Quota.

A cablegram as follows from Hamburg, Nov. 26, is taken from the New York "Times":

Fresh activities by the Russians in the world sugar markets are being watched with keen interest by the German sugar trade and industry, whose leaders sense another Russian attempt to upset world prices for political and propaganda purposes.

The recent Soviet offering of 500 tons of beet sugar for sale at Hamburg is believed to have been only an initial move foreshadowing more extensive activities.

The consensus of opinion among those concerned in Germany is that the Russians do not figure on actually selling their sugar but will be satisfied if they succeed in upsetting this market. It is recalled that at one time the Russians, allegedly in order to upset the Cuban market, offered large amounts of beet sugar to India, but the transaction was never actually concluded. To support this contention it is pointed out that if the Russians really intended to export sugar, they would not do it through Hamburg but through South Russian ports.

For one year now the German sugar trade has been apprehensive of Russian action in this direction, but nothing could be learned about the Russian plans. The reason for this apprehension is that the Russians did not agree to the Chadbourne plan, rationing the sugar exports of the leading sugar producing countries. The Russians, therefore, are free to export or dump as much sugar as they want to if they would attempt to force the nations bound by the Chadbourne plan to agree to their demands of 400,000 tons as the Russian export quota.

Sugar Corporation Costs Cuba \$388,077—Island Sugar Interests Complain that Expense of Chadbourne Plan Organization is too High.

The National Sugar Exporting Corporation, organized nine months ago under the Chadbourne plan for the stabilization of the world sugar market, has already cost Cuba \$388,077, according to financial statement just published by the organization. Havana advices, Nov. 15, to the New York "Times" reporting this, added:

The total expense was \$427,938 but from this must be deducted bank interest, commissions and discounts which brings it down to \$388,077.

Making up this amount is \$150,810 general expense, \$25,129 cane census, \$32,280 Sugar Institute, branch of the corporation, \$24,603 Brussels International Sugar Convention and \$13,871 for furniture and fixtures.

These expenses are considered exorbitant by sugar interests here and "El Mercurio." Havana commercial daily, points out that the expenses of the corporation are \$30,501 more than were the total expenses of both the Exporting Sugar Co. S. A., which existed for one year and ten months and the C-operative Exporting Sugar Agency, known as the single-seller which functioned 15 months, and handled the sale of far more sugar than has the corporation now operating.

"El Mercurio" also points out that the salaries paid to officials of the corporation are entirely too large to be borne by the already financially embarrassed Cuban producer.

Philippine Corn Duty Approved by Gov.-General Davis—Measure Also Puts Tariff on Rice—Bill for Sugar Control Board Is Vetoed.

From Manila Nov. 19 a wireless message to the New York "Times" stated:

Governor General Dwight F. Davis returned to Manila to-day, making final preparations for his departure on a leave of absence and reporting his action on the two most important bills passed in this legislative session.

The tariff on rice and corn was approved despite certain disadvantageous economic features because of the method of procedure. This bill emanated from the Legislature itself, was properly reported by committees, was freely discussed in both houses by non-partisan but spirited debate, was passed by sound majorities on non-partisan lines, and was correctly submitted.

Mr. Davis therefore signed the measure as an expression of Filipino economic opinion. It must now go to the United States Congress.

The bill creating a controlling sugar board was vetoed because of defects

in the drafting, the Governor holding that it did not accomplish the desired purposes. The same measure lost last year for the same reasons.

Mr. Davis will leave on Saturday, and all indications point to the greatest send-off ever accorded an American official. He will receive the keys to the city of Manila and numerous resolutions expressing utter confidence in him by all communities in the Philippines.

Public Dinner for Davis.

A public farewell dinner is planned for to-morrow night, with more than 1,000 invitations already issued. It was rumored to-night that Mr. Davis would not make a conventional departure speech, but would tell the exact status of the Philippine problem, offering friendly advice on the logical course of procedure.

The Filipino Independence Mission to the United States meanwhile is planning to leave on Dec. 5, having resolved party differences. It is now believed that Manuel Quezon's proposal for an extended period of advanced autonomy as economic preparation for independence is likely to be the object of the mission.

Conversion of Waste Molasses Into Fertilizer Proposed by Hawaiian Chemist.

The following from Honolulu Nov. 21 is from the New York "Times":

The perfection of a new process for converting waste molasses into fertilizer was announced to-day by Dr. Francis E. Hance, director of the chemistry department of the Hawaiian Sugar Planters' experimental station here.

The accomplishment is the result of 17 years of research into a theory advanced early in 1914 by Dr. H. L. Lyon of the experimental station staff that the addition of rock phosphate to the compound resulting from a mixture of molasses and sulphuric acid might produce a commercial fertilizer. The laboratory work has resulted, Dr. Hance said, in the development of a compound which contains all the essential elements of fertilizers now imported to Hawaii for use in sugar plantations.

In addition, it can be produced very cheaply if manufactured on a large scale. The finished product is easy to handle, being dry, friable and portable. The composition may be varied at will simply by shifting the materials employed to neutralize the excess of sulphuric acid.

Hawaiian plantations produce about 200,000 tons of waste molasses annually, all of which is available for use in making the new fertilizer.

Mexico to Aid Banana Men—Seeks to End "Despotic Monopoly" by Foreign Growers.

From the New York "Evening Post" we take the following (Associated Press) from Mexico City Nov. 19:

The Department of Agriculture and the Government will lend all aid legally possible to the new Co-operative Banana Growers' Association, Secretary Francisco S. Elias said to-day, explaining that the industry is almost totally in the hands of foreign companies.

The new association was formed by General Juan Andreu Almazan, who recently charged that foreign companies, mostly American, exercised a "despotic monopoly" to the detriment of Mexican laborers.

English and United States Bankers Object to Brazilian Plan to Destroy 18,000,000 Bags of Coffee.

We quote from the New York "Times" the following from Sao Paulo, Nov. 25:

The plan for the immediate destruction of 18,000,000 sacks of coffee was temporarily abandoned to-day when English and United States bankers balked at the financial arrangements proposed by the Rio de Janeiro Government.

The Government offered the income for four years from the export tax for collateral in place of the surplus stock now pledged. The bankers said they were unable to communicate with the bondholders for permission to change the collateral.

Brazil Coffee Stocks—38,000,000 Sacks on Hand on Oct. 31.

Under date of Nov. 26, Sao Paulo advices to the New York "Times" stated:

Official Government figures show that all the coffee in Brazil on Oct. 31 totaled 38,000,000 sacks. There were 24,000,000 sacks in Santos, 1,600,000 in Rio de Janeiro, 6,000,000 awaiting shipment in Sao Paulo, 1,600,000 awaiting shipment from other ports, 2,600,000 belonging to the State Government of Sao Paulo and 2,000,000 on farms in other States.

The normal world consumption from here in a year is approximately 20,000,000 sacks.

Brazil Reviving Valorization Plan—National Coffee Council to Assume Realization Loan Obligations, Defend Coffee Market.

From the "Wall Street Journal" of Nov. 24 we take the following:

Brazil's State and Federal Governments have reached an agreement re-establishing the National Coffee Council to full autonomy under exclusive Federal Government supervision, according to Rio advices received here. This marks a return to valorization terminated when a foreign banking syndicate lent the State of Sao Paulo \$97,330,000 in a "realization" loan in April 1930.

The Council will defend the coffee market with the aim of maintaining steady prices up to 18 milreis per 10 kilos for the Santos contract A, with equivalent differences at other ports. The plan apparently does not differ much from the operations of the Institute for the Permanent Defense of Coffee, (a Federal project with a capital of \$39,000,000 established in 1922) and that of its successor, the Paulista Institute for the Permanent Defense of Coffee, which was abolished with the institution of the "realization" loan.

The retained stocks earmarked for purchase or belonging to the Federal and Sao Paulo State Governments are to pass to control of the National Coffee Council, with the latter to assume all obligations, including amortization and interest payments on the "realization" loan, the report further states. Furthermore, the Council is to control and add three shillings Sao Paulo tax on the 10 shillings export levy already in effect. Of the

13 shillings tax, five is to be collected in gold, guaranteeing the loan, and eight in paper.

At the New York offices of the bankers for the "realization" issue, no definite information concerning the project had as yet been received from their Brazilian connections.

A further step in the projected plan involves the immediate destruction of approximately 12,000,000 bags of coffee.

The National Coffee Council is to be authorized credit for operations in anticipation of the taxation. The Federal Government is to endeavor to arrange easy rediscount terms with the Banco de Brazil for the National Coffee Council with promissaries up to 400,000 contos, carrying endorsement of the Banco de Estado de Sao Paulo.

Probability is that the Banco de Brazil will be able to arrange rediscount with commercial department funds, avoiding special rediscount funds whenever possible, thus reducing any possible emission to a minimum.

Coffee Growers Ask Aid—Brazil Already Giving Large Sums to Drouth Sufferers.

Coffee growers are holding meetings in Sao Paulo and drafting plans for new demands on the Government for aid said a wireless message, Nov. 22, from Sao Paulo to the New York "Times," which added:

Coffee shipments for the month are 600,000 bags, promising a good monthly total. The drouth is still curtailing business in the Northeastern States and the Government at Rio de Janeiro is appropriating large sums for relief.

United States Shipping Board Acts on Protest on Coffee Cargoes—Lets Philadelphia Bureau File Complaint on New Orleans Traffic—New Conference Set Up.

The United States Shipping Board, acting Nov. 18 on a protest of the Philadelphia Ocean Traffic Bureau, which charged that the coffee business of that port was prejudiced as a result of the shipment of coffee destined for the East through New Orleans and thence to inland trans-shipment points on the Mississippi River, directed the Bureau to file a formal complaint for the Board's consideration. Washington advises Nov. 16 to the New York "Times" added:

In the event of a favorable decision the Board will grant the request of the Bureau for hearings.

The Billion Dollar Annual Cotton Crop of the Gulf Southwest Analyzed by Department of Commerce.

The importance of the \$1,000,000,000 yearly cotton crop on the purchasing power and economic condition of the Gulf Southwest Region of the United States is revealed in a comprehensive study of its production and distribution conducted by the Department of Commerce and made public Nov. 23 by Frederick M. Feiker, Director, Bureau of Foreign and Domestic Commerce. The production of cotton in the Gulf Southwest States of Arkansas, Louisiana, Mississippi, Missouri, Western Tennessee, Oklahoma and Texas is shown to represent approximately 40% of the world's crop. The Department's announcement regarding the study says:

This report, Part III of the Commercial Survey of the Gulf Southwest, presents facts and statistics regarding the production and distribution of cotton and cottonseed products in this region and is designed to be of assistance to everyone selling in the area, be they local or national distributors. It is the work of the Domestic Regional Division of the Department of Commerce.

The income from cotton is distributed among 5,000,000, or more people in the area or almost one-third of the total population. This represents a greater number than is dependent upon any other industry, even petroleum, livestock or lumber, and a study of this major source of income, the report reveals, is therefore an essential part of the accurate appraisal of that region as a market for both consumers' and producers' goods. To assist in this appraisal an estimate of the gross farm income from cotton is for the first time shown for every county in the area.

The region's cotton crop represents over 70% of the entire United States production, occupying more than 35% of the crop land of the Gulf Southwest and contributing 64% of the gross farm income from the crops of that region.

In the report all the different factors affecting cotton production are discussed with data included on the movement of cotton from producers to consumers, revealing the relative importance of the different markets to the producing regions.

A chapter of the report is devoted to a description of the production of cotton including a discussion of the various materials, implements, and machinery used, the subdivision of the region into production districts, and statistics of production arranged according to those districts.

In addition to showing the importance of cotton in this region, the problems of financing the cotton grower, the facilities available, and insofar as possible, the extent to which the different facilities are used are discussed.

The tenancy problem, statistics of farm ownership and tenure together with an estimate of the gross farm income from lint cotton on a county basis, with statistics of the major-out-of-pocket expenses are included.

The tenancy problem statistics of farm ownership and tenure together with an estimate of the gross farm income from lint cotton on a county basis, with statistics of the major out-of-pocket expenses are included.

The marketing of cotton and a description of the process and the agencies participating as it moves from producers to consumers, the transportation facilities used in the movement of the crop and the best available data on the volume and direction of the movement are also included.

The problems of the cotton producers, such as the quality of the cotton crop, the competition of other fibers, and labor limitations, are also made a part of the report. One section is devoted to the cottonseed products industry, describing the methods used in the manufacture of the various products obtained.

Part I, II and III of the Commercial Survey of the Gulf Southwest may be purchased from the Superintendent of Documents, Government Printing

Office, or any of the District Offices of the Bureau of Foreign and Domestic Commerce located in the principal cities throughout the country. Part I, "Distribution of Dry Goods in the Gulf Southwest" is priced at \$0.35 per copy, Part II, "Petroleum Industry of the Gulf Southwest" at \$0.65 and this report, Part III, "Production and Distribution of Cotton in the Gulf Southwest" may be purchased for \$0.80 per copy.

Activity in the Cotton Spinning Industry for Oct. 1931.

The Department of Commerce announced on Nov. 23 that according to preliminary figures compiled by the Bureau of the Census 32,430,508 cotton spinning spindles were in place in the United States on Oct. 31 1931, of which 25,188,112 were operated at some time during the month compared with 25,236,916 for September, 25,622,526 for August, 25,825,718 for July, 25,898,026 for June, 26,379,082 for May, and 25,720,504 for October 1930. The aggregate number of active spindle hours reported for the month was 6,594,525,142. During October the normal time of operation was 26 3/4 days (allowance being made for the observance of Columbus Day in some localities), compared with 25 1/2 for September, 26 for August, 26 for July, 26 for June, and 25 1/2 for May. Based on an activity of 8.93 hours per day the average number of spindles operated during October was 27,606,305 or at 85.1% capacity on a single shift basis. This percentage compares with 88.1 for September, 81.8% for August, 86.0 for July, 86.8 for June, 89.6 for May, and 77.0 for October 1930. The average number of active spindle hours per spindle in place for the month was 203. The total number of cotton spinning spindles in place, the number active, the number of active spindle hours and the average hours per spindle in place, by States, are shown in the following statement.

State.	Spinning Spindles.		Active Spindle Hours for Nov.	
	In Place Oct. 31.	Active During October.	Total.	Average per Spindles in Place.
United States.....	32,430,508	25,188,112	6,594,525,142	203
Cotton growing States	19,083,342	16,882,524	5,110,438,071	268
New England States..	11,956,850	7,272,566	1,277,752,456	107
All other States.....	1,390,316	1,033,022	206,334,615	148
Alabama.....	1,853,774	1,674,800	505,314,144	273
Connecticut.....	1,076,823	749,016	139,535,332	130
Georgia.....	3,239,192	2,852,956	821,486,238	254
Maine.....	977,916	817,546	160,699,255	164
Massachusetts.....	6,555,216	3,880,846	608,524,814	93
Mississippi.....	296,048	127,720	38,298,485	186
New Hampshire.....	1,211,298	204,068	167,409,941	138
New Jersey.....	373,276	812,218	38,870,991	104
New York.....	658,696	523,148	116,038,668	176
North Carolina.....	6,197,740	5,311,504	1,470,568,438	237
Rhode Island.....	2,018,328	978,380	191,912,314	95
South Carolina.....	5,704,072	5,428,554	1,805,313,427	316
Tennessee.....	621,404	551,608	208,648,637	336
Texas.....	282,100	171,702	36,888,902	129
Virginia.....	679,254	590,702	171,060,648	252
All other States.....	775,366	513,344	114,460,908	148

Japanese Shipments of Cotton Goods to China Decline.

The Japanese cotton textile trade is reported to be depressed severely, Commercial Attache Halleck A. Butts, Tokyo, cabled the Department of Commerce under date of Nov. 19. The Department further says:

October shipments of cotton piece goods to China amounted to less than 400,000 square yards, as against 4,600,000 for the corresponding month of last year, while exports to India in October for this year totaled only 8,500,000 square yards compared with 25,500,000 for the like month of 1930. The leading cotton manufacturers have expressed the opinion that the recent increase in curtailment of spinning activity will prove adequate for this year, since stocks of yarn and textiles are not considered excessive.

October production of cotton yarn by mills belonging to the Japan Cotton Spinners Association, whose members own about 98% of the spindles in Japan, was reported as 224,000 bales of 400 pounds each, or the same as in the preceding month, but considerably larger than the 197,000 bale produced in October 1930. October exports of cotton yarn amounted to 4,000 bales, and stocks of cotton yarn at the end of the month aggregated 13,000 bales, according to preliminary trade figures.

Chinese Owned Cotton Mills in Shanghai Active.

Chinese industries, especially the cotton mills, are reported to be working at full capacity, according to a radiogram received in the Commerce Department from Assistant Commercial Attache A. Bland Calder, Shanghai. In indicating this Nov. 17 the Department said:

There is some apprehension, locally, however, that the Japanese-owned cotton mills in Shanghai may be forced to close, thereby throwing 60,000 Chinese workers out of employment. The warehouses of the Japanese mills are reported to be overstocked with finished goods and, owing to the present boycott of Japanese products by the Chinese, the export trade is virtually the only outlet for the disposal of the Japanese mills' production.

Mexico Modifies Import Duty on Wool.

A Mexican Presidential decree, officially published Nov. 10 1931, and effective three days thereafter, but not to apply to shipments by vessels which have left the port of embarkation before the publication of the decree, decreases

the rates of import duty on certain types of wool and increases the duty on others, according to an air mail letter dated Nov. 11, received from Acting Commercial Attache Robert G. Glover, Mexico City. It is stated that the purpose of these tariff changes is to afford protection to the domestic woolen industry, said the Department's announcement Nov. 19, which added:

The new rates of import duty, in Mexican pesos per gross kilo, are as follows, old rates being shown in parentheses: Clean wool waste, in battings to be used in the manufacture of felts, 0.35 (0.50); clean wool waste, not specified, 0.55 (0.35); dirty wool waste, 0.55 (0.35); carded wool, not in "tops," not specified, from the effective date of the decree until Dec. 31 1932, 0.75 (0.90), and on and after Jan. 1 1933, 1.50 (2.00); combed wool in "tops," when imported by woolen mills in stated yearly minimum quantities, 0.55, and when these requirements are not fulfilled, 2.00 (0.90); wool silvers, washed or degreased, from the effective date of the decree until Dec. 31 1932, 0.75, and on and after Jan. 1 1933, 1.50 (rates unchanged); wool silvers, dirty, 0.55 (0.30); shoddy wool, 0.55 (0.30); woolen rags in pieces, appropriate for being carded, 0.35 (0.10); and goats hair, 0.55 (0.35). To these rates should be added the usual surtax of 3% of duty.

Porto Rico Buys Over a Million Dollars Worth of Jute Bags Annually.

Porto Rico—which means principally the insular sugar industry—uses more than a million dollars worth of jute bags during the course of a year, according to Assistant Trade Commissioner Robert G. Boyd, San Juan, Porto Rico, in a report to the Department of Commerce; under date of Nov. 23 the Department says:

It is expected that this figure will be decidedly augmented during the 1931-32 sugar season, as a bumper crop (estimated to be the largest yet harvested) is in the offing. The crop is so large, in fact, that grinding will start in November, and probably extend well into July, instead of taking place principally during the first six months of the calendar year, as is usually the case.

The dependency of the jute bag market on the activity of the sugar industry is clearly demonstrated by monthly imports, which remain at a high level during the grinding season and fall off markedly during the last four or five months of the year. For instance, during the first eight months of 1930, 1,732,000 of the total yearly import of 2,054,000 pounds from the continental United States were shipped into the Island. Most of the importation is direct from India (13,049,000 pounds of the total 15,449,000 pounds in 1930). Imports from the continental United States, as well as from countries other than India, are of course trans-shipments.

Raw Silk Exporters Request Japanese Government to Increase Guarantee to Banks on Silk Stored.

The following is taken from the summary of conditions in Japan contained in the weekly bulletin of the Department of Commerce, issued under date of Nov. 22:

Raw silk exporters are requesting the Government to increase its guarantee to banks on silk stored under the raw silk indemnification act by 30,000,000 yen, or to a total of 80,000,000 yen. They also suggest that a company designated by the Government purchase all silk stored and sell it during the next three years, the Government to stand all losses.

Reduction in Transcontinental Freight Rates on Raw Silk.

A reduction in transcontinental freight rates on raw silk from \$9 a hundred pounds to \$6 was approved by executives of the Transcontinental Lines and the Eastern Trunk Lines, at a conference held recently in Chicago, according to the Traffic Bureau of the Silk Association of America, Inc. This request was made three years ago by the transportation committee of the Silk Association, and has been denied on several occasions during the past three years, says the Silk Association, which also said:

The new rate brings the railroads into competitive position with the Panama Canal, which has been attracting considerable raw silk traffic due to lower rates. The new rail rate is expected to divert a large amount of raw silk to the faster rail routing.

The date on which the new rate will go into effect has not yet been announced.

Cut of 10% in Wages Accepted by New Bedford (Mass.) Textile Workers.

New Bedford advices Nov. 20 to the "Journal of Commerce" state that New Bedford (Mass.) textile workers voted tonight to accept a 10% reduction in wages, effective Dec. 7. The vote is understood to have been close, but no figures were announced by the textile council.

Wages Reduced by Worsted Plants in Lowell, Mass.

An Associated Press advice from Lowell, Mass., Nov. 14, says:

Ten per cent wage reductions effective Nov. 23 were announced today by the United States Bunting Co., Ames Worsted Co., and the Royal Worsted Co. A similar pay cut was announced yesterday for the Lawrence Manufacturing Co. Brooks Stevens is President of the four plants.

Seven Thousand Men to Return to Work at Plant of Hudson Motor Car Company.

Associated Press advices from Detroit Nov. 16 stated: W. J. McAneeny, President of the Hudson Motor Car Co., told 300

Hudson and Essex distributors on Nov. 16 that 7,000 men will be returned to work in the company plants here within the next few weeks. More than 2,000 men were put to work to-day, Mr. McAneeny said.

Dairymen's League Co-Operative Association Cuts Salaries 10%.

The Dairymen's League Co-operative Association, Inc., has cut salaries and wages of officers and employees 10%, effective Jan. 1, according to the "Wall Street Journal" of Nov. 7, which stated that the reduction applies to 2,800 employees.

Petroleum and Its Products—Stability of Output and Crude Prices Encouraging—Consumption Well Maintained Throughout Nation.

With gasoline consumption showing the first signs of the usual winter decline, the petroleum industry finds itself in a more stable condition than has been the case for several winters past. The successful working out of production control throughout Texas and Oklahoma has eliminated the source of much worry as far as the industry is concerned. As a result of stern measures taken in those two States prices have sharply advanced from the disastrously low prices existing earlier this year, when crude went to as low as 10c a barrel.

The firmness of crude prices has been substantiated by the maintenance of refined products consumption throughout the country. The extension of motoring weather far beyond the usual time has served to absorb surplus stocks in many parts of the country, while storage gasoline now is about 6,000,000 barrels in excess of the "normal supply" of 27,194,000 barrels recommended by the American Petroleum Institute.

The improved conditions among producers has been reflected in decisions to expand reconstruction and new works, especially in pipeline extension. Announcement has been made of plans for a 700-mile line running from the Oklahoma fields to St. Louis and Detroit, and a 300-mile line from the Seminole area into East Texas, to be joined to a line extending from the Great Lakes to the Gulf of Mexico.

Conferences are now being held in California, working toward a reduction of about 50,000 barrels per day in that State's oil output, which now averages about 500,000 barrels daily. Successful culmination of such a program would be followed immediately by an upward price revision, in the opinion of Eastern operators. It is important to note that during the past month, while prices were being constantly advanced in the Mid-Continent fields similar action was not taken in California.

E. B. Reeser, President of the Barnsdall Oil Corp. and retired President of the American Petroleum Institute, has definitely declined the post of President of the Oil Producers' Sales Agency of California.

Prices of Typical Crudes per Barrel at Wells.

(All gravities where A. P. I. degrees are not shown.)

Bradford, Pa.-----	\$2.00	Eldorado, Ark., 40-----	\$0.63
Corning, Pa.-----	.80	Rusk, Texas, 40 and over-----	.68
Illinois-----	.80	Salt Creek, Wyo., 40 and over-----	.85
Western Kentucky-----	.75	Darst Creek-----	.60
Midcontinent, Okla., 40 and above-----	.85	Sunburst, Mont.-----	1.05
Hutchinson, Texas, 40 and over-----	.68	Santa Fe Springs, Calif., 40 and over-----	.75
Spindletop, Texas, 40 and over-----	.79	Huntington, Calif., 26-----	.72
Winkler, Texas-----	.71	Petrolia, Canada-----	1.75
Smaekover, Ark., 24 and over-----	.55		

REFINED PRODUCTS—SECTIONAL PRICE ADVANCES EMPHASIZE STRENGTH OF GASOLINE MARKETS—KEROSENE SALES INCREASING—HEATING OILS FIRM.

Retail gasoline prices continue to reflect the strength of the primary markets, with further sectional advances reported this week. The most important change was announced in Philadelphia on Tuesday, Nov. 24, when a 1c. advance in service station prices became effective. The new price there is 11c. per gallon, plus tax of 3c. for the State. The advance was generally observed by the larger companies. Syracuse distributors advanced the tank wagon and service station gasoline prices 1c. per gallon the same day.

It is thought that gasoline consumption this fall and winter will run far ahead of existing figures, due to the extreme mildness of the weather thus far, permitting pleasure driving much later than usual. Whereas it has been the custom to mark prices downward at this season of the year, the opposite is actually taking place.

The arrival of colder weather throughout northern New York and New England has spurred activity in the kerosene division of the market. Sales are mounting in volume, and prices hold firm at 5½c. per gallon, tank car at refineries, at New York, with slightly lower prices prevailing up-State, where sectional "price wars" have caused a slight uneasiness

among distributors. In some sections, prices have been cut from 1/2c. to 1c. per gallon. The trade, however, anticipates an early end of this move, and a return to the higher levels.

Bulk gasoline movement continues steady, with U. S. Motor firmly maintained here at 6c. per gallon, tank car at refineries. Gasoline stocks are reported as smaller than customary at this time, and distributors anticipate a consistent business throughout the winter.

Heating oil demand has not yet hit its stride, and sales are being made mostly on a spot basis with prices, however, holding steady. Diesel oil is quiet and in light demand with the market maintaining the posted price of \$1.30 per barrel, refinery.

Price changes follow:

Nov. 24.—Atlantic Refining Co., Sun Oil Co., and Standard Oil Co. of Pennsylvania advance service station gasoline price 1c. per gallon, the new price being 11c. per gallon plus 3c. State tax.

Nov. 24.—Tank wagon and service station gasoline prices advanced 1c. per gallon in Syracuse.

Gasoline, U. S. Motor, Tank Car Lots, F.O.B. Refinery.

Table listing gasoline prices for various locations including New York, Standard Oil, and Shell Eastern Pet.

Gasoline, Service Station, Tax Included.

Table listing service station gasoline prices for locations like New York, Atlanta, Baltimore, Boston, Buffalo, and Chicago.

Kerosene, 41-43 Water White, Tank Car Lots, F.O.B. Refinery.

Table listing kerosene prices for locations like New York, North Texas, and Tulsa.

Fuel Oil, F.O.B. Refinery or Terminal.

Table listing fuel oil prices for locations like New York, Buher, Diesel, and Chicago.

Gas Oil, F.O.B. Refinery or Terminal.

Table listing gas oil prices for locations like New York, Chicago, and Tulsa.

Bulk Terminal Stocks of Gasoline Continue at a Higher Rate Than at This Time Last Year—Gasoline in Transit Falls Off.

The American Petroleum Institute below presents the amount of gasoline held by refining companies in bulk terminals and in transit thereto, by Bureau of Mines' refining districts, East of California.

It should be borne definitely in mind that comparable quantities of gasoline have always existed at similar locations as an integral part of the system of distribution necessary to deliver gasoline from the points of manufacture to the ultimate consumer.

For the purpose of these statistics, which will be issued each week, a bulk terminal is any installation, the primary function of which is to supply other smaller installations by tank cars, barges, pipe lines or the longer haul tank trucks.

Up to Aug. 22 1931, statistics covering stocks of gasoline East of California reflected stocks held at refineries only, while for the past several years California gasoline stocks figures have included, and will continue to include, the total inventory of finished gasoline and engine distillate held by reporting companies wherever located within continental United States.

Table showing Gasoline at Bulk Terminals and Gasoline in Transit by District, with figures for Nov. 21 and Nov. 1930.

Crude Oil Production in the United States Exceeds That of a Year Ago.

The American Petroleum Institute estimates that the daily average gross crude oil production in the United States for

the week ended Nov. 21 1931, was 2,453,400 barrels, as compared with 2,464,050 barrels for the preceding week, a decrease of 10,650 barrels. Compared with the output for the week ended Nov. 22 1930 of 2,281,850 barrels per day, the current figure represents an increase of 171,550 barrels daily.

DAILY AVERAGE PRODUCTION (FIGURES IN BARRELS).

Table showing daily average production figures by district for Nov. 21 '31, Nov. 14 '31, Nov. 7 '31, and Nov. 22 '30.

The estimated daily average gross production for the Mid-Continent Field, including Oklahoma, Kansas, Panhandle, North, West Central, West, East Central, East and Southwest Texas, North Louisiana and Arkansas, for the week ending Nov. 21, was 1,566,400 barrels, as compared with 1,578,650 barrels for the preceding week, a decrease of 12,250 barrels.

The production figures of certain pools in the various districts for the current week, compared with the previous week, in barrels of 42 gallons, follow:

Table comparing production figures for various oil fields like Oklahoma, Southwest Texas, North Louisiana, and West Virginia.

Chile Considering Russian Oil Trade—Soviet Proposal Calls for an Exchange of Nitrates, Soda and Copper.

A Santiago (Chile) cablegram Nov. 19 is taken as follows from the New York "Times":

The possibility of Russian oil and by-products being imported and distributed on a big scale in Chile in the near future in exchange for nitrates, soda and copper from Chile is now being considered as a result of a proposal to the Chilean Government from Russia.

Suggestions for the establishment of domestic refineries either by foreign oil companies now operating here or by a government constituted monopoly have been under discussion in Congress and the press for weeks, and the general opinion is that something must be done to cut down the high costs of importing refined oil.

The conditions of the Russian proposal have not been disclosed, but the low prices offered and other advantages are believed likely to prove more acceptable than the establishment of refineries and at the same time would create an outlet for Chilean products.

A study of the proposal is reported to be well advanced by technical and legal advisers and it is believed an agreement will be reached soon. Similar proposals, although not in such favorable terms, have been received from Rumanian companies.

Weekly Refinery Statistics for the United States.

Reports compiled by the American Petroleum Institute for the week ended Nov. 21 from companies aggregating 3,665,600 barrels, or 95.2% of the 3,852,000 barrel estimated

daily potential refining capacity of the United States, indicate that 2,261,600 barrels of crude oil were run to stills daily, and that these same companies had in storage at refineries at the end of the week, 32,511,000 barrels of gasoline, and 139,264,000 barrels of gas and fuel oil. Reports received on the production of gasoline by the cracking process indicate that companies owning 95.6% of the potential charging capacity of all cracking units, manufactured 3,331,000 barrels of cracked gasoline during the week. The complete report for the week ended Nov. 21 1931 follows:

CRUDE RUNS TO STILLS GASOLINE STOCKS AND GAS AND FUEL OIL STOCKS WEEK ENDED NOV. 21 1931.
(Figures in Barrels of 42 Gallons)

District.	Per Cent Potential Capacity Report-Ing.	Crude Runs to Stills.	Per Cent Oper. of Total Capacity Report.	aGasoline Stocks.	Gas and Fuel Oil Stocks.
East Coast.....	100.0	2,834,000	63.9	4,127,000	10,209,000
Appalachian.....	91.8	699,000	72.7	1,201,000	1,634,000
Ind., Illinois, Kentucky	98.9	2,181,000	72.2	3,232,000	5,776,000
Okla., Kans., Missouri	89.6	1,713,000	56.2	2,665,000	4,892,000
Texas.....	91.3	3,969,000	74.1	6,604,000	11,838,000
Louisiana-Arkansas.....	98.9	1,118,000	69.3	952,000	4,053,000
Rocky Mountain.....	89.4	322,000	32.0	1,295,000	810,000
California.....	97.1	2,995,000	48.2	*12,535,000	97,052,000
Total week Nov. 21..	95.2	15,831,000	61.7	32,511,000	136,264,000
Daily average.....		2,261,600			
Total week Nov. 14..	95.2	16,401,000	63.9	31,891,000	136,127,000
Daily average.....		2,343,000			
Total Nov. 22 1930..	95.7	16,036,000	64.1	34,888,000	139,254,000
Daily average.....		2,290,800			
cTexas Gulf Coast....	99.8	2,977,000	80.0	4,964,000	8,504,000
cLouisiana Gulf Coast.	100.0	747,000	72.3	827,000	3,264,000

a In all the refining districts indicated except California, figures in this column represent gasoline stocks at refineries. In California, they represent the total inventory of finished gasoline and engine distillate held by reporting companies wherever located within continental United States—(stocks at refineries, water terminals and all sales distributing stations, including products in transit thereto). b Revised in Indiana-Illinois district, due to transfer to "bulk terminals" of stocks previously reported as "at refineries." c Included above in table for week ended Nov. 21 1931.

Note.—All figures follow exactly the present Bureau of Mines' definitions. Crude oil runs to stills include both foreign and domestic crude. In California, stocks of heavy crude and all grades of fuel oil are included under the heading "gas and fuel oil stocks."

Settlement of Vera Cruz Oil Dispute Growing Out of Taxation.

Associated Press advices from Mexico City Nov. 20 stated:

Difficulties between several major oil companies operating in Vera Cruz and the State Government have been arbitrated through the offices of Manuel C. Tellez, Secretary of the Interior, and probably none of the companies will withdraw, it was said to-day. The disputes arose from taxation and fines imposed on the companies.

Balkan Nations Plan Gasoline Monopolies—Standard and Shell Interests Reported as Fighting Move in Jugoslavia, Austria and Hungary.

From Vienna Nov. 20 the New York "Times" reported the following:

Southeastern European governments, long accustomed to turn to match monopolies as a means of raising revenue, are now seeking to put gasoline in the same category. As a result the Standard Oil Co. finds itself allied with its British competitors, the Shell interests, in a struggle to maintain their existence in this part of the world.

In Austria the government is faced with a constant drain on the National Bank to finance the Credit Anstalt and its industries, and is considering the institution of a gasoline monopoly which it would hand over to the oil concerns that bank controls. Austrian automobilists are up in arms against the proposal, which is certain to make gasoline dearer.

American and British companies have assured the government that, without construction of an expensive distribution service throughout the country, it will not make the profits from a monopoly which are expected.

In Hungary the proposal is to constitute a monopoly and sell it to the highest bidder, or rather to the bidder who will grant the best long-term credits to help the government out of its financial difficulties. Although there appears to be more justification for such a plan in Hungary than in Austria, the industry there, as here, opposes it.

In Jugoslavia the fight is against the government's recent imposition of an import duty on crude oil which makes the refineries built by the Standard and Shell in Jugoslavia unworkable at a profit. It is understood the Jugoslav Government is willing to remove the duty if they can obtain loans from or through the oil companies concerned. Since the refineries were constructed with the virtual understanding that the companies could get their raw material free, it is objected that the government's action is a form of compulsion.

Over and above these threats to the position of oil companies in specific countries there exists throughout southeastern Europe generally great difficulty in financing by oil companies of imports and exports of raw and finished products, respectively, because of their inability to obtain foreign exchange.

Russian Soviets Propose Cut in Manganese Output—Production in Recent Years Surpassed Pre-War Record—Domestic Consumption Increases—United States Principal Customer.

The Soviet authorities have planned a heavy reduction in the output of manganese ore during the current year, according to a report from Landreth M. Harrison, Third Secretary of Legation, Riga, made public by the Department of Commerce on Nov. 23. The information also says:

In the fiscal year 1929-30, Soviet Russia produced 1,444,166 metric tons, roughly 44% of the total for the world. The planned output for the calendar year 1930 was 1,583,000 metric tons; it has been set at 960,000 tons for 1931, a reduction of 623,000 tons or approximately 40%. This planned reduction amounts to 43% of the actual output in the fiscal year 1929-30, the last 12-month period for which definite production statistics are available.

Trade observers state that this reduction in the planned output appears highly significant, especially since Soviet Russia is making great efforts to increase production in almost every line, and since the domestic consumption of manganese is increasing rapidly due to the expansion of the Soviet steel industry under the Five-Year Plan. Exports are of vital importance to the Soviet Union in providing a means to pay for the imports necessary for the industrialization intended by the Five-Year-Plan, and manganese ore is the most important in the group of mineral ores exported. It comes from two rich deposits which are located comparatively close to shipping points, so that exports make a minimum demand upon the labor supply, transportation facilities and industrial organization

World Control for Aluminum—New Company Formed Taking in Chief Producers of Canada and Europe.

From the New York "Evening Post" we take the following from London, Nov. 24:

The formation of the Alliance Aluminum Compagnie, A. G., with a capital of Fr. 35,000,000 (Swiss) and powers to increase it to Fr. 65,000,000, nominal, marks a new stage in the international organization of the industry.

The Board includes representatives of British, Canadian, German, French and Swiss producers.

Although no details are available it is understood the idea of the new company is to stabilize the price of aluminum by adjusting production to demand which, as the company now includes the Canadian in addition to all the chief European producers, should be capable of realization.

The company replaces the international working agreement which was first entered into in 1923 following the slump in 1921. This agreement was limited to price fixing among European producers but excluded North American producers.

In 1926 a more comprehensive agreement was made for two years which was extended from Dec. 31 1928 for another three years, and would, therefore, have expired at the end of 1931.

Additional Cut of 15,000 Tons in Tin Production Announced for 1932 by International Tin Committee.

The International Tin Committee, representing the Governments of Bolivia, Netherlands East Indies, Federated Malay States, Siam and Nigeria, at a meeting held at The Hague on Nov. 24, announced its decision to make an additional cut in production and export of tin of 15,000 tons yearly, beginning Jan. 1 1932. This will reduce the output of the signatory countries for 1932 to 91,000 tons, or only 56% of the 162,000 tons produced in 1929. The information from the International Tin Committee also says:

Siam, which accounts for 10,000 tons of the 19,000 tons produced by non-signatory countries, has now joined the international group, leaving a production of only 9,000 tons not under absolute control.

A communique issued by the International Tin Pool states that it has increased its holdings to 15,800 tons from 12,250 tons at the end of October. This tin is all included in "available supplies" and is not for sale. United Kingdom stocks, which at the end of October amounted to 30,000 tons, have been one of the depressing factors in keeping down the price of tin, but since the International Tin Pool has given guarantees to the signatory governments not to sell any of its holdings until the spot price of tin on the London Metal Exchange averages £150 a ton for one calendar month, the market position has been greatly strengthened. The pool also has undertaken not to sell more than 5% of its holdings, even when this price is reached.

The Governments, on the other hand, have guaranteed to continue their control of production and export until August 1934 unless the pool has liquidated its holdings by the end of February 1933, or to continue control until such time as the pool's holdings have been sold.

The fact that the International Tin Committee has made two cuts in production and export since June, amounting to 35,000 tons, on top of its original curtailment program announced in March, shows the determination of the governments concerned to carry out their original intention to secure a fair price for tin.

Malay Tin Curtailment.

The following advices from Kuala Lumpur are from the "Wall Street Journal" of Nov. 27:

Acceptance by the Federated Malay States of the increased tin curtailment, amounting to 15,000 tons annually, is conditional on its operating rate not being brought below 40%. Federated Malay States reduced its output in September to 40%, from the 60% rate at which other producing countries were operating. This decrease was because the Federated Malay States had produced 4,700 tons more than its quota in the three months ended Sept. 1.

Sheet and Tin Mills of Follansbee Brothers Resume Operations.

Employment for 700 men was provided Nov. 19 with the resumption of operations by Follansbee Brothers of six tin and five sheet mills after a long idleness, according to Associated Press advices from Follansbee, W. Va., Nov. 19, which continued:

The company inaugurated a new employment system so all employees will get some work. The new schedule calls for four turns of six hours each per week.

World Zinc Output Again Lower in October.

World output of zinc in October was 84,344 short tons, compared with 84,448 tons in September and 128,186 tons in October 1930, according to figures released by the American Institute of Metal Statistics and given in the "Wall Street Journal" of Nov. 23. The daily average of world zinc production in October was 2,721 tons, compared with 2,815 tons in September, 2,766 tons in August and 4,135 tons in October 1930.

The following table gives in short tons production of slab zinc for the world, unallocated as to origin of ore except in the case of the United States and Mexico. Zinc produced in the United States from Mexican ore is credited to Mexico.

Month of—	July.	August.	September.	October.	Jan.-Oct.
United States.....	21,365	21,467	21,356	21,674	258,582
Mexico.....	3,255	3,172	2,875	2,809	32,777
Canada.....	10,450	9,416	9,797	8,399	104,575
x Belgium.....	12,635	12,042	11,990	12,410	128,589
France.....	5,707	5,171	4,980	5,136	58,995
x Germany.....	3,096	4,198	4,183	4,437	43,246
Italy.....	1,593	1,264	1,193	617	14,198
Netherlands.....	1,746	1,737	1,587	1,653	18,238
x Poland.....	12,017	10,618	10,155	10,859	133,250
Spain.....	957	946	914	914	9,405
Anglo-Australian.....	6,847	6,500	6,318	6,436	69,931
Rhodesia.....	7,696
y Elsewhere.....	9,000	9,200	9,100	9,000	89,000
World's Total.....	88,668	85,731	84,448	84,344	968,482
United States.....	21,365	21,467	21,356	21,674	258,582
Elsewhere.....	67,303	64,264	63,092	62,670	709,900

x Includes salable zinc dust. y Partly estimated; includes Norway, Jugoslavia, Czechoslovakia, Russia, Indo-China and Japan.

Metal Markets Have Dull Week—Copper Industry Seems to Lack Definite Policy for Near Future.

Except for lead, which has so often in the past been the only bright spot in the markets, the metal business was extremely dull all week, reports "Metal and Mineral Markets" under date of Nov. 26. Copper and lead were but little more than nominal, with both sellers and buyers showing no active interest in the market whatever; prices gave way further on what little business was done. The same publication further says:

Two 10-point reductions in lead prices stimulated buying but sellers were not compelled to scale down any orders. Tin was dull, but a little higher yesterday, following the announcement of a further restriction of tin production effective Jan. 1. Silver yesterday was at exactly the same price as a week ago, 29.75c. Among the minor metals, antimony and quicksilver declined, to 6½c. and \$65, respectively.

The copper industry seems entirely without any definite policy for the immediate future. Hope is still entertained that the Katanga officials will agree to the curtailment program of the other producers. They got back to Brussels on Tuesday, and if they are going to make any further concession the trade would expect it to be announced soon. Not a single curtailment has been announced since the copper conference broke up, though such curtailments or complete cessations are naturally being discussed by company officials. In the meantime, consumers are in no mood to take any chances on even 6½c. copper, and sellers are just marking time. None of them care to take any responsibility for breaking the market further.

Consumers, particularly foreign consumers, do not wish to see the market drop further because of the serious effect on their inventories and the delicate banking position in which many of them find themselves.

Stocks are continuing to accumulate, even if the data relating to them are not made public; an increase during the current month of around 30,000 tons is expected by one well-informed factor.

The current low prices are not limited to prompt copper, for metal has been sold in the last week for shipment as far off as September 1932.

Belgian Copper Interests Accept Proposals for Curtailment of Production—Withdrawal of Phelps Dodge Corp. from Copper Exporters, Inc.

The following from London yesterday (Nov. 27) is taken from the New York "Sun":

The Belgian copper interests to-day signified that they would accept the proposals made to them for curtailing copper during recent conferences held in New York.

The Belgians issued the following statement revealing their change of heart:

"Representatives of the Belgian copper interest, following a recent conference in New York, have notified representatives of the Rhokana Corp. that they now accept proposals with regard to curtailment of production which were made to them in New York and to which other producers have already agreed."

From the New York "Evening Post" of last night (Nov. 27) we take the following:

The chief obstacle to the conclusion of an agreement among world copper producers for further sharp curtailment of output appeared to have been removed to-day with the report from London that the Belgian interest operating the Katanga mines in Africa had accepted proposals made to them in recent conferences in New York.

The Katanga representatives, according to cables from London, notified the Rhokana Corp. in London, operating mines under development in South Africa, of their acceptance.

The large American producers already had indicated their readiness to adopt the proposed curtailment program, while Rhokana was one of the chief objectors to the claims put forward by the Katanga representatives, who sought a higher share of output than other producers were willing to concede.

Although the willingness of Katanga to accept the proposals apparently opens the way for adoption of the curtailment plan, much remains to be

done in the way of negotiations. Some of the smaller producers must be lined up for the plan.

New Parley Foreseen.

Moreover, while the agreement might be negotiated through cable and other means of communication, it may be necessary to bring the representatives of the various producing interests together again for a formal ratification of a "gentlemen's agreement" to reduce output.

Copper men here were inclined to believe that announcement late Wednesday of the withdrawal of the Phelps Dodge, Corp., third largest producer, from Copper Exporters, Inc., had a good deal to do with the change in attitude on the part of the Belgians.

Copper Exporters, Inc., is the co-operative selling organization for mines representing about 90% of the world's output of copper in the export market. Inasmuch as the Katanga interests have been one of the leading exponents of copper-marketing schemes, it was believed they were alarmed over a threatened breakup of Copper Exporters.

Dissatisfaction on Prices.

Phelps Dodge made no explanation of its withdrawal from Copper Exporters. There has been dissatisfaction in the ranks of the selling agency for some time, partly because the export price had been maintained out of the normal relationship with the domestic quotation. However, it was feared a disruption of the organization would add to the unsettlement of the copper industry, now laboring under the burden of a large stored surplus and the lowest price for the red metal in history at 6½ cents a pound, domestic.

Compromise proposals accepted by the Belgians are understood to be based on a maximum capacity of 430,000,000 pounds of copper a year for the Katanga mines, with actual production to be fixed at 115,000,000 pounds, while 60,000,000 additional could be mined, but must be kept off the market until the industry has an opportunity to work off its surplus.

That would mean a curtailment to around 27% of capacity, which, producers figure, is drastic enough to bring supply into equilibrium with demand and at the same time allow for liquidation of the surplus.

The recent copper conferences held in New York, and the compromise proposals to the Belgians, were referred to in these columns last week, page 3338.

6¼ Cent Copper Quickly Halts on Report That Belgians Agree to Production Curtailment.

The following is from the Brooklyn "Daily Eagle" of last night (Nov. 27):

Copper selling is at a standstill in the domestic market. Some of the custom smelters have withdrawn from the market because of Katanga's acceptance of curtailment plan. Others will not name any price until some consumer shows willingness to buy.

Sales abroad came to slightly under 1,500,000 pounds in the forenoon to-day.

It is probable most consumers who wish to purchase will await resumption of discussions and especially to see just what smaller producers are willing to agree to and also whether certain changes will be made in the sales agreement that certain major producers are demanding.

While some copper was available at 6¼ cents a pound, delivered, early this morning, the lowest price that copper has ever sold, this price was quickly withdrawn when it was learned that Katanga had accepted proposals on output made to them by other major producers.

Under the circumstances it is probable that a nominal price of 6½ to 6¾ cents a pound, delivered, on domestic shipments of electrolytic copper would reflect domestic price. The foreign price is unchanged at 7 cents c. i. f., Hamburg, Havre and London.

Copper Wire Prices Lower.

The following is from the "Wall Street Journal" of Nov. 25:

Anaconda Wire & Cable Co. and other fabricators have lowered the price of bare and magnet copper wire ½ cent a pound, and weather-proof wire ¾ cent, bringing them to the basis of 6¾ cents a pound delivered for electrolytic copper.

Lead Price Reduced 10 Points.

American Smelting & Refining Co. has reduced the price of lead 10 points, to 3.85 cents a pound, according to the "Wall Street Journal" of Nov. 23.

Zinc 3.20 Cents at St. Louis.

The following regarding zinc prices is from the "Wall Street Journal" of Nov. 23:

Zinc buying is small with prime western zinc unchanged at 3.20 cents a pound East St. Louis. Low for 1931 was 3.15, lowest since 1895, and high, 4 cents. Low for 1930 was 3.95 and high, 5.45.

Sales of Tri-State zinc concentrates last week came to 1,990 short tons with price \$18 to \$19 a ton, compared with \$19 in preceding week. Production for the week came to 3,900 tons and shipments 5,000, making stocks of sold and unsold zinc concentrates 86,100 tons in the Tri-State field at the end of the week.

Steel Production Declines 2% to 29% of Capacity—Substantial Automobile Bookings Expected.

The Ford Motor Co. is expected to place substantial steel orders this week for December rolling, and in addition will contract with the steel mills for its first quarter requirements, calling for a minimum of 100,000 tons, the "Iron Age" of Nov. 26 reports. Ford's needs may amount to as much as 300,000 tons of steel, although this will depend on retail sales of motor cars, continues the "Age," which further add:

Release of this business, which will be accompanied by similar blanket orders for other materials used in automobile manufacturing, may do much toward stimulating the lagging purchases of other automobile manufacturers, since delays in Ford's production of new models held back final plans of some other companies. Assembly of the new Ford cars will, it is said, be begun about Dec. 15.

December output of automobiles according to estimates gathered by the "Iron Age," will be between 125,000 and 150,000 units, compared with

86,000 in October and probably a slightly smaller number this month. The steel that will be needed next month for automobile manufacture may tend to offset the usual year end decline in miscellaneous construction, prompted by inventory retrenchment.

Aside from the automobile companies, industrial activity, as reflected in steel orders, is still marked by extreme irregularities, gains in some directions being nullified by losses elsewhere. The net result, partly influenced by the holiday, is a decline in steel ingot production this week to 29% of the country's capacity, compared with 31% in the two preceding weeks.

There has been a restriction of ingot output in the Pittsburgh, Youngstown, Cleveland and eastern Pennsylvania this week with the Chicago area remaining at its last week's low point of 22%. Products of the steel mills are variously affected, the slight increase in orders for sheets, strip steel and bars, mainly from the automobile industry being insufficient to overcome the light buying of structural steel. Plate and pipe for building construction and the general postponement of railroad orders, which may be still further protracted because of the failure of the railroad unions and the carriers to agree on wage reductions.

Such increases as there have been in steel production this month have been sustained partly by the hand-to-mouth purchases of miscellaneous users. Any gain in the requirements of the major consumers would therefore be immediately reflected in steel production.

Building construction, which is a seasonal decline, has taken only 14,500 tons of structural steel in the week. Much contemplated work is being delayed, an example being the Golden Gate bridge at San Francisco, requiring 110,000 tons of steel, which is held up by the failure of the California Supreme Court to render a decision on the legality of the bond issue.

Dullness in railroad demand is relieved only by some car repair work, for which the Chesapeake & Ohio will buy 4,000 tons of plate and shapes and the Norfolk & Western has ordered 1,000 tons. Northern Pacific is taking bids on 150 hopper cars. The Illinois Central will recondition 400 old freight cars per month.

In pipe lines the only important project near the closing point is 23,000 tons for a 20-inch natural gas extension from Geneseo, Ill. to Milwaukee, to be built by the Continental Construction Corp.

The uneven flow of business has had varied consequences. A structural mill in the East is shut down for the entire week. Some other mills will cease operations from Wednesday until Monday morning. A steel works blast furnace in the Valley has been put out and the merchant blast furnace at Pittsburgh has been banked, but a merchant furnace in the Valley will go into blast next week. On the side of improvement is the largest bar tonnage that Chicago mills have had in five months and there are better operations in some sheet and strip mills. Moreover, tin plate bookings are gaining, permitting mills to roll some of this tonnage in anticipation of January shipments.

Awards of pending automobile steel probably will disclose the trend of prices for first quarter. The Ford Motor Co.'s purchases are often made under the market. There are reports of weakness in automobile body sheets and to a lesser extent in galvanized sheets. An outright reduction of \$3 a ton has been made on vitreous enameling stock. Concessions are frequently developed by the larger buyers of structural shapes and plates. Prices of stove bolts have been advanced. Announcements of first quarter prices are expected about Dec. 1.

Steel scrap has declined 50 cents a ton at Buffalo, and is seak in nearly all consuming markets, reflecting the failure of steel production gains to carry through to a higher level.

Quotations affecting the "Iron Age" composite prices are unchanged. The finished steel average remains at 2.116c. a lb., pig iron at \$14.96 and steel scrap at \$8.75. A comparative table follows:

Finished Steel.			
Nov. 24 1931, 2.116c. a Lb.			
One week ago.....	2.116c.		
One month ago.....	2.116c.		
One year ago.....	2.135c.		
Based on steel bars, beams, tank plates, wire, rails, black pipe and sheets. These products make 87% of the United States output.			
	<i>High.</i>		<i>Low.</i>
1931.....	2.142c. Jan. 13		2.102c. June 2
1930.....	2.365c. Jan. 7		2.121c. Dec. 5
1929.....	2.412c. Apr. 2		2.362c. Oct. 25
1928.....	2.391c. Dec. 11		2.314c. Jan. 3
1927.....	2.453c. Jan. 4		2.293c. Oct. 25
1926.....	2.458c. Jan. 5		2.403c. May 18
1925.....	2.560c. Jan. 6		2.396c. Aug. 18
Pig Iron.			
Nov. 24 1931, \$14.96 a Gross Ton.			
One week ago.....	\$14.96		
One month ago.....	15.00		
One year ago.....	16.11		
Based on average of basic iron at Valley furnace and foundry irons at Chicago, Philadelphia, Buffalo, Valley and Birmingham.			
	<i>High.</i>		<i>Low.</i>
1931.....	\$15.90 Jan. 6		\$14.96 Nov. 10
1930.....	18.21 Jan. 7		15.90 Dec. 16
1929.....	18.71 May 14		18.21 Dec. 17
1928.....	18.59 Nov. 27		17.04 July 24
1927.....	19.71 Jan. 4		17.54 Nov. 1
1926.....	21.54 Jan. 5		19.46 July 13
1925.....	22.50 Jan. 13		18.96 July 7
Steel Scrap.			
Nov. 24 1931, \$8.75 a Gross Ton.			
One week ago.....	\$8.75		
One month ago.....	8.75		
One year ago.....	11.58		
Based on heavy melting steel quotations at Pittsburgh, Philadelphia and Chicago.			
	<i>High.</i>		<i>Low.</i>
1931.....	\$11.33 Jan. 6		\$8.71 Oct. 27
1930.....	15.00 Feb. 18		11.25 Dec. 9
1929.....	17.58 Jan. 29		14.08 Dec. 3
1928.....	16.50 Dec. 31		13.08 July 2
1927.....	15.25 Jan. 11		13.08 Nov. 22
1926.....	17.25 Jan. 5		14.00 June 1
1925.....	20.83 Jan. 13		15.08 May 2

In its summary of the iron and steel markets, "Steel," of Cleveland, Nov. 23, states:

After faltering for a week, during which sentiment became more restrained and fell in step with actual market conditions, the steel industry has resumed its forward march. Last week production barely maintained the 31% rate of the preceding week, due to curtailment at Cleveland and Chicago, but indications point strongly to production expanding this week to between 32 and 33%. If no further gain is made, an operating average for November at least three points above the October average of 27.7% is assured.

Through a spotty market situation it is clear that a majority of producers have booked more business thus far in November than in the comparable October period, and for some the improvement is pronounced. Considerable credit for the scheduled expansion in operations this week accrues to the automotive industry; there have been no spectacular releases of large tonnages, but the aggregate of scattered small lots is substantial. Buick, Chevrolet and Chrysler have made the chief contributions.

In practically all finished lines increases in demand are noted, a multiplicity of orders springing up from many sources. By districts, only New York fails to show signs of improvement. The accretions of strength are individually moderate, but considering the season these collectively afford more encouraging outlook.

Pipe requirements stand out as a bright spot in the current market. Ten thousand tons of 20-inch pipe for the Continental Construction Co., Chicago, will be purchased in about 10 days for a gas line from Geneseo to Rockford, Ill. The Lycoming Natural Gas Co. has placed 1,500 tons of 10-inch pipe with the Jones & Laughlin Steel Corp. Standard Oil of California will construct a line from Kettleman Hills to Estero Bay, Calif. Mahoning valley mills are impressed by prospects for 1932, expecting the placing of pipe for laterals for the larger long-distance lines laid this year. Kansas City has purchased 5,600 tons of cast iron pipe.

Railroads still hesitate in considering 1932 requirements. The Burlington is expected in the market shortly for 35,000 tons of rails and probably 12,000 tons of track fastenings, about equal to its purchases for this year. Reading will buy 30 coaches and 50 trailers. In structural steel, awards fail to measure up to their recent averages, amounting for the week to 10,900 tons, while purchases of reinforcing bars total 10,200 tons. Some projects recently developed in New York are likely to be postponed until 1932.

Purchases of steel sheets by the farm implement industry are relatively larger than orders from automobile builders, but with releases from the latter expected this month, Valley and Pittsburgh mills hope to advance operating schedules considerably. The first signs of a real revival in automotive demands are noted in steel bars, especially by makers of alloy steel.

First reaction in steel to the Sino-Japanese difficulty is an expansion in demand for tin plate for the Far East. One open market inquiry is for 10,000 base boxes for the Ogura Oil Co. of Japan, but considerable more is in quiet negotiation. Further sales of foreign pig iron are being made in the East. Chicago mail order houses are purchasing foreign wire products, chiefly from Germany.

An occasional inquiry for the first quarter steel crops out but producers are avoiding commitments, and except for concessions on specific structural and reinforcing jobs steel prices have been steady. There is, however, an undercurrent of weakness in pig iron, silicon differentials having been waived in an important transaction.

"Steel's" iron and steel price composite remains at \$30.63; the finished steel composite holds at \$48.22, but the steelworks scrap composite is off six cents to \$8.19.

Steel ingot production in the week ended last Monday (Nov. 23) was at about 29% of theoretical capacity, according to the "Wall Street Journal" of Nov. 25, which goes on to say:

This compares with 31% in the preceding week and a shade over 31% two weeks ago. U. S. Steel was under 28%, while independents ran at slightly below 30%.

At this time last year U. S. Steel was at 45%, a drop of 2 1/4%, independents were down 1% to 37%, and the average was off 3% to 40%. In the same week of 1929 U. S. Steel showed a decrease of nearly 3% to 70%, independents were off about 2 1/2% to 68%, and the average was down more than 2% to a little under 69%. For the corresponding week of 1928, U. S. Steel at 82%, showed an increase of 2 1/4%, independents were up 2% to 84% and the average rose more than 2% to above 83%.

The "American Metal Market" this week states:

Steel market activity has just begun passing into its usual year end decline and a decidedly dull period is to be expected until the turn of the year.

Steel ingot production this week may be forecast at about 29%, the same as in each of the last three weeks, making an average of about 29% for November or one and one-quarter points over the October rate as officially reported. Henceforth decreases are in order and December seems likely to average under October. The quarter's tonnage will be about 10% under that of third quarter while the year's total ingot output will be about 25,000,000 tons.

Improved sentiment has been in evidence for seven weeks, dating from the bank aid announcement, but so far sentiment has not increased the flow of steel orders, and producers are now looking to the first quarter for actual improvement. While stocks of steel in the hands of buyers have been reported extremely light for weeks, it is thought there are not a few cases in which further liquidation can be effected against Jan. 1st inventories, caused by the attitude of bankers rather than the judgment of steel buyers.

Bituminous Coal Output Declined During Week Ended Nov. 14 1931, Due to Observance of Armistice Day—Anthracite Production Higher Than in Preceding Week.

According to the United States Bureau of Mines, Department of Commerce, production during the week ended Nov. 14 1931 amounted to 7,553,000 net tons of bituminous coal, 1,241,000 tons of Pennsylvania anthracite and 25,900 tons of beehive coke, as against a total output of 7,690,000 tons of bituminous coal, 1,147,000 tons of Pennsylvania anthracite and 26,500 tons of beehive coke in the preceding week and 9,718,000 tons of bituminous coal, 1,344,000 tons of Pennsylvania anthracite and 39,800 tons of beehive coke produced in the corresponding period last year.

During the calendar year to Nov. 14 1931 production of bituminous coal amounted to 332,983,000 net tons as compared with 402,418,000 tons in the calendar year to Nov. 15 1930. The Bureau's statement follows:

BITUMINOUS COAL.

The total production of soft coal during the week ended Nov. 14 1931, including lignite and coal coked at the mines, is estimated at 7,553,000 net tons. Loadings on Nov. 11, Armistice Day, showed an appreciable drop, indicating that for the country as a whole the day was equivalent to approximately 6-10ths of a normal working day. Production during the week in 1930 corresponding with that of Nov. 14 amounted to 9,718,000 tons.

Estimated United States Production of Bituminous Coal (Net Tons).

Week Ended—	1931—		1930—	
	Week.	Cal. Year to Date.	Week.	Cal. Year to Date.
Oct. 31.....	8,016,000	317,740,000	10,145,000	382,992,000
Daily average.....	1,336,000	1,233,000	1,691,000	1,486,000
Nov. 7.....	7,690,000	325,430,000	9,708,000	392,700,000
Daily average.....	1,100,000	1,235,000	1,765,000	1,491,000
Nov. 14.....	7,553,000	332,983,000	9,718,000	402,418,000
Daily average.....	1,079,000	1,237,000	1,735,000	1,497,000

a Minus one day's production first week in January to equalize number of days in the two years. b Revised since last report. Nov. 3 weighted as

Stock of Money in the Country Crosses Five and a Half-Billion Dollar Mark.

The Treasury Department at Washington has issued the customary monthly statement showing the stock of money in the country and the amount in circulation after deducting the moneys held in the United States Treasury and by Federal Reserve banks and agents. It is important to note that beginning with the statement of Dec. 31 1927 several very important changes have been made. They are as follows: (1) The statement is dated for the end of the month instead of for the first of the month; (2) gold held by Federal Reserve banks under earmark for foreign account is now excluded, and gold held abroad for Federal Reserve banks is now included; (3) minor coin (nickels and cents) has been added. On this basis the figures this time which are for Oct. 31 1931, show that the money in circulation at that date (including, of course, what is held in bank vaults of member banks of the Federal Reserve System) was \$5,540,016,110, as against \$5,246,063,907 on Sept. 30 1931 and \$4,492,603,809 on Oct. 31 1930, and comparing with \$5,698,214,612 on Oct. 31 1920. Just before the outbreak of the World War, that is on June 30 1914, the total was only \$3,458,059,755. The following is the statement:

KIND OF MONEY.	CIRCULATION STATEMENT OF UNITED STATES MONEY—OCT. 31 1931.					Population of United States (Estimated).	
	MONEY HELD IN THE TREASURY.			MONEY OUTSIDE OF THE TREASURY.			
	Total.	Am't. Held in Reserve Against Trust Agencys Gold and Silver Certificates (& Treasury Notes of 1890).	Held for Federal Reserve Banks and Agents.	All Other Money.	Total.		In Circulation. ^f
	\$	\$	\$	\$	\$	\$	Per Capita.
Gold coin and bullion	4,292,301,611	3,343,983,877	1,784,633,540	101,505,918	948,337,734	561,286,436	3.11
Gold certifs.	1,784,633,549	1,784,633,549	1,784,633,549	812,755,170	1,784,633,549	812,755,170	7.81
Stand. silv. doll.	539,958,327	498,821,340	493,165,737	5,655,603	41,136,987	7,871,017	27
Silver certifs.	491,932,687				491,932,687	104,373,454	3.12
Treasury notes of 1890	1,233,050				1,233,050		.01
Subsidy silver	308,767,644				308,767,644	29,182,814	2.18
Minor coin	126,663,880				126,663,880	116,831,013	.94
U. S. notes	346,681,016				346,681,016	344,098,835	2.41
F. R. notes	2,745,763,000				2,745,763,000	333,339,657	19.39
F. R. Bk. notes	2,921,272				2,921,272	2,861,006	.02
Nat. bank notes	689,009,051				689,009,051	26,082,667	5.28
Total Oct 31 '31	9,062,065,781	63,875,333,586	2,277,849,286	156,039,088	1,301,735,322	7,464,581,481	44.54
Comparative totals:							
Sept. 30 1931	9,285,353,803	64,246,525,781	2,255,808,738	156,039,088	1,723,814,488	2,048,602,853	52.46
Oct. 31 1930	8,345,776,283	64,040,338,909	2,149,402,772	156,039,088	1,644,318,678	1,962,236,337	44.92
Oct. 31 1920	8,479,620,824	62,436,864,530	718,674,378	182,979,026	1,212,300,791	352,850,336	67.61
Mar. 31 1917	5,396,596,677	62,952,020,313	2,681,691,072	152,979,026	1,172,925,914	117,350,216	52.26
June 30 1914	3,796,456,764	61,845,575,888	1,507,178,879	150,000,000	1,883,397,009	3,458,059,755	34.92
Jan. 1 1879	1,007,084,453	62,124,420,402	21,602,640	100,000,000	90,817,762	816,266,721	16.92

* Revised figures.
 a Does not include gold bullion or foreign coin other than that held by the Treasury, Federal Reserve banks and Federal Reserve agents. Gold held by Federal Reserve banks under earmark for foreign account is excluded, and gold held abroad for Federal Reserve banks is included.
 b These amounts are not included in the total since the money held in trust against gold and silver certificates and Treasury notes of 1890 is included under gold coin and bullion and standard silver dollars, respectively.
 c The amount of money held in trust against gold and silver certificates and Treasury notes of 1890 should be deducted from this total before combining it with total money outside of the Treasury to arrive at the stock of money in the United States.
 d This total includes \$70,543,806 gold deposited for the redemption of Federal Reserve notes (\$570,270 in process of redemption), \$28,507,578 lawful money deposited for the redemption of National bank notes (\$16,236,095 in process of redemption, including notes chargeable to the retirement fund), \$1,350,147 lawful money

deposited for the retirement of additional circulation (Act of May 30 1908), and \$16,035,624 lawful money deposited as a reserve for postal savings deposits.
 e Includes money held by the Cuban agency of the Federal Reserve Bank of Atlanta.
 f The money in circulation includes any paper currency held outside the continental limits of the United States.
 Note.—Gold certificates are secured dollar for dollar by gold held in the Treasury for their redemption; silver certificates are secured dollar for dollar by standard silver dollars held in the Treasury for their redemption; United States notes are secured by a gold reserve of \$156,039,088 held in the Treasury. This reserve fund may also be used for the redemption of Treasury notes of 1890, which are also secured dollar for dollar by standard silver dollars held in the Treasury; these notes are being canceled and retired on receipt. Federal Reserve notes are obligations of the United States and a first lien on all the assets of the issuing Federal Reserve Bank. Federal Reserve notes are secured by the deposit with Federal Reserve agents of a like amount of gold or of gold and such discounted or purchased paper as is eligible under the terms of the Federal Reserve Act. Federal Reserve banks must maintain a gold reserve of at least 40%, including the gold redemption fund which must be deposited with the United States Treasurer, against Federal Reserve notes in actual circulation. Lawful money has been deposited with the Treasurer of the United States for retirement of all outstanding Federal Reserve bank notes. National bank notes are secured by United States bonds except where lawful money has been deposited with the Treasurer of the United States for their retirement. A 5% fund is also maintained in lawful money with the Treasurer of the United States for the redemption of National bank notes secured by Government bonds.

Dino Grandi, Italian Foreign Minister Says More Satisfactory Settlement of War Debts and Reduction of Armaments May Prove Most Concrete Contribution to Improvement of World Situation—Signor Grandi's Visits to Philadelphia, Baltimore, &c.

At a dinner in his honor, given at the Ritz-Carlton Hotel in New York on Nov. 23, by the Council of Foreign Relations, Dino Grandi, Italian Foreign Minister, grouped under four headings the major problems before us, viz.:

1. The problem of the financial obligations arising from the war.
2. The problem of security.
3. The problem of the reduction and limitation of armaments.
4. The problem of economic co-operation.

"At this moment, and in the present situation" he said "it is my opinion that our chief interest is in the solution of those problems which concern more generally the life of the community of nations" and he added "I hardly need to tell you how the improvement of these conditions is urgent and necessary to world recovery." "For my part" said Signor Grandi, "I can state that, whatever may be the future developments of the problem of financial war obligations, Italy will always support the most liberal solution proposed, for she is convinced that liberal solutions would be advantageous to all countries, and I mean not only to those which are debtor or creditor but to all of them. He further said:

A more satisfactory settlement of the problem of the financial obligations arising from the war; and the reduction and limitation of armaments may prove to be the most concrete contributions we can now make to the improvement of the world situation.

The visit of Signor Grandi to the United States was referred to in our issue of Nov. 21, page 3345. Following his visit to Washington, noted in that item, he came to New York, where he was accorded the city's welcome on Friday, Nov. 20 by Mayor Walker at the City Hall. Later the same day he went to Philadelphia and was a guest there at a luncheon given by Mayor Mackey; in the evening that day he addressed a gathering at a dinner tendered him in Philadelphia. In Baltimore on Nov. 21, in company with Secretary of State Stimson he visited the home in Baltimore of John W. Garrett, U. S. Ambassador to Italy, the guests at a dinner given by the latter at his home, also including Governor Ritchie of Maryland, United States Senator Tydings and Goldsborough and Mayor Jackson.

In New York on Nov. 23 Signor Grandi was the guest of J. P. Morgan at a tea in the Morgan Library, and on Nov. 24 the Foreign Minister was a luncheon guest of Thomas W. Lamont, a partner in the Morgan firm. Signor Grandi's address before the Council of Foreign Relations on Nov. 23, follows:

Mr. Chairman and Gentlemen:
 I must begin what I have to say with a confession and a warning. I must confess that when I received your invitation I knew I should be asked to address you, so I came prepared with a few pages. The warning is that I do not feel a great inclination for oratorical art. I sometimes regret this, but this evening my regrets are tempered by the knowledge that you are all men who care more for substance than for form, and I speak to you simply, as is my custom, we will understand each other all the better.

Anyhow, certainly there is no need of many words to thank you, for your kind invitation and to tell you, Mr. Chairman, how much I appreciate your warm words of welcome. You know already how sincere is my gratitude. Between friends, a simple "thank you" may express the deepest feelings. And you will allow me to treat you as friends, since the cordiality of your welcome makes me feel that you consider me one. Friends and partners in the great business in which you and I are engaged—that of serving our countries and at the same time promoting better understanding between the nations, which is, in itself, one of the best services that can be rendered to each and all.

This, indeed, is one of the chief reasons for my coming to America and for accepting so gladly the invitation extended to me by the Secretary of State. I am a great believer in the value of establishing and maintaining personal contacts with the men directly responsible for the policies of their countries or who play an important part in forming public opinion. Such contacts are a valuable addition to the work steadily pursued day by day by those able and trusty men who are our diplomatic representatives. They create new currents of understanding, range ideas side by side and remove prejudices, for friendship between nations is no less frequently hindered by prejudices than by a real class of interests. Moreover, this method

of personal consultations, now so much in use, is, I believe, the necessary result of growth of international co-operation and of the development of the problems arising therefrom.

It seems to me that two phenomena characterize this development. The first is the larger participation of the masses in the international relations of their respective countries; the second is the realization of the fact that these relations affect national life more deeply than used to be generally believed.

Of late years we have witnessed the growth of these two phenomena. First of all the opinion that international relations only concern (or at least chiefly concern) certain social groups such as bankers and merchants, and the interests of the so-called capitalist classes, has been gradually waning. It was fed by those doctrines which reduce the life of nations to that of contrasting groups of interests, and make international life consist in the solidarity of labor. These doctrines fatally lead to the idea that the working classes are those established for promoting their common struggle against the capitalist system. Now this view is definitely anti-educational. It leads the working classes to take no interest in existing international relations and to direct all their attention toward the ideology of a universal revolution. And in this way it injures the cause of international understanding.

The teaching of social hatred under the guise of internationalism is not less dangerous to co-operation between the nations than to co-operation between the classes within the nation.

Nor is this all; a keener interest in international problems cannot fail to lead the people to a wider and more organic vision of the interests involved in international co-operation and to a better understanding of the solidarity of interests existing between the nations.

This, as I have said, is now coming about.

But great work can only be built on stable foundation, and the foundation of political work must be the education of the masses. We men in positions of responsibility feel keenly the need of such education, and I wish to congratulate you, gentlemen, on the work of the Council of Foreign Relations in this field. I was much gratified when I heard last year that your association was installed in permanent quarters. The fact seemed to me of good augury and so did the words in which your President then referred to "the promptitude with which the enterprise was supported and the readiness with which this very substantial achievement was reached." For I believe as you do in the power of education, and I believe as you do in the need of meeting the new demands of public opinion, favoring their growth, and availing ourselves of the advantages they offer to our common cause, which is that of serving and defending our civilization, the patrimony laboriously accumulated for us down the ages by our forefathers.

More than once I have had occasion to express this view at international gatherings. I should like here to refer briefly to the significance I attach to it and to the place it occupies in the foreign policy of my country.

As you know, gentlemen, I represent a government which took over the direction of the affairs of State at a difficult hour in our National life and which has made and is making every effort to strengthen in the Italian people the feeling of National solidarity. The head of this government, starts from the idea that the nation is the social unit best fitted to withstand the disintegrating forces now threatening civilization, and that one's duty to one's own country is one's first duty toward civilization. You will not then be surprised to know that in matters of international relations I hold the opinion held by Alexander Hamilton "that the duty of making its own welfare the guide of its action is much stronger upon the nation than the individual; in proportion to the greater magnitude and importance of National compared with individual happiness, and to the greater permanency of the effects of National than of individual conduct."

This is a principle which I might inscribe on the front page of a statement of my government's foreign policy. But I should have to follow it immediately by the remark that the all-important thing is to have an intelligent understanding of one's own National welfare, and to realize the fact that other peoples also are entitled to theirs. This may seem to be a most obvious and innocuous remark; nevertheless I believe the idea embodies one of the principles richest in its implications in the field of international activities, and is one of the hardest to bring into effect. This may be specially true for the period immediately following a great war. The sacrifices war demands, the passions it arouses, the violent divisions it causes between nations, fatally drive them toward a strictly selfish interpretation of their interests. And this may be very injurious. Injurious to the vanquished first, but also to the victors, who are sometimes led to exceed the limits of common sense and who find themselves faced by dissatisfactions and reactions which revive the very problems they considered as solved.

Problems of International Policy.

I believe we have reached a stage of civilization when we can discuss problems of international policy freely without running the danger of our remarks being interpreted as criticisms of other nations. And when I say that in the post-war years grave mistakes have been made in the attitude taken toward the problems of peace and reconstruction you will certainly understand my remarks as being of a general character. The fact is that Europe has experienced in these years grave economic and political troubles which a more intelligent, more moderate, I might also say a more generous policy would have avoided.

But what strikes me as of great importance is that we are emerging from this period, and that ideas and interests hitherto predominant are now undergoing revision. It seems to me that this revision began with the work of the committee presided over by General Dawes and with the Locarno agreements, and that it has proceeded uninterruptedly ever since. Indeed, in these last few months we have had clear evidence that the people feel the need of close co-operation. I will not, therefore, look backward, but will speak for a few minutes on the present situation and on Italy's contribution to this process of revision and reconciliation.

Four Major Problems.

The major problems before us can be grouped under four headings:

1. The problem of the financial obligations arising from the war;
2. The problem of security;
3. The problem of the reduction and limitation of armaments;
4. The problem of economic co-operation.

There are, of course, other questions no less complex and urgent for the life of the several countries, but these headings cover the most general ones of collective interest to the largest number of countries. I may say more. I may say that every country is facing particular problems which are of great interest to it and on which the attention of her leaders is called. But at this moment, and in the present situation, it is my opinion that our chief interest is in the solution of those problems which concern more generally the life of the community of Nations. Nor do I say that in a purely academical sense.

I precisely mean that this is the moment when Nations must consider the advantage of promptly solving certain general problems before trying to solve those which are of a more particular interest to them; these cannot, of course, be discarded, but their solution will be easier and more stable if we will now succeed in improving the general conditions of international

confidence. And I hardly need to tell you how the improvement of these conditions is urgent and necessary to world recovery.

On the problem of the financial obligation arising from the war, the chief of my Government took a clearly defined stand as far back as the London conference of 1922. He then upheld the principle of the relation between debts and reparations.

This principle has since then steadily guided our policies, and the good sense of American and British statesmen has enabled us to carry it into effect. In 1925 at Washington and in 1926 at London we obtained substantial reductions of our war debts, which enabled us to use all our influence in favor of a substantial reduction of German reparations such as that obtained by Germany under the Young Plan. Faithful to this principle, we accepted promptly and willingly President Hoover's proposal for a moratorium and I do not hesitate to describe that proposal as the most constructive manifestation of international solidarity since the conclusion of the war, entitling the American people to a place of honor in the history of international understanding. For my part, I can state that whatever may be the future developments of the problem of financial war obligations, Italy will always support the most liberal solution proposed, for she is convinced that liberal solutions would be advantageous to all countries, and I mean not only to those which are debtor or creditor but to all of them.

We do not wish, of course, to urge any country to move in this direction. We shall scrupulously fulfill the engagements we have undertaken. But I wish to say, should new settlements be considered which would require of Italy a definite and proportional sacrifice for the common good, she is prepared to make it. We gave proof of this in accepting President Hoover's proposal for a moratorium which involved a substantial loss for our budget; we are ready to go ahead.

And now I come to the problem of disarmament and security. The views of the Italian Government on this issue were stated by me at the Assembly of the League of Nations when I presented in September my proposal for a truce. I can sum them up briefly as follows:

The ultimate goal we are all and so keenly seeking is the maintenance of peace. Now, a real and lasting peace can be established only on the basis of national security, and security depends on the harmonious evolution of two factors—the peaceful settlement of international disputes and the general reduction of armaments, on disarmament and arbitration, on the rejection of all solutions based on force and on the relative equalizing of the military strength of States to the lowest possible level. Indeed, in my opinion there is no problem of security distinct from disarmament and arbitration.

If in international relations solutions could no longer be secured by recourse to force, if there were no excess of armaments, the problem of security would never arise. It has arisen because the legal organization of peace we have been laboriously constructing during the last few years still leaves the door open to the race for armaments. Excess of armaments has always had the effect of blunting the sense of justice among nations. No nation can hope to live in peace and security under a system of international justice, however perfect in theory, which is in practice menaced by the pressure armaments may bring to bear on international relations.

To realize this we need only survey the period preceding the war, which was marked by two characteristic and simultaneous phenomena—on the one hand the first concrete manifestation of the principle of conciliation and arbitration, with the creation of the first arbitral tribunal at The Hague and the conclusion of various treaties based on that principle; on the other the growing strength of armaments. In other words, an increase in the number of international acts designed to secure peace accompanied by a simultaneous increase of armaments, bound sooner or later to lead to war.

Increase in Armaments.

When we look back on those tragic happenings we can hardly be surprised that our nations, which have barely emerged from a war whose consequences are still crippling them, should refuse to regard international law as an adequate safeguard for the future. Nor can we be surprised if the nations ask that the organization of international law be safeguarded from the dangers attendant upon a policy of armaments.

Now, what is the actual situation? A comparison of the statistical data for armaments before the war with those now existing affords an answer to this question. In 1913 the armaments of 27 countries, the most armed of course, entailed a total outlay of \$2,400,000,000. In 1928 the figure stood at \$3,400,000,000, a net increase of \$1,000,000,000.

The figure is significant when we take into consideration the fact that some countries have been disarmed under the peace treaties. It becomes still more so when we remember that in the last two years it has been exceeded.

Ought we to be indifferent to such an alarming phenomenon? Ought we to submit passively to this ever-growing financial burden, to this threat to our security?

Those were the two questions which led me to think of the proposal for a truce submitted by me to the Assembly of the League. That proposal, as you know, was accepted in a vaguer and less definite form than I had desired. I should rather say than we had desired, for the representative of the United States at the League of Nations earnestly supported the principles I had set forth. The technical purpose aimed at has only been partially secured; but I believe that what has been secured is the moral and political purpose. And that is a matter of no small consequence.

A few months ago I read a very interesting speech by Elihu Root on "Public Opinion and Foreign Policy," and I was impressed by this passage: "When we have studied the underlying improvement in them it is not the result of reaching written or oral agreements, or making treaties, of intellectual reasoning, but it is the result of the enlargement and elevation of standards of conduct in all the countries of the civilized world." This thought seems to me to coincide with my idea that at the basis of all political work there must be an educational effort.

The debate on the truce and the acceptance by the Assembly of the League of a resolution in that sense has shown that there is strong popular demand for disarmament. It is also possible that it may have made that demand yet more urgent. Understood in this sense I believe I can state that it has assisted the idea of disarmament to make headway. As we are now making our preparations for the disarmament conference and the problem is coming to the stage of diplomatic negotiations, what I have to say is that Italy will never depart from the path she has traced for herself. And now less than ever; now that the conversations I have had at Washington with the President and the Secretary of State have strengthened my conviction that the idea of disarmament has behind it the great moral authority and the firm support of this Government and for this country. We have declared that Italy was ready to reduce her armaments, her military budget to the lowest level; provided an equitable balance of military strength could be reached among the nations. To this principle we are and will remain faithful.

Gentlemen, from what I have said, you can see the position taken by Italy toward the great issues before us. Rather than give you theories I have preferred to present my point of view empirically, a point of view which is of course the result of a general estimate of the present world

situation. I started from that estimate and I now return to it. We are working to create in our countries conditions which will allow our peoples to live in peace and to earn their living undismayed. We are all desirous of avoiding conflicts under whatsoever form they may arise. Order and stability seem to us the goal we should seek in international relations. This was the need which gave rise to the League of Nations. I know that opinion differs about the League in your country and it is not my intention to discuss that matter here. Moreover, whether within or without the League of Nations the peoples are asking for the same thing, and that is peace, and the methods employed toward that end may vary.

But let us make no mistake on one point: By no method can peace be secured apart from justice, for on justice alone can peace be founded. I deem pernicious those mystical theories of peace which teach that to maintain peace we must have faith in it. I also consider dangerous the teaching that peace comes first and then justice. Peace is not a matter of blind faith nor is it an abstraction.

It is not sufficient to believe in it nor to treat it as an idol before which we daily repeat the same prayers. Nor can we suppose that peace can be maintained independently of the historic conditions within which the international problems are framed. If we follow a policy of irrational egotism, a policy of incomprehension of the live forces of history, there will always be peoples driven by despair to have recourse to arms. Dissatisfaction and unrest are as dangerous to international as they are to national life, and they can be dispelled by obeying the spirit of justice, and not by stiffening the material forces of repression. We must fortify justice and not justify force. Nor do I mean by justice a mere system of treaties, of written or verbal agreements, of international courts, I mean justice as a standard of conduct, as a moral habit, as a spirit of co-operation; I mean justice compounded of human sympathy. I say these words with special emphasis in speaking to you, for a powerful stream of human sympathy runs through your civilization, that stream of human sympathy which has given rise to the invisible force in your history which has enabled millions of emigrants from all parts of the earth to dwell here in peaceful co-operation. I say these words to you because in this country I feel as I do in my own, that justice and generosity can be close neighbors.

In the coming months we shall have to travel far and we shall have great need of these moral forces. Back of the problems facing us—war financial obligations, disarmament, economic co-operation—we feel there is a really great issue. The issue is whether we shall or shall not be able to defend the greatest achievement of modern civilization; that is to say, the higher moral and material standard of life secured by our working classes. In my opinion, recent experience shows that this standard can only be maintained by promoting co-operation between the nations, for modern civilization is every day tightening the bonds of interdependence between them. Speaking from the European standpoint, I do not believe we can dispose of any problem by calling it "American." The reply I gave on behalf of my Government 18 months ago to the French memorandum on the Pan-European proposal brought this point into relief: "The ties which bind together all the countries of the several continents are indeed of no less importance than those which bind together all the countries of Europe."

That is my belief; I believe that modern civilization must be defended as a whole, for to-day it forms an organic unit, not a system of units such as existed in the ancient world.

I need hardly tell you how particularly necessary is at the present moment this work and how it must be carried out with special energy and in a broad-minded spirit, of which, you Americans, are giving proof. These are hard times. But hardships have never discouraged strong peoples, and both our reason and our experience refuse to accept the apocalyptic interpretations of the present crises. Everywhere, of course, there are individuals who have lost their nerves, both in Europe and in America, but the real Europeans and the real Americans are digging themselves out—as President Hoover has said—with industry and courage. Civilization relies exactly on these qualities and these energies. You can rely on the industry and on the courage of my country. But allow me to tell you that during my brief stay in America my confidence in the world recovery has been intensified and strengthened to a degree I never dared to hope. Here I have felt, in your statesmen and in your people that manhood, that intelligence, that power of united action on which your great nation was built and which represent to-day one of the basic forces of our civilization. All those who on both sides of the Atlantic love and understand this civilization, who want to serve this civilization and defend its conquests can but formulate one wish; that the vital energies of America and the vital energies of Europe become united and that over and above political divisions the common cause of labor and of peace amongst men shall triumph.

Italian Foreign Minister Grandi in Round Table Talk With J. P. Morgan, T. W. Lamont and Other Bankers.

What is characterized as a "round-table talk" between prominent bankers of New York and Dino Grandi, Italian Foreign Minister, took place on Nov. 24 at the home in this city, of Thomas W. Lamont, of the firm of J. P. Morgan & Co., at a luncheon given by Mr. Lamont in honor of the Italian visitor. With regard thereto we quote the following from the New York "Times" of Nov. 25:

The array of international bankers attending the luncheon given by a partner in the firm of J. P. Morgan & Co., which has acted as fiscal agent of the Fascist regime of Premier Mussolini, was regarded as significant, especially because of the important conferences and cabling back and forth between Rome and the Foreign Minister's suite at the Ritz Carlton before the luncheon.

Details of the subjects that were discussed were not revealed and Signor Grandi referred all questions to Mr. Lamont and Mr. Morgan, who did not comment. Denial was made, however, that the question of new loans to Italy had come up.

Root and Butler Are Guests.

Among those who gathered around the luncheon table with the Foreign Minister there were few who are not prominently identified with banking or finance. Elihu Root, former Secretary of State, who drafted a formula for United States participation in the World Court, and Dr. Nicholas Murray Butler, president of Columbia University and an outstanding advocate of disarmament, were the chief exceptions.

The financiers present included:

Thomas W. Lamont, J. P. Morgan, John D. Rockefeller, Jr., Owen D. Young, author of the Young Plan of reparation payments.

Myron C. Taylor, chairman of the finance committee of the United States Steel Corporation.

George L. Harrison, governor of the Federal Reserve Bank of New York.

Marshall Field, Chicago banker and merchant.

Gates W. McGarragh, head of the Bank for International Settlements of Basle, Switzerland.

George F. Baker, chairman of the board of the First National Bank.

Winthrop W. Aldrich of the Chase National Bank.

George Whitney, a partner in J. P. Morgan & Co.

S. Parker Gilbert, a partner in J. P. Morgan & Co. and former Agent General for Reparations.

Signor Grandi was accompanied to Mr. Lamont's house by Nobile Giacomo de Martino, the Italian Ambassador, and Emanuele Grazzi, the Italian Consul General here, whose home at 134 East Seventieth Street, he visited briefly before going to the Lamont residence a short distance down the street.

Italian Foreign Minister Grandi at Casa Italiana of Columbia University Says Closer International Co-operation Will Be Possible Only Through Study by Universities and Future Leaders of Our Countries.

According to Italian Foreign Minister Dino Grandi "closer international co-operation will become possible only when our universities have made an impartial study of the many problems involved, and when these problems have formed the subject of the meditations of the future leaders of our countries." Signor Grandi spoke thus at Casa Italiana of Columbia University, New York on Nov. 24. We give here-with his address:

The invitation to visit your university, Mr. President and gentlemen, has gratified me exceedingly. Please accept my most cordial thanks, which go more especially to you, Mr. President, for your kind words of greeting and for selecting this Casa Italiana for my entrance among you.

I have never entered a university without a deep feeling of reverence, and I have never left one without experiencing a feeling of sincere regret. My contemporaries and I belong to a generation called on to spend its youth between the school and the trenches. When the war broke out I was a student in the University of Bologna. I packed up my books and entered the trenches in the Alpine lines. My studies were carried out in the intervals between violent episodes of war, and more than once I turned my eyes from the pages of my books to watch the pallor of death blanch the faces of my dear comrades.

When the war came to an end, my first youth vanished with it, leaving me the pride of having served my country and the regret of that university life of which I had only tasted without being able to enjoy.

As the years have gone, both these feelings have gained in intensity. But my desire to visit your university is not only due to the impulse of a sentiment. I felt that I could not leave your country without getting at least a glimpse of the great educational work which America is carrying on and of which this university affords so admirable an example.

And let me add, Mr. President, that I felt I could not leave without paying my respects to you in this seat of your labors, where you are inspiring and directing that work of national education which honors your country, and we foreigners admire from afar.

No work is so essential to a modern State as that carried on in the schools. The modern State is based on public opinion; public opinion is the medium in which it moves, acts and progresses as a result of efforts which spread down through the masses. For this reason the true source of its strength lives in the education of the people. I know there is no need to say this to you, for it is the mode especially in your country that the university seeks not only to give a scientific training, but has taken and takes a leading part in teaching and guiding the community; so much so that your history is from many points of view and in many of its episodes the history of your universities.

But I wish to say that it is my opinion that this phenomenon will develop as time goes by. The real problem facing modern nations is, above all, that of defending the chief conquest of our civilization, that is to say, the material and moral welfare of the working masses who bring to it so great a contribution. That welfare must be safeguarded. We must go forward. But as we proceed, the problems of the spiritual direction of the working masses grow in complexity and an ever greater effort will be needed to meet them; we shall require more perfect instruments for intellectual work and ever wider organizations to meet the ever growing needs.

The nineteenth century dealt with the problems of illiteracy; we are dealing more and more with the problem of instructing and guiding the masses of the youth of our countries on whose sense of social responsibility the fate of the modern State must ultimately depend. Therefore a policy which fosters the growth of universities is a high one and serves the best interests of social stability and of the national communities.

My own special interest is being concerned with international relations, and you will readily understand that it is more especially from that point of view that I consider the growth of university education. Allow me briefly to refer to the angle from which I approach the problem. We are going toward an age of ever more complex international relations, just as we are going toward an age of more complex social relations within each nation. We cannot afford to allow these relations to develop along purely ideological lines. Ideologies are valuable as motor power, but if we are to present international problems to our peoples in a form they can clearly understand they must be scientifically worked out.

Scientific research in all branches of social science is essential if we are to confer substance on what are today but roughly outlined ideas. Closer international co-operation will become possible only when our universities have made an impartial study of the many problems involved, and when these problems have formed the subject of the meditations of the future leaders of our countries. The great problem of the interdependence and closer co-operation among nations needs much study. A whole forest of prejudices has first to be cut down, and knowledge and learning alone can clear the ground.

It seems to me that you are in a privileged position for performing this great task. Citizens of a great country in which social phenomena can be studied on a vast scale, you have the advantage of assembling in one seat of learning the youth descended from all the races of Europe and, if I may give expression to my pride as an Italian, I may recall

that there are among them many of Italian descent. You thus have the advantage of bringing together in your student body all the most noble currents which have contributed to form the civilization of our age. And besides, you incorporate in the powerful structure of your national university such vigorous cultural units as this Casa Italiana, whose foundation is the pride of the Italo-American community, while its acceptance by you bears witness to your breadth of vision.

You can thus accomplish a work springing from roots firmly planted in the different national cultures, yet blossoming into that peculiar achievement of the American nation: the harmonious co-operation, within the compass of one social system, of the spiritual traditions of all the peoples to whom it has given a home, traditions it has not destroyed but has accepted as an addition to its own national patrimony.

This magnificent effort of spiritual co-operation is rich in lessons which can be of the greatest service in guiding the nations over the long, long road ahead of them and the contributions made by Italian teachers and students to this effort will be a further link in the chain connecting our two peoples.

And I say this all the more convinced, as I am a staunch believer in the co-operation of the American and Italian civilizations. I firmly believe that strong affinities exist between our two civilizations. It has often been said, these later years, that something of America is in the Italy of today. Who said this undoubtedly was struck by certain spiritual features which my country presents today: the ardor it puts into its life and work, its will to create and its confidence in the future, the youthful energy with which it has thrown itself in the renewal of its civilization.

In a certain sense we could call ourselves the pragmatists of modern Europe. And perhaps the future historian of the new Italy will one day place on the front page of this history the title of a book by William James, "The Will to Believe." The same words could be written on the front page of the history of the United States. They mean that the American people and the Italian people are determined to go ahead, confidently looking toward the future on the long road of the unknown which is called history.

The ancient people of Italy and the new people of America form two reserves of moral energy.

Allow me, Mr. President, to express here the hope that they will contribute evermore to the cause of human progress.

Dino Grandi, Italian Foreign Minister at Dinner Given by Italo-American Society Says Course of Italo-American Friendship Has Made Remarkable Progress.

As the guest at a dinner given by the Italo-American Society, at the Hotel Pierre, in New York, on Nov. 24, Dino Grandi, Italian Foreign Minister delivered an address in which he referred to the "very remarkable progress" made in recent years in the cause of Italo-American friendship, and added that of this wonderful work you (the members of the society) have been the pioneers, the frontier men, the pilgrims. "Italo-American friendship" said Signor Grandi will go deeper and deeper as both peoples will acquire better and better knowledge of the great affinities existing between our two nations.

His address at the dinner follows:

Mr. Chairman, Ladies and Gentlemen: I shall not even attempt to thank you, Mr. Chairman, ladies and gentlemen, for your very cordial reception.

I have but few words to say to you to-night, to you who are the old, dear friends of my country. If I were to make a speech I should have to start too far back, I should have to recall too many remembrances that unite me, as they unite all Italians, to you and your association. And the words that I could say would never really express all the appreciation of my country for you. This is heartfelt and sincere. In fact, I might say it is all the more sincere and all the more heartfelt as we Italians know with what devotion and with what tenacity you have all worked for the cause of Italo-American friendship.

In this cause I have always believed. Among the directions I have received from the head of my government there are few that I have welcomed more than this, there is none that I have followed with more attachment and faithfulness. And this I am anxious to tell you because this attachment and this faithfulness I owe in great part to you. The mission I was entrusted with in 1925 to Washington was my first important political mission abroad. I came then in a more direct contact with your country, and for the first time I felt the breadth of its ideal design and the power it irradiates. For the first time I felt the decisive function it was to have in our life and the vast possibilities it held for a greater and better understanding between our two countries. Many of these ideas I have drawn from you and your work, and a great deal of my inspiration is the outcome of your friendship.

In saying these words I mean to give them a precise meaning, because from you and your associations there have come to Italy not mere manifestations of friendship, but a constructive and efficacious work which has many times served to give our public opinion a clear insight of America as well as to American public opinion a clear insight of Italy.

The cause of the Italo-American friendship has in later years made very remarkable progress, and of this nobody is happier than myself, who, in the name of my government, have come to pledge the work done. Of this wonderful work you have been the pioneers, the frontier men, the pilgrim fathers. Allow me to recall here with gratitude that you have started your work under conditions less favorable than the present and when my country was going through hard times. Like those who get up at dark of night anxious for the morning's work, so you all started this great work in the darkness of those moments, in order to seek and fasten the invisible bonds that unite your nation and mine, your history and the history of my country, your civilization and Italy's civilization.

You have had the good fortune to have had among you eminent men who were deeply interested in Italian civilization and who gave to your efforts a framework of spiritual values. We attach great importance to this framework. Ours is a country which in later years has had to create a technical, economic and social structure, transforming thereby the very aspect of Italy. Of this we are proud, but we are still more proud of the spiritual framework within which this transformation has taken place.

It connects this our revival to our tradition and it fulfills the continuity of our civilization.

If I may ask of you something, it is to continue your work along the lines you have followed up to now. Italo-American friendship will go deeper and deeper as both peoples will acquire better and better knowledge of the great affinities existing between our two nations. I firmly believe in this. I believe in it because your people and our people are hard workers, because they are peoples that feel very deeply ideal motives, because they are peoples that daringly answer the "call of the future."

I have now almost reached the end of my mission here. In a very few days, in fact, in a few hours, I shall be leaving, and I shall have to say not "addio" but "arrive-derci" to this country which has welcomed me with such open and sincere cordiality and which has made me feel deeply that my mission of peace, good-will and co-operation has been thoroughly understood.

I do not know through whom, better than through you, I could express to the American people the gratitude I feel for such reception and I can assure you, Mr. Chairman, that your words will never be forgotten.

Foreign Minister Grandi Denies Italy Seeks a Loan in United States—Says His Country Is "Strong," Pointing to Oversubscription of Recent Internal Issue.

Italy's visiting Foreign Minister, Dino Grandi, told interviewers on Nov. 25 that his Government was not seeking financial assistance here. The New York "Times" of Nov. 26 also said in part:

He had luncheon at the Brook Club with a group of diplomats and bankers, rode to the top of the Empire State Building to meet former Governor Smith and had tea with Charles E. Mitchell, President of the National City Bank at his residence, 934 Fifth Ave.

Says His Country Is "Strong."

At the interview, which took place in the Foreign Minister's suite at the Ritz Carlton in the forenoon, Signor Grandi was informed that his conferences and meetings with financial leaders since his arrival in New York had led to the belief in some quarters that Italy was trying to negotiate a new loan.

"Oh, no," replied Signor Grandi, quickly. "Italy doesn't need a loan. We are strong and perfectly sure of ourselves. Let me point out that only recently, my chief, Mussolini, asked for an internal loan of 3,500,000,000 lire. The people of all classes in Italy subscribed 7,000,000,000 lire, more than double what had been asked."

Nobile Giacomo de Martino, the Italian Ambassador, was seated beside the Foreign Minister. He leaned over and whispered to Signor Grandi, who then explained that the Government had rejected the oversubscription, taking only the amount asked for originally. Although there had been no discussion of a possible loan to Italy during his conversations with such financial leaders as J. P. Morgan, Thomas W. Lamont, Gates McGarragh, Owen D. Young and S. Parker Gilbert, Signor Grandi said, problems of world economics were discussed informally.

The smiling young Foreign Minister reiterated his belief that his visit here had been even more successful than he had hoped, although he did not become any more specific than in the communique issued jointly by him and Secretary of State Stimson after his visit to Washington.

"It is a good thing in the field of economic co-operation," he said, "following as it does in the steps of previous international gatherings."

Retaliatory Action by United States on British Tariff Not Contemplated—No "Dumping" of Foods Is Found or Anticipated It Is Stated—Little Effect Seen on American Trade.

The new British tariff will not affect the United States appreciably and this Government will not take any retaliatory steps against Great Britain on that account, according to an oral statement, in behalf of the American Government Nov. 24. In making this known the "United States Daily" of Nov. 25 said:

The exporters of other countries stand to lose much more than American exporters, it was pointed out, and only 1.6% of the total exports of the United States to Great Britain will be affected. In case any dumping of British goods in the United States should materialize as a result of cheaper production costs resulting from the British recession from the gold standard, the Tariff Commission will be able to deal with the situation, it was said. However, such action by Great Britain is not anticipated.

Adverse Trade Balance.

Additional information made available follows: One of the difficulties which has confronted the English people for the last two years has been the growing adverse trade balance and the drain placed upon their exchange by the export of gold. The purpose of their tariff action is to correct that situation by a decrease in their imports. The American goods affected amount to 1.6% only of the total exports of the United States to Great Britain.

The effect of the tariff is very much larger in its proportions on other countries than upon the United States. The fact is that the American foreign trade is very much less competitive than is generally thought, and the figure of 1.6% is a fair indication of the ratio of competitive goods.

Probability of Action.

There is no disposition on the part of the United States to take any action whatever. It is entirely within the domestic authority of Great Britain. The United States has a concern for the British financial situation because the prosperity of Great Britain, as with the whole world, has a helpful effect on the United States.

In going off the gold standard, Great Britain obviously lowered its production costs and this might presumably increase British exports to the United States.

Competition in Coal.

The British have been able to compete better with American coal exports at some foreign points, but otherwise these has been no effect on American foreign trade. It is also a fact that a large part of British exports are not competitive with American goods.

If production costs in England should turn out to be much lower in competition, resulting in dumping, the United States Tariff Commission will be able to deal with this situation. Nothing of the kind is anticipated, however.

Department of Commerce at Washington Lists Articles Subject to British Duties.

A detailed list of articles to be subject to the 50% ad valorem emergency tariff which becomes effective in England Nov. 25 was announced orally at the Commerce Department Nov. 24. The list was cabled to the Department by Commercial Attache William L. Cooper in London, it was explained. The "United States Daily" reporting this, said:

Twenty-three commodity groups in the classification of wholly or mainly manufactured goods will be subject to the duties, the first established under the abnormal importations bill, designed to stop the usual volume of imports being brought into England in anticipation of a tariff, it was pointed out. The Department has not hitherto announced the various articles in the groups that would be subject to the tariff.

Following is the more complete list:

Metal furniture (except bedsteads and aseptic hospital furniture), vacuum cleaners, typewriters and parts, linoleum and similar floor coverings.

Perfumery, cosmetics and toilet preparations, including tooth paste, and dental liquids and powders, toilet pastes, powders and creams, personal deodorants, scented sachets, lipstick, rouge, grease-paint, manucure and chirophy preparations, hair, face and body lotions and ointments, toilet vinegars and waters, shampoo powders, bath salts, smelling salts and prepared fullers earth; toilet requisites, including powder bowls, boxes, and puffs, nail polishers, clippers, cleaners and files, denture bowls, cleaning tissues, tweezers and soap boxes.

Wireless sets and components (except tubes, magnets and batteries); domestic pottery, glassware (except illuminating); sanitary ware, glazed wall and hearth tiles.

Woolen manufacturers, including fabrics in the piece, plushes and other pile fabrics, flannels, delaines, blankets, traveling rugs, shawls (except knitted), carpets, rugs, and felt; silk and artificial silk hosiery, linen handkerchiefs and fabrics, overcoats and mantles (except leather, rubber and waterproofed), men's and boys' suits, gloves (except rubber), glove linings and cut materials.

Packing and wrapping paper, including vegetable parchment, glazed, transparent, and greaseproof paper.

Bicycle tires and tubes, unattached rubber heels and soles; cutlery, including scissors, razors, carving forks, knife sharpeners (except surgical knives or knives for use in machines), component parts of knives and blanks; tools, including saws, twist drills, bits for machines and metal vices and clamps.

Great Britain Defines Free List—Only Goods of 25% Empire Content Exempt from Duties.

On Nov. 24 the London Board of Trade fixed 25% as the necessary empire content for goods entering Great Britain from the Dominions if they are to qualify on the duty-free list drawn up as part of the anti-dumping act. Associated Press accounts from London on that date to the New York "Times" added:

In so far as it applies to Canada, the order would prevent the use of the Dominion as an assembly ground for parts manufactured in the United States and subsequently shipped to Great Britain as empire products.

Prime Minister MacDonald told a delegation of members of the House of Commons to-day that the Government's agricultural policy would be announced before the Christmas recess. Questions of a wheat quota and a tax on luxury imports would receive the immediate consideration of the Cabinet, he added.

Jamaica Asks British Tariff Preference.

The following Kingston (Jamaica) cablegram Nov. 24 is from the New York "Times":

A resolution was passed by the Legislature to-day requesting the Government to prepare a case for preference for the imperial authorities and to arrange for a deputation to Britain to press the colony's claims.

Germans Deny Plans for Tariff Reprisals—Will Await Results of British Duties and Counter-Measures by Others.

The following from Berlin Nov. 23, is from the New York "Times":

German official circles categorically deny that any measures are contemplated in response to the 50% British tariffs. The Government, it is said, means to wait to see what actual effect the British tariffs will produce on German exports and what results any steps taken by the United States and France will have.

The Hanseatic shipping interests deny any intention or likelihood of a freight rate war with the British lines. They point out that the devaluation of the pound has made the British rates 20% lower than the Continental rates, that the adjustment of this difference calls for either lowering the Continental or raising the English rates, and that it is expected to reach an adjustment through negotiations between the interested lines.

The Hamburg-South American Line states that the fact that the steamer Cap Arcona will hereafter call at Southampton, which has been represented in the English press as a reprisal, is nothing of the sort, since the Cap Arcona is not a cargo boat and will take on only passengers and mail at Southampton, as the steamers of this class regularly did before the war.

Poles Feel British Tariff—Canceled Orders Leave Shoe and Clothing Workers Unemployed.

Warsaw advices Nov. 23 to the New York "Times" stated:

Several Polish industries, including shoes, clothing and woodworking, are hard hit by the new British import duties.

For years, shoes, garments and other goods have been exported to Great Britain in large quantities. These goods are made in many small villages around Lodz at extremely low costs. But after the imposition of new duties all orders from Britain were canceled, causing much suffering and unemployment.

British Revenue Drops—Decrease of £44,435,076 Recorded for Period from April 1 to Nov. 21.

From London Nov. 24, a cablegram to the New York "Times" stated:

A big drop in revenue is shown in the Exchequer figures issued to-night. Receipts from April 1 to Nov. 21 were £340,046,661, or £44,435,076 less than for the corresponding period last year. The ordinary expenditure of £466,365,935 was an increase of £7,649,756 over last year.

The total inland revenue from April 1 to Nov. 21, £135,724,000 was a decrease of £16,917,000. Customs and excise revenues amounted to £163,539,000, an increase of £2,343,000.

71,567 Women Lose British Dole—Courts End Benefits in Most of 81,716 Cases.

The following London cablegram Nov. 19 is from the New York "Times":

The first results of the late Labor Government's overhauling of the unemployment insurance system appeared to-night, when it was disclosed that 71,567 women had been thrown off the dole out of 81,716 cases before the courts. Most of these were married women who had been receiving doles varying from \$2.68 to \$3.35 weekly.

The tightening up of dole administration under the so-called anomalies act, it is estimated, will save the unemployment insurance fund \$175,000 each week.

Final Ruling by New York Court of Appeals on Bonds of Irish Republic.

Associated Press advices from Albany on Nov. 17 stated:

The Court of Appeals to-day affirmed a ruling of the Appellate Division that the Friends of Irish Freedom was entitled to 10 Republic of Ireland bond certificates of \$10,000 each issued after Eamon de Valera came to America in 1919 seeking aid for the Irish Republican movement. The Friends advanced to de Valera \$100,000 and received the bond certificates in return. Later the Irish Free State sued to establish its right to cash and securities representing the balance of funds collected from subscribers to the Republic loans.

Canadian Gold Holdings Increase—Supply in Vaults on Oct. 31 Totaled \$75,245,534.

The following from Ottawa Nov. 17 is from the Montreal "Gazette":

Gold held by the Minister of Finance on Oct. 31 totaled \$75,245,534. This was almost \$5,000,000 more than on Sept. 30 and was \$2,810,719 in excess of statutory requirements. The excess a month ago was \$678,164.

Of the gold now in the vaults of the Department of Finance \$2,394,434, is held against Government savings bank deposits and \$70,040,379 against Dominion notes. Dominion notes in circulation total \$158,040,379, which is some \$7,700,000 more than a month ago.

London Holds Gold Suspension Could Not Have Been Avoided—London Times Answers Criticisms of Dr. B. M. Anderson Jr., of Chase National Bank of N. Y.

Criticism of Great Britain's departure from the gold standard as unnecessary, published by writers in the United States such as Dr. Anderson, has aroused some comment in London, according to a cablegram Nov. 20 to the New York "Times," from which we quote further as follows:

The London Times answers that these strictures are based on a very narrow view of the circumstances. The best banking opinion admits that unsound financial principles pursued by the British Government in recent years helped to force the country off the gold standard, but they are also a unit in holding that the decisive influence was the break-down of confidence throughout the world. London had no control whatever over the situation as it finally developed, and no action by the Bank of England regarding its discount rate could have staved off the crisis.

A large share of the blame for this, it is believed, must be borne by other countries which refused to observe the rules of the gold standard game. But no rate of interest, however high, would, in financial London's belief, have tempted foreign holders of balances in London to keep them there in the face of the panic which existed among international lenders last September. Therefore the consensus of opinion is that England would have been quite unjustified in trying to experiment with an impossibly high bank rate.

The comments of Dr. Anderson were given in our issue of Nov. 21, page 3342.

Glasgow Stock Exchange Acts to Restore Normal Exchange Operations.

The following from London is from the "Wall Street Journal" of Nov. 11:

Glasgow Stock Exchange committee has moved a step further than has London in restoring normal stock exchange operations. It has voted to permit option and carry-over business as well as normal fortnightly settlements. This decision surprised London, but brokers generally agree that it is sensible. It is understood that option dealers in London propose making a protest to the stock exchange committee against prohibition of option dealings in London which they consider to be vital to the proper conduct of financial business.

It is not expected that because of the decision of the Glasgow committee, that the bulk of the option business will be transferred from London to Glasgow, but it is probable that other important provincial exchanges will follow Glasgow's lead.

United States Gets First Gold This Year from Australia.

The following is from the "Wall Street Journal" of Nov. 23: Shipment of \$1,091,000 gold has been received at San Francisco from Australia, the first consignment of metal to be received from that country this year. Total receipts of gold from Australia in 1930 were \$54,000. There were no exports from this country to Australia.

From time to time Australia has made important shipments of metal to London for debt service. In the first nine months, this year, London received \$31,095,000 for this purpose, while in 1930, receipts from that source amounted to \$116,417,000. Australian commodity exports have been well in excess of imports, but remittances for interest and amortization charges on the foreign debt have been so heavy as to keep the Australian pound at a substantial discount on London.

For the last few months, the exchange rate on London has been officially fixed at £130 Australian for £100 sterling. Advices have been received that due to the recent rise in wheat and wool prices, the Australian pound has improved to £125 per £100 London although the official rate has not been changed.

The continued discount on Australian exchange has caused the gold reserves of the country to diminish sharply. At end of September, gold holdings amounted to \$52,000,000 compared with \$75,000,000 at end of December 1930, \$89,000,000 at end of 1929 and \$108,000,000 at end of 1928.

United Farmers of Manitoba Support Proposal for Central Bank in Canada as Economic Cure.

Formation of a Central Bank in Canada was supported unanimously at Brandon, Man., on Nov. 17 by United Farmers of Manitoba at the outset of the annual three-day convention. Delegates approved the report of the Banking Committee, which suggested that a Central Bank would aid in preventing cycles of depression and inflation, according to advices from Brandon to the Toronto "Globe" of Nov. 18, the Canadian Press accounts to that paper also stating:

"The banks as at present constituted have not attempted to solve the problem of the agriculturists," commented the report, which urged close study of benefits accruing to agrarians through formation of co-operative banks. It held that banks and railways, prominent in the recent organization of the Dominion Agricultural Credit Corp., could better aid agriculture by reducing freight rates and interest charges.

Illegal Insurance Rates.

Inclusion in the Canadian Bank Act of a \$5,000 penalty for any violation of the 7% maximum legal insurance rate was asked by the convention. This step paralleled a proposal in the Banking Committee's report, presented by Ralph Wilson, Pilot Mound. The meeting rejected a resolution protesting against banks insisting on chattel mortgage securities for current loans.

Less than a dozen of four-score resolutions on the agenda were disposed of. The convention favored cancellation of war debts and reduction of western mileage freight rates to compare with those in the East. Abolition of duties on farm implements and wire fencing was favored, and the meeting asked cancellation of the 2½ cents import duty on gasoline be abolished unless it can be assured that the costs to the consumer will not be raised.

Waning of the once firm opinion in favor of "pegged" wheat prices was apparent when no mover sponsored a listed resolution favoring a minimum set price for wheat. A year ago, when grain prices were at only a slightly lower level, all three farm bodies on the Prairies were on record as favoring Dominion Government steps to "peg" the price of wheat at a figure covering the cost of production or better.

The Manitoba body made known that it refuses to accept the five-cent-per-bushel bonus on export wheat as a "compensating adjustment" for what the farmer had to pay in the way of customs duties. The term "compensating adjustment" had been used by Premier R. B. Bennett in referring to the Government's wheat bonus.

Approval was given to a motion urging on the Dominion and Provincial Governments the need of reducing interest rates, and asking that the right to distrain on chattels other than grain be removed from land mortgages.

Colonel F. G. Taylor, Leader of the Conservative Party in Manitoba, was present at the first day's sessions.

Premier Laval of France Bars Putting German Private Debts Before Reparations—Chamber Upholds Him in Vote of Confidence—He Seeks Cuts in French Obligations—Firm on Terms of Revisions.

The following from Paris, Nov. 27, is from the New York "Times":

France will not permit German private debts to be put ahead of reparations, Premier Laval told the Chamber of Deputies yesterday afternoon in a speech in defense of his foreign policy.

When the debate on the issue ended at 3 o'clock this morning, the Chamber upheld the Premier in a series of confidence votes. The most significant of them, against a radical motion, gave the government a majority of 45. The figures were 310 to 265.

"We will accept rearrangements for a limited time," he said, "but will not consent to a revision of reparations unless reductions in an equal measure at least are consented to with respect to war debts. We will demand payment of the unconditional annuities, and we will not accede to priority being given to private debts over our reparations."

"The journey which I was invited to make to Washington," M. Laval told the chamber, "gave rise to great hopes. By his moratorium President Hoover had marked how disturbed he was by the crisis in Europe.

"It was the same sentiment which moved him to invite me, for in the interval the crisis had come nearer and nearer. No nation could remain isolated. It was obvious that more active collaboration was essential between the heads of governments.

Says Visit Aided Understanding.

"Without in any way infringing on American tradition, President Hoover was anxious to share in the measures of safety which had become necessary. There was no question of a conference. We forewarned public opinion against the illusions to which our Washington conversations might give rise.

"Whatever else resulted, that interview certainly permitted the realization of some useful propaganda for France. In the United States it is no longer believed that France seeks to dominate other peoples. Their people know the sacrifices to which she was consented for the reduction of armaments. She is no longer suspected of wishing to use her resources for aggression. Their people know that all she cares about is her security and that she is resolutely pacific.

"Between public opinion in the two countries all misunderstanding has been swept aside.

"At our meeting, President Hoover and I spent most of our time examining the crisis. We agreed to substitute for the exceptional regime of the moratorium the normal procedure provided by the Young Plan. Henceforth France will be protected against initiatives like that of last June.

"While accepting a discussion of the question of intergovernmental debts and reparations, Mr. Hoover could not set aside the prerogatives of Congress any more than I could infringe on the rights of the French Parliament.

"On the link between debts and reparations I set forth as frankly as possible the opinion of this country. Faced with the instability of exchange, we affirmed our common determination to maintain the gold standard.

"Positive results were attained. In the history of Franco-American relations this interview marks an important date. In strengthening the bonds between our countries we served the interests of France and the United States, and facilitated the work of a general recovery."

Denies Blame for Uneasiness.

The Premier's speech was interrupted several times by cheers from the Right and Center.

For the rest, M. Laval made a general reply to all those, here and abroad, who have sought to lay the responsibility for the present world uncertainty and lack of confidence at France's doorstep.

"We have done our duty," he said. "We have not failed in any of our international obligations. But there are limits to which we have no right to go."

With reference to Germany's new petition for a revision of her capacity to pay he said: "When the report of the experts has been received a conference of governments will be held. For the period of the depression we will not refuse to examine the possibility of a new arrangement between debtors and creditors. It is in our interest that Germany recover her solvency."

The debate was in reality an open discussion of all that has happened since last July. Most of the speakers spoke with an eye on the elections next Spring.

Henri Franklin-Bouillon, a Nationalist Deputy, who seemed to regret the absence of Foreign Minister Briand from his place, attacked M. Laval with such vigor that the Premier was forced to expostulate, "You are speaking against the interests of France."

Then for the first time M. Laval had his war record thrown at him, M. Franklin-Bouillon shouting back, "I remember you when you came to this tribune to argue that France should go to the Stockholm meeting."

His allusion was to the Socialist meeting in the Swedish capital in an effort to bring about a cessation of hostilities in the World War.

Former Premier Edouard Herriot sought persuasively to point out that it might not be very long until France herself might again be in the position of a country seeking favors. In such circumstances, he argued, it was well not to offend too many peoples and not to boast too much about one's own superiority.

Prussian Diet Asks End of German Reparations—Demands the Cessation of All Payments as Basic Condition of Young Plan Revision—Hitler Likely to Confer with Foreign Financiers.

The cessation of all reparation payments as a primary condition of any revision of the Young Plan was demanded in a resolution adopted by the Prussian Diet by an overwhelming vote. On Nov. 25, said a Berlin cablegram on that date to the New York "Times," which went on to say:

It enjoins the Reich Government to take immediate steps to bring about revision of the present reparations accord on the basis of the complete stoppage of further payments.

The resolution, which was sponsored by one of the small Nationalist groups, was opposed tacitly by the Socialists, who abstained from voting. The vote may be taken as a reliable index to the sentiment prevailing in the Reichstag, where a similar motion would definitely receive majority support, although the Socialists believe such procedure on reparations to be prejudicial to the government's foreign relations at this time.

Dr. Wilhelm Frick, former Premier of Thuringia, one of Adolf Hitler's official spokesmen and chairman of the Reichstag's Foreign Relations Committee, in discussing the internal political situation with relation to the prospects for a coalition with the Centrists today announced that the National Socialists would not be responsible for any new foreign commitments assumed by the Bruening Government. It was not up to the Centrists to dictate terms, Dr. Frick added, inasmuch as they were in a minority.

Hitler May See Foreign Bankers.

It is not improbable that Herr Hitler will receive an opportunity to explain his party's position on the question of Germany's foreign indebtedness to the international bankers when they meet in Berlin next week for a conference on the German private debts. He has recently had an opportunity to discuss his gospel and official platform with various foreign diplomats in Berlin, the meetings having been arranged informally through the intervention of a third party.

A report that the "Nazis" are sounding the French Government's attitude toward a Fascist government in Germany is denied by the "Nazis' " official press bureau, which states that no such feelers have been put out and that nobody has been authorized to approach the French on such a mission.

The parliamentary situation in Hesse, where the Hitlerites have a majority in the Diet as a result of the recent election, is still unclarified. The "Nazis" are willing to let the Centrists have several portfolios but demand the right to run the State. The new Diet will meet Dec. 10.

The general fear that the Reichsbank, as a result of the release of the November instalment of foreign mark deposits, would lose another material portion of its coverage reserves has not been substantiated by the bank's weekly statement. It shows an all-around improvement in the bank's status by Nov. 23 and a loss in gold of only \$7,000,000, which was partly made up for by an increase in foreign exchange reserves of more than \$3,000,000.

Coverage Percentage Up.

As note circulation declined by 181,000,000 marks [about \$48,000,000] at the same time, the currency now has a coverage of 27.5 per cent as against 26.7 per cent Nov. 15.

A large portion of the Reichbank's discounts were paid during the week, and although more bills were discounted than during the preceding week the total amount of the bank's discounts decreased \$31,000,000. The

total was smaller than on Oct. 23, reflecting the Reichbank's determination to avoid credit inflation.

Significance is attributed to the fact that the gold losses were confined to the first half of the week covered by the statement while the second half showed a net gain. The gold went to Amsterdam and New York.

The Federal Railways have announced that they will now distribute orders amounting to almost \$60,000,000. The orders are to be financed from the proceeds of the tax-free railway loan, which has brought back a great proportion of the German funds concealed abroad.

The orders will prevent the shutting down of many plants, especially in regions hardest hit by the depression, but in line with the government's policy of favoring small industrial units the orders will be given rather to small manufacturers, who have proved one of the most stable assets of the country, than to large, highly mechanized concerns.

The government and the Reichsbank have vetoed a new attempt to have the German Stock Exchanges reopened.

British Bankers Urge Vienna to Act on Creditanstalt—As Representatives of Creditors Will Press Government for Immediate Reorganization—Austrian Cabinet Is Reluctant to Undertake Economies.

From its Vienna correspondent from Vienna, on Nov. 25, the New York "Times" reported the following:

L. S. Chanler, London representative of the International Acceptance Bank, and Sir Robert Kindersley and Sir Otto Niemyer of the Bank of England have arrived in Vienna to press on the Austrian Government the necessity of taking immediate action to reorganize the Creditanstalt.

Their arrival was the result of a meeting in London last week of English, American and other foreign creditors of the Creditanstalt, who agreed to leave the \$70,000,000 in short and medium term credits which they had advanced to that institution untouched for two years in return for the Austrian Government's guarantee of repayment.

At this meeting the creditors' committee, which had already heard disturbing reports of the situation created by the Austrian Government's inability to make up its mind what to do about the Creditanstalt, listened to the evidence of Mynheer van Hengel, the Dutch adviser of the bank, whose efforts to represent the creditors' interests in its reorganization were recently nullified by the refusal of the banks' new directorate to carry out his proposals.

As a result the foreign creditors presented three demands on the Austrian Government—the resumption and completion of the investigation of the bank's position by English chartered accountants, the reduction of the running costs of the bank and its industrial holdings, and the appointment of a capable managing director with wide powers to prune the bank of subsidiary concerns which are not paying and will never be likely to pay.

The Austrian Government, it is understood, would like the foreign creditors to scale down their claims, but this the latter are not yet ready to do. They have not given up hope of getting all their money back, if not at the end of two years then at some later period.

The present position, however, is that the greater part of the Austrian deposits in the Creditanstalt have been withdrawn. This is despite the government's announcement that in the absence of such deposits it is costing the Austrian National Bank \$15,000 daily to keep the Creditanstalt going, that the Creditanstalt if liquidated momentarily would not bring in enough to repay the foreign debts and that this drain if continued might bankrupt the Austrian Government and thus destroy the last and best security of the foreign creditors, the government's guarantee.

The delay in reorganizing the bank is due largely to the government's fear of political repercussions from the dismissals, cancellation of pensions and closing down of factories which will be necessitated by the painful task of rehabilitation.

Items regarding the Credit Anstalt appeared in these columns Oct. 24, page 2692 and Oct. 17, page 2532.

Charles Rist, Former Governor of Bank of France, Asks Wider Credits to Curb Depression—Pleads for a Restoration of "Respect for a Promise" to Pay—Scores Short-Term Loans.

From the New York "Times" we take the following from Paris, Nov. 19:

The paradox of short-term lenders trying to realize on loans which were used for post-war rehabilitation of enterprises which by their very nature should have been financed by long-term loans is responsible for most of the economic disequilibrium from which the world suffers to-day.

This thesis, startling because it came from a Frenchman at a time when France is insisting on the unconditional reparations payments by Germany, was offered to-day by Charles Rist, former Governor of the Bank of France, speaking at the weekly luncheon of the American Club of Paris:

"The gold standard has been one of the great post-war triumphs," M. Rist declared. "Every one of us, as the gold standard was established in every country, thought it was a new victory of good sense over the economic difficulties which had been arising after the war. Your country, and especially our friends of the Federal Reserve boards of New York and Washington, have worked very much in that sense.

Sees Inconveniences.

"The gold standard has great advantages, among which is stability in all contracts, but there are also inconveniences. One inconvenience is that the free flow of gold implies exports and imports of gold, and every time gold flows out of a country it means that credit probably has been too abundant in that country, and that necessitates raising the discount rate, which must be a very disagreeable thing to many people.

"We must be sensitive to every pain in the economic body. We have worked out a beautiful system by which the gold standard has kept its advantages, but has lost all its inconveniences. Every time gold flows out we place a little more credit in that country so that nobody feels the difficulties that come from the flight of gold and the restriction of credit which would be a consequence of it.

"There is another economic paradox. The whole world agrees that the production of merchandise has been too rapid in recent years. In order to dispose of this production business rivals are seeking to undersell one another.

"To offset the evils of this cut-throat competition cartels have been formed to maintain price levels.

"The public in recent years has invested too much capital in industry. The public rushed into the stock markets and lavishly bought shares. The result was over-capitalization and over-production, far beyond the world's consumption capacity.

Buying Power Remains Low.

"Notwithstanding the price cutting and the reduction in the cost of living—and the United States has taken the lead in this movement—the consumption or buying power has not yet been stimulated sufficiently to take care of the over-production.

"Tariff barriers have been raised with a view to relieving the unemployment which resulted from the forced idleness of industry. This, however, has not proved a very effective remedy.

"Since the war short-term credits have increased greatly. And humanity's need since the war has been to employ long-term credits to finance long-term enterprises. Now the day has arrived when these short-term credits cannot be redeemed on their expiration.

"The late Dwight W. Morrow published an article on credits several years ago in which he explained that there were only two stages of development in the economic evolution of humanity.

"The first stage," he said, "was that of cash payments for everything. The second stage was credit transactions. But, he said as regards credit dealings, we still retain a certain primitive attitude. We say a deal is based on nothing more than a promise to pay.

"I believe the only way out of the present crisis we find ourselves in is to restore respect for the value of a promise."

United States and France Hold Economic Key, According to Oscar Rydbeck—Britain May Never Return to its Old Gold Standard, Swedish Banker Believes.

Under date of Nov. 18 Stockholm advices to the New York "Herald Tribune" said:

The United States and France hold the key to the present economic situation, and they will not disappoint the rest of the world. In the mean time Europe must face the future optimistically and save without becoming stingy. This is the opinion of Oscar Rydbeck, leading Swedish banker and head of the Skandinaviska Kreditaktiebolaget here. He has represented Sweden at several international financial conferences.

Speaking before the New Liberal Club in Stockholm, recently Mr. Rydbeck refused to regard the present outlook as entirely gloomy. "We must have faith and confidence and not become frightened," he warned his audience. As far as Sweden is concerned the speaker stressed the fact that industry, shipping, banking, &c., are in a much stronger and healthier condition than in 1920, the first year of the last world-wide depression.

These hopeful expressions Mr. Rydbeck again elaborated upon when he was later interviewed by Serge de Chessin, Stockholm correspondent of the "Echo de Paris." When asked about the \$125,000,000 Kreuger & Toll loan to Germany, he reminded the interviewer that this is a part of Germany's absolute obligations, like the Dawes and the Young loans, and that it is on a gold basis. All other Swedish obligations in Germany do not amount to more than 27,000,000 marks combined, he said.

Speaking of Great Britain's and Sweden's suspension of the gold standard, Mr. Rydbeck expressed the belief that England would perhaps never return to it, or in any case not to its old gold standard. In regard to Sweden's finances, he said:

"The policy which our responsible authorities have declared themselves willing to adhere to is not one of inflation, even if it carries currency depreciation with it. In comparison with conditions existing a couple of years ago, it is actually a policy of deflation. The value of the Swedish krona is reduced to what it actually is, and not to what it seemed to be."

Sweden hoped at first to be able to maintain the gold basis after England's action on gold, said Mr. Rydbeck, but the undermining work of speculation and the fact that so many of Sweden's foreign contracts are figured in pounds made it necessary to follow the example of Great Britain.

"There is no cause for alarm, however," he concluded. "Bad times are universal."

Absorption of Gold by France Ceases—Weekly Statement of French Bank Shows no Further Addition to its Reserve—Adverse Trade Balance in 10 Months \$411,900,000, an Increase of \$116,600,000 Over 1930.

In the Bank of France statement published Thursday (Nov. 19) it was noticeable that, for the first time in nearly two months, the gold reserve showed no increase, it was noted in a Paris message Nov. 20 to the New York "Times," which also had the following to say:

The insignificant decrease of 268,000 francs in the Bank's gold holdings led at once to the conclusion that the recent large international movement of gold has ended. The bank's reserve ratio nevertheless improved slightly from 59.82% to 59.86.

The import surplus in French foreign trade reported for October makes a slightly more favorable comparison. The October import excess of 594 million francs compares with a similar shortage of 911 million in September and of 1,017 million in October 1930. For the ten completed months, however, the adverse balance is 10,562 million compared with 7,572 million last year. In the October statement, imports showed decrease of 218 million francs compared with September and of 1,390 million compared with the preceding October. Exports increased 100 million francs from September, but decreased 958 million compared with October 1930.

Taking the year's results to date, the smaller exports affected all categories of foodstuffs. These have decreased 27%, raw materials 28%, manufactures 28%. This year's adverse balance amounts to 29% of total imports. In 1913 the import surplus amounted to 18% of imports. In weight, the year's imports to date decreased 1,327,000 tons, exports 5,312,000. The decrease in quantity measured by weight was considerably less than the decrease in value, which seems to show at least that French importers have continued to benefit by the lower prices abroad.

Forecast New Move By France to Slash Balances Held In New York—Purpose Said to Be to Peg Franc Exchange—Bill Rate Up as Foreign Buying Comes to End.

From the New York "Journal of Commerce" of Nov. 27 we take the following:

An early resumption of the disposal of French balances in the New York money market is expected in some informed financial quarters here

as a result of the adverse French trade balance and the weakening of franc quotations, which are now near the lower gold shipping point.

In the present instance, however, the motive will not be repatriation of foreign balances, as was the case in October when French withdrawals of gold developed on a huge scale, but rather sales of balances to peg exchange.

In view of the fact that this country will be the beneficiary in the main from these operations, it is not held likely that the new withdrawals of French balances will lead to any export of gold. In so far as funds will be made available in this way to pay merchandise creditors of France, they are expected to benefit this country either directly or through transfer by foreign recipients of French payments.

Causes Bill Rate Rise.

On the other hand, the likelihood that the French would once again withdraw funds now invested in bankers' acceptances, and otherwise, is already bringing a weakening of quotations for bills, after the rate had been slashed on these successive occasions. Dealers have announced an advance of $\frac{1}{8}$ of 1% in the rate for maturities up to 90 days, making them $3\frac{1}{8}\%$ bid, 3% asked.

It is considered altogether unlikely that the Bank of France will ship gold for a long time to come. On the other hand, her foreign balances now amount to about \$1,000,000,000, and these are regarded as constituting her first line of defence in the event of an adverse balance of payments. In view of the fact that the portion of these balances maintained in London is not available for current use, because of the depreciation of the pound sterling, the French will utilize their New York funds for this purpose.

Not Under Agreement.

The arrangement whereby the Bank of France agreed to cease withdrawals from New York in October did not apply, of course, to use of her balances here to protect her exchange.

The Bank of France during the past week was said to have reduced considerably its purchases of dollar acceptances. Largely partly a result of the reduction in demand from this quarter, discount houses on Wednesday were forced to advance their rates for bills $\frac{1}{8}$ of 1% or maturities up to 90 days. The fact that the Federal Reserve Bank of New York was not giving its support to the previous rate of 3% bid, $2\frac{3}{4}\%$ asked, was, of course, an equally important factor. The Reserve Bank early in the week brought its buying rate for three name bills, which includes the $\frac{1}{8}$ of 1% commission charge for indorsement, to 3%, a rate which now competes with the dealers' bid rate of $3\frac{1}{8}\%$ for two name bills.

The low rate of the franc is ascribed to the poor trade balance of France. For the current year reparations are not being paid. Exports have fallen and large French imports of grain are expected. The tourist trade of France has been severely injured by the fall of the pound, it is pointed out. These factors have combined to force the franc further downward during the past week, bankers declare.

Following the visit of Premier Laval to Washington the heavy withdrawals of gold from New York to France gradually came to an end. At the same time the Bank of France, which had stopped buying dollar acceptances last June, when the Hoover debt plan was announced, again entered the market, securing higher yields on its bills through the raising of the discount rate of the Federal Reserve Bank of New York. At the same time the higher discount rate permitted the payment of higher rates on deposits of foreign banks here.

France Gets First Gold from Its African Mines.

The following (United Press) from Paris is from the "Wall Street Journal":

The Bank of France reports arrival of ten ingots of gold from French Equatorial Africa, the first shipment of metal from that colony, and the first actually produced on a paying basis in the French colonial empire.

The gold was obtained from the sand and quartz of Oubangui-Chari where the sands are said to have a proportion of four to six grams of refined gold to the cubic meter.

Equipment already has been installed for placer mining, but 20 other plants will be in operation in 1934, giving a total daily capacity of 4,000 cubic meters of sand with a possible daily production of 16,000 to 20,000 grams of gold.

France Will Sell Dollars to Prevent Gold Exports.

From its Paris bureau the "Wall Street Journal" of Nov. 25 announced the following:

Despite recent strength of the dollar against the franc, the foreign exchange market is convinced that the Bank of France will sell dollars to prevent the export of gold, at least until the beginning of the new year. It is believed that the bank has already sold a moderate amount of dollars.

Such action would reflect, not so much a reluctance to see the gold reserve diminish, as a desire to reduce its dollar holdings and by that means its circulation.

It is estimated that some fr. 12,000,000,000 of notes outstanding represent idle bank deposits or private hoarding. This compares with the total note circulation of fr. 82,276,000,000.

Unemployment in France Assuming Serious Proportions.

In its summary of business conditions abroad, issued Nov. 22, the Department of Commerce at Washington had the following to say regarding unemployment in France:

Unemployment is beginning to assume serious proportions and is continuing the 10% weekly increase registered during the last six weeks despite heavy emigration of foreign laborers. The number of registered unemployed on Nov. 7 was 62,028, an increase of 5,907 in a week; partial unemployment is increasing heavily, and the press estimates that the total number of unemployed may be as high as 1,000,000. The second section of the national equipment program, involving an expenditure of 3,000,000 francs, was introduced in Parliament for the relief of unemployment. The general index of industrial production for September stood at 118 as against 121 in August.

Plans for Expenditure of \$180,000,000 for Public Works, in France in Behalf of Unemployed.

Under date of Nov. 24 Associated Press cablegrams from Paris stated:

Plans for the expenditure of 4,500,000,000 francs (about \$180,000,000) in public works designed to alleviate unemployment were presented to the Chamber of Deputies to-day by the Government. The Chamber is asked to appropriate 3,000,000,000 francs, with the remainder to be contributed

by the city and communal treasuries in areas where the work would be done. Premier Laval was scheduled to speak late in the afternoon during the debate on foreign affairs.

To Aid Idle in Holland—National Crisis Committee Opens Its Campaign.

From The Hague Nov. 23, a wireless message to the New York "Times" said:

Princess Juliana opened the convention of the National Crisis Committee to-day with a radio speech, declaring that great distress necessitated great measures. The committee, she said, desired to help the unemployed materially and morally.

President van Citters appealed to the whole nation for collaboration.

Queen Wilhelmina, who contributed 10,000 guilders (\$4,000) to the committee, placed one of her palaces at its disposal. The Government contributed 750,000 guilders (\$300,000), and other large gifts have been promised.

Holland Measure Increasing Import Tariff.

Under date of Nov. 19 advices from The Hague to the New York "Times" stated:

The Second Chamber adopted to-day, by 56 against 36 votes, a bill raising the general import tariff from 8 to 10% on the value. It is a temporary measure, to run until January 1935.

The Second Chamber rejected by 49 to 43 votes an amendment to double the import duty on sugar. The latter measure, protecting inland beet growers, would presumably have caused such an extension of beet growing as to check the importation of foreign sugar, to the detriment of the treasury and Surinam sugar growers.

It is the general impression that the Upper Chamber also will pass the bill.

France Indifferent to Sir Robert Horne's Proposal for "Rehabilitation of Silver."

From Paris a message Nov. 20 to the New York "Times" said:

Sir Robert Horne's proposal to rehabilitate silver, through adding to silver holdings of central banks and making new provision for silver in the currencies, meets with total indifference in financial circles here. The same is true of opinion in the Bank of France and in government circles. All authoritative financiers consider that any considerable restoration of silver as a currency in Europe is a Utopian idea.

Even if it could be put into practice, they do not believe that any benefit would result for the general economic system. It is true that next year new silver coins will be put into French circulation to replace the existing five and ten franc notes, but the metal necessary for mintage is already on hand, derived from melting down the former five-franc pieces, which before the recent currency reform were legal tender, like gold coin.

Sir Robert Horne's views were noted in these columns Nov. 21, page 3344.

Speculative Selling in London Depressed Silver—"Bull Movement" Pressed Too Far—Expectations of Speculators Met Disappointment.

The following London cablegram Nov. 20 is from the New York "Times":

The relapse of silver prices from 21 9-16 pence per ounce on Nov. 10 to 18 1-16 this week has caused no great surprise. It followed warnings by bullion brokers that a distinct element of danger existed in the large bull position created in America and to a less extent in India. Much of the recent advance was due to speculative buying, based on the idea of international action to restore silver to its old position in the world currency; on absorption of silver by India, which, since Britain went off the gold standard, has been selling gold at a considerable profit and buying silver; on the increased demand for China, which always buys silver when trouble arises, and finally, on the evidence of diminished output from mines which produce silver as a by-product.

But the possibility of international action seems to have disappeared with the Chancellor of the Exchequer's statement this week that the British Government sees no good purpose which could be served by summoning an international conference, and it seems to be indicated that American bankers are of the same opinion. With few exceptions—which, however, have been of sufficient importance to attract attention—bankers and business men here have not regarded remonetization of silver as suggested by Sir Robert Horne as a serious or practical proposition. Its definite abandonment in Great Britain and America has, however, disconcerted the speculators.

Albert H. Wiggin to Attend Conference in Berlin Dec. 10 As Chairman of American Committee to Confer on Measures Regarding German Short-Term Credits Affected by "Standstill" Agreement Which Expires Feb. 29.

An invitation from the Committee of German private banks, to attend a meeting in Berlin about Dec. 10, has been accepted by Albert H. Wiggin, Chairman of a newly-formed committee delegated to decide the question of policy in the matter of German short-term under the "standstill" agreement. An announcement by Mr. Wiggin was made as follows on Nov. 21:

Early in August of this year, American banks and banking houses interested in German short-term commercial credits, formed a sub-committee of four, with F. Abbott Goodhue as Chairman, for the purpose of studying proposals made by the German banks to extend the outstanding German private short-term credits.

These proposals, after prolonged discussion by the representatives of the various banking committees in Basle, where the International Committee appointed on the recommendation of the London conference, Albert H. Wiggin, Chairman, held its meetings, culminated in the "German Standstill Agreement of 1931" which expires on Feb. 29 1932.

In view of the comparatively short time remaining before the expiration date of the Standstill Agreement, a meeting of the New York banks was

held recently at the Federal Reserve Bank. At this meeting it was decided to appoint a special committee for the purpose of guiding the policies and action of the New York banks during the coming negotiations with the German private banks and those of other creditor countries, regarding the short-term commercial credits affected by the Stillstand Agreement. It is believed that the other American banks will join with the New York banks in the support of this committee, as has been the case in the past.

The members of the Committee are: Albert H. Wiggin, Chairman; George W. Davison, F. Abbott Goodhue, Charles E. Mitchell and William C. Potter.

This special committee has now received an invitation from the Committee of the German private banks to attend a meeting to be held in Berlin with the representatives of the various foreign banking committees on or about Dec. 10. This invitation has been accepted and it is expected that Albert H. Wiggin, Chairman of the Committee, will attend the conference.

From the New York "Journal of Commerce" of Nov. 23 we quote the following:

New Contract Proposed.

The present agreement involves as parties the committee of Berlin banks representing German debtors, the Reichsbank, the Gold Discount Bank and banking committees in each of the countries holding claims.

It has been suggested in financial quarters that the agreement for the treatment of German credits to go into effect in March might instead be drawn only among the creditors. These would contract with each other to withdraw funds at stipulated amounts or percentages at set intervals. If it becomes possible for Germany to give up its foreign exchange control or if present exchange control is found to be inefficient, it is thought, a contract of this form may result. While the present stillhaltung was in process of being drafted there was a working agreement of this kind in effect among the creditor bankers.

It was pointed out that a formal contract of this nature to be successful would necessitate the support of all creditor banks. Through the foreign exchange control in effect in Germany at the present time, on the other hand, this factor is less important, it was pointed out.

Some New York bankers are discontented with the present agreement which, with respect to preferences, allows no distinctions between credits of varying worth but instead only differentiates according to the forms of credits. These bankers who feel that their own claims are stronger than those held by the British banks would desire a new contract which would embody this distinction. If this point is brought up at the Berlin conferences, it is expected it will involve difficult negotiations among the various creditors in the evaluation of the worth of their claims. Whether some formula can be worked out along these lines is not known, it was said, but it is expected that efforts will be made in this direction.

The New York "Times" in its issue of Nov. 22 said in part:

Reparations Held Separate.

Although the questions of Germany's short-term commercial debts and reparations payments will, under the present arrangement, be the subject of simultaneous conferences in Europe next month, bankers here have made it plain that they consider the two matters entirely separate.

The war payments constitute a political debt to be handled by political means ultimately, in the view of American bankers. The commercial debts, on the other hand, were contracted by German banks and industries for the purpose of carrying on German business. A default in the latter obligations would destroy German credit and paralyze Germany's commercial future by cutting off from German banks and business institutions the normal foreign credit accommodations essential to trade with other nations.

Germany's Request to Bank for International Settlements for Special Advisory Committee to Inquire Into Reparations.

The communication addressed by the German Government to the Bank for International Settlements, requesting the appointment of a special advisory committee to examine into Germany's ability to pay reparations as provided in the Young Plan, was made public at Berlin on Nov. 20. A reference to the request appeared in our issue of Nov. 21, page 3349. The communication follows:

The German Government herewith proposes that the Bank for International Settlements convoke a special advisory committee as provided in the Young Plan of the Hague agreement of Jan. 20 1930. With reference to the reason and purpose of this proposal, the German Government has the honor to point out the following:

As early as the beginning of June, this year, the German Government had come to the conclusion that it would be unable to continue the payment of annuities under the Young Plan, despite the greatest possible reduction of State expenditures and repeated increases in taxation. Even at that time, the economic and financial situation in Germany was most seriously jeopardized. The German Government, therefore, decided to draw the necessary conclusions from this situation.

This decision was followed by the declaration of the President of the United States of America on June 21, proposing a year's suspension of all payments to all governments of reparation and reconstruction debts. The purpose of this foresighted initiative, as stated in the declaration, was to contribute to the re-establishment of confidence and thereby of political peace, as well as to promote the world's economic stabilization; debtor nations were to be given time to regain their national prosperity.

The hope that this proposal would mean a definite turn in the world crisis did not materialize. As a result of further events, the Hoover year alone was unable to dispel the danger of a collapse. The British Government, therefore, took the initiative in July in calling a London conference. The results and recommendations of this conference were an extension of the rediscount credit granted to the Reichsbank, the Basle credit maintenance agreement and the report of the Basle committee of experts appointed by the Bank for International Settlements.

All these measures, though important in bringing quick alleviation, were nevertheless by their whole character merely of a preparatory nature. The London conference itself, in its final declarations, stated that the measures recommended merely constituted a first step and that they were meant for form the basis for action of more far-reaching importance.

Accordingly, the experts who co-operated in the execution of the London recommendations kept ever in view the theme of the really provisional character of all these measures. For instance, it is stated in the credit maintenance agreement that the contracting parties made the adjustment provided for therein only "until a permanent solution of the problem of Germany's short-term debts shall be brought about."

In a like manner the report of the Basle committee of experts closes with an urgent exhortation to the participating governments "to lose no time in taking the necessary measures to bring about a situation which will make it possible to carry out the financial transactions which will bring Germany, and consequently the world, the relief so urgently needed."

In the intervening months the economic and financial situation in Germany has grown extremely acute. The facts characterizing this situation are generally known. In other countries, too, the pressure of the crisis has brought about most serious effects. The world has come to realize more and more clearly the inner connection between the different financial problems caused by the present situation and the necessity of attacking them as a whole.

In considering the best means of dealing with this task, the idea has come more and more to the front of first convoking a special advisory board. As its convocation depends, according to the system of the Young Plan, upon a proposal by the German Government, the latter has now decided to advance this proposal, so that everything has been done that it can do to open the way for broader general measures on the part of the governments.

In accordance with the Young Plan, this proposal requires a declaration on the part of the German Government to the effect that "it has arrived at the conclusion in good faith that Germany's exchange and economic life may be seriously endangered by further transfer in part or in full of the postponable portion of her annuities."

In making this declaration the German Government must point to the fact that such a declaration does not do justice to the present state of things. Since the Young Plan was drawn up the economic and financial situation in the world, especially in Germany, has been fundamentally changed by an unprecedented crisis. As the Young Plan assigns to a special advisory committee the task of investigating the situation from all angles, the committee must examine the problem in its entirety, with due consideration for all the component factors, and must especially take into account that the question of Germany's private indebtedness must be newly regulated in good time before the end of February 1932, and this by means of an agreement to be concluded between foreign creditors and German debtors.

As the present conditions require the greatest acceleration in adopting measures, the German Government proposes that a special advisory board convene immediately and that it complete its work as speedily as possible so that there can take place in the near future a conference of these governments competent to reach and formulate decisions.

Washington Pleased by German Request for New Committee to Inquire into Reparations—Sees Application to Basle Aid in World Recovery If Carried to Logical Conclusion.

The announcement on Nov. 19 that France and Germany were in agreement that the latter should invoke the provisions of the Young plan for a re-examination of her capacity to pay reparations by an advisory committee of the Bank for International Settlements was received in Washington with gratification and as a step which, carried to its logical conclusion, would aid recovery from the worldwide economic depression. The New York "Times" in reporting this in a Washington dispatch Nov. 19, said:

The Young Plan provides for American representation on the committee and it is assumed that some prominent banker will be selected for this purpose. By the terms of the plan, no Government official or an official of the Federal Reserve System will be eligible. There was no indication here to-day as to the selection.

President Hoover and Premier Laval agreed in their recent conversations that the proper course would be for Germany to call for a re-examination of her capacity to pay reparations and to do so within the structure of the Young Plan, and when M. Laval returned to France it was with the intention of entering into conversations with Germany to that end.

Once the advisory committee of the World Bank has completed its task, it is expected that the reparation creditor governments will call a conference at which they will pass upon the report of the committee and probably determine the status of the payments on the German short-term credits in relation to the reparation payments on the new basis.

After this has been accomplished the European governments will probably approach the United States for a revision of their debts to this country, and President Hoover is prepared to recommend to Congress the re-establishment of the Debt Funding Commission to pass upon these applications. It is believed that the Commission would make revisions upon the basis of capacity to pay.

\$6,000,000 Payment Arranged by Germans—Reichsbank Permits Export of Funds by the Building and Land Bank.

The following is from the New York "Times" of Nov. 24: The German Reichsbank, which in the present period of money shortage in that country has put stringent regulations into effect barring free export of capital, has lifted the bars sufficiently to permit gradual payment of \$6,000,000 maturing bonds of the German Building & Land Bank, according to the Associated Press.

This issue, which came due on Nov. 16, will be paid off, according to announcement, to the extent of \$1,000,000 on Nov. 25 and a like amount on Feb. 25. The balance will be paid on May 25. The present interest rate of 7% will continue on up to retirement.

This loan originally matured on Aug. 15. After negotiation with underwriters of the issue here, an extension of three months was granted. On Nov. 16, the extension date, interest was paid, but repayment of principal could not be made, owing to the Reichsbank's embargo on capital. The loan is guaranteed by the German Government.

German Shares Drop on Unofficial Deals—Sharp Decline Shown in High-grade Issues Since First and Second Boerse Closings.

The following from its Berlin bureau, is from the "Wall Street Journal" of Nov. 24:

Unofficial dealings by telephone between banks here reveal the extent of the decline in German high-grade shares since the first and second closings of the Boerse after the sessions of July 11 and Sept. 18. Bank quotations follow:

	Nov. 17.	Sept. 18.	July 11.	High 1931.
Berliner Handels.....	77	63	102	135
Commerz.....	50	62	100	123
Danat.....	68	75	100	151
Deutsche.....	53	61	100	116
Dresdner.....	40	43	100	116
Reichsbank.....	91	104	125	175

On July 11 most of the private banks were supporting their own shares, which explains the parity quotations. When the Boerse reopened in September shares of the Berliner, Commerz & Deutsche were down about 33%, while Danat had lost only 25%, benefiting both by the Government guarantee and covering by short interests. Dresdner reopened more than 50% lower, and remains the weakest on the list despite Government aid in the form of extra capital. Reichsbank shares, which rose to 338 in the course of 1929 and paid 12% dividend on 1930 results, are considerably below par.

Notable declines in industrial shares are:

A. E. G.....	34	43	83	117
Siemens.....	119	101	137	190
United Steelworks.....	18	19	36	67
Gelsenkirchen.....	27	30	53	90
Farben.....	98	92	121	160
N-D Lloyd.....	23	26	41	78

Unofficial quotations for Dawes and Young loans on Nov. 10 were 64 and 46.

Germany Acts Anew to Halt Gold Drain.

The following from Washington Nov. 20, is from the New York "Herald Tribune":

All merchandise exports from Germany after Dec. 1 will have to be reported to the Reichsbank within three days after shipment under a government decree designed to check continued drain on the bank's gold and foreign exchange holdings, which during the week-ended Nov. 14 amounted to 72,000,000 marks, according to a cable to the Department of Commerce to-day from Commercial Attache Groves at Berlin.

Exporters will also be required to advise the Reichsbank three times monthly what disposition has been made of foreign exchange arising from exports, but transit shipments, tourist baggage and ship supplies will not be subject to the provisions of the decree.

The German Government, Mr. Groves cabled, considers the continued gold losses due largely to heavy repayment of foreign creditors without the utilization of commensurate new credits as provided in the so-called "standstill" agreement, and has announced that it will insist upon importers utilizing these foreign credit facilities to the greatest possible extent.

J. D. Mooney Warns Germany of Abyss—Tells Opel Directors Balance Must Be Improved.

The following from Frankfurt-am-Main, Germany, Nov. 21, is from the New York "Times":

J. D. Mooney, Vice-President of General Motors, said at a meeting of the board of the Opel Works to-day that Germany was driving toward the abyss unless her ruinous balance of payments was improved.

Only through the export of commodities and other services was Germany able to meet her foreign obligations, he added. The American characterized the depression as a crisis of distribution, and declared that tariff walls must gradually be reduced.

In conclusion, he said that important business concerns understood Germany's situation and were willing to help her, to their own and the world's benefit.

Two Banks Close in Germany.

The following (United Press) from Berlin Nov. 20 is from the New York "Sun" of that date:

Two provincial banks, Barmen Kreditbank and Trier Gewerbebank, closed their doors to-day following the collapse of the Berlin Bank of Commerce and Real Estate.

The closing of the Commerce and Real Estate Bank was noted in our issue of Nov. 21, page 3350.

Surplus Public Revenue in Germany.

From Berlin Nov. 20 advices to the New York "Times" said:

Ordinary revenue of the German Federal Government during the first six months of the financial year has been 4,239,000,000 marks, expenditure 4,119,000,000, leaving surplus of 120,000,000. Extraordinary revenue has been 24,000,000, extraordinary expenditure 68,000,000, leaving a deficit of 44,000,000.

Accord Reported Reached on German Credits Under "Standstill Agreement"—All Mooted Points Said to Be Settled With U. S. Bankers.

From the New York "Sun" of last night (Nov. 27) we take the following:

American banks holding German credits under the standstill agreement announced to-day the settlement of all mooted questions under the present credit arrangement, and the receipt of satisfactory assurances from the German Government, the Reichsbank, the private banks and the German Golddiskont Bank as to the carrying out of matters which has been under dispute, including the treatment of drafts and acceptances of 90 days maturity drawn after Dec. 1 and maturing after Feb. 29, the date upon which the present credit arrangement expires.

Coincidentally, it was unofficially but reliably revealed that repayments under the present pact had been far in excess of the withdrawals permitted thereunder, both as regards American and foreign credits, especially British, and that total repayments in all countries probably aggregated \$250,000,000. It was estimated that, when the next credit agreement is drawn up, it will have to cover credits, not of \$1,300,000,000, but amounts aggregating \$850,000,000, assuming the present rate of repayment by Germany continues, as is believed likely.

The agreement of the American banks with the interested German parties places the American bankers squarely in alignment with the British group. Confirmation of the agreement on points at issue was made by F. Abbot Goodhue, President of the International Acceptance Bank, Inc., who is a member of the American bankers committee headed by Albert

H. Wiggin, Chairman of the governing board of the Chase National Bank.

Mr. Goodhue said that the agreement was communicated to banks participating in German credits on Wednesday evening, in the form of a letter from the subcommittee, which was received by the banks this morning. The subcommittee is headed by Mr. Goodhue. The letter, it is believed, advised that the Committee had reached the opinion that American banks are not obligated to accept drafts maturing after Feb. 29 next, and that if they wished they could carry the amount of such drafts as a cash advance. It also is said to have informed the banks that the German Government and the Reichsbank, in accord with the German Bankers Committee, considered it understood that in the event of a later settlement no discrimination would be exercised between drafts drawn under the present agreement, whether they matured before or after Feb. 29.

An accord also has been reached with the Golddiskontbank on the question of its guarantees, the Golddiskontbank notifying the American banking group that drafts having a maturity of 90 days or less and accepted by the creditor banks prior to Feb. 29 next will be looked upon by the Golddiskontbank as coming within the scope of the credits to be taken over or guaranteed by it.

As to the large repayments made by Germany, a survey of several of the banks revealed that they had been "very heavy," and that this was due to the unusual liberality with which the Reichsbank had released foreign exchange. Under the standstill agreement German cash balances of foreign banks, aggregating \$250,000,000, were tied up, subject to the release of 25%, upon signing of the standstill plan and 15% a month thereafter. There has been released 55% of these balances, or \$137,500,000, and in addition there have been large payments on account of principal, as well as interest on standing credits which were not required to be paid until February.

The announcement of agreement on mooted questions under the standstill pact came at a time when the local bank stock market was undergoing deflation to or through previous October lows on the most improbable rumors bearing upon the whole topic of German credits. Bankers point out that even in the case of the largest banks all their German credits could be erased from the books, causing a writeoff of only \$10 a share or thereabouts. As a matter of fact credit losses are expected to be no more than is the average on other kinds of business and the opinion is general that the bank stock market has not only overdiscounted the worst that could take place but that sellers of bank shares have lost all perspective.

Consideration of a new standstill agreement is to take place soon. American bankers sending Albert H. Wiggin to Berlin to confer with the German bankers' committee and the Reichsbank. The new agreement would take effect March 1 and would probably be ended by the time the report of the reparations revision committee, meeting under the auspices of the Bank for International Settlements, is made and acted upon by interested Governments.

There was much gloom in some banks to-day over the quoted remarks of the French Premier, M. Laval, before the French Chamber of Deputies yesterday to the effect that private debts would not be allowed to take precedence over reparations payments. It was soon realized that there would be no reparations payments under any plan until after the expiration of the first year of the Hoover moratorium June 30 1932, and that by that time the majority of the German short term credits would be paid off.

Economic Council Upset in Germany—Partial Relief Is Decried—Way Opened to New Decrees for the Solution of Reich Problems If the Board Falls Entirely.

A cablegram Nov. 20 from Berlin is taken as follows from the New York "Times":

The Government's Economic Advisory Board, which Chancellor Heinrich Bruening convoked three weeks ago upon the initiative of President Paul von Hindenburg to draw up a comprehensive economic plan to tide Germany over the winter months, was virtually wrecked to-day.

This occurred when three men representing agricultural interests walked out, refusing to participate in any more sessions on the ground that the discussions so far had not touched upon fundamental problems at all.

Although President von Hindenburg himself presided over the board's first session and its appointment had been hailed as uniting the representatives of all classes in a common front against the economic crisis, it was soon learned that the members were far from agreeing and were inclined to stick to their individual interests in all essential points.

The discussions, therefore, were confined mostly to lesser problems, while little was achieved in the paramount question of reduction in wage and price levels.

The agrarian members decided to quit to-day because of the recent Government decree regulating relief for the Eastern provinces in regard to agriculture. In a letter to the Chancellor they pointed out that there was no sense in helping only a number of provinces instead of distributing equally the benefits of the reforms and sacrifices which are necessary.

"So long as the Government fails to indicate a comprehensive program, so long as work on isolated measures is kept up, so long as the most urgent and immediately practicable measures are delayed, we cannot expect thorough success from the work of the economic board," they stated. "We therefore will remain absent from the sessions until the Government decides to change its methods."

It was announced officially that the board would carry on discussions as before, holding the formal closing session on Sunday under the chairmanship of President von Hindenburg. Subsequently its recommendations will be published, to be embodied in the Government's reform measures.

There are rumors, however, that trade union representatives may follow the example of the agrarians and by walking out carry along the remainder of the board's prestige.

In that case, the Government, as has been stated repeatedly, would feel free to decree whatever measures it deemed advisable for economic recovery.

Germany Worried by Its Loss of Gold—Reichsbank's Gold Reserve Decreased \$28,000,000 in the Past Month—Basle Pact Not Working—Difficulty Encountered in Controlling Operations of Exporters and Importers of Merchandise.

A wireless message from Berlin Nov. 20 is taken as follows from the New York "Times":

The decrease of 63,000,000 marks gold, reported in the Reichsbank's weekly return of last Tuesday, went mainly to America, but partly to Amsterdam. The Reich's gold reserve has now fallen in American values, to \$247,000,000, as compared with \$274,000,000 a month ago and the high point of \$653,000,000 at the end of 1928. The week's aggregate loss of

reserves, 72,000,000 marks, is the largest since September. The Reichsbank ascribes this drain on reserves (which has been uninterrupted since September) partly to evasions of foreign currency ordinances, but mainly to the unsatisfactory working of the Basle agreement.

That agreement, as it now appears, required repayments of credit beyond Germany's power; in fact, it ignored the Layton committee's recommendation that the volume of foreign credits then outstanding in Germany should be maintained. The feeling therefore now exists that more prolongation of the Basle agreement after February will not of itself be adequate. At the time the agreement was concluded Germany expected that her repayments to foreign creditors would not exceed 200,000,000 marks monthly. The Reichsbank now calculates, however, that since September there has been repaid, including interest, 942,000,000 marks, or nearly 400,000,000 per month. The Reichsbank does not admit that any serious flight of capital is proceeding, but it holds that importers are not making full use of the reimbursement credits which foreign banks are obliged by the Basle agreement to give.

Importers retort that they do not use the credits because they fear losses from unforeseen fluctuations of foreign currencies—particularly sterling—and are forbidden by the currency ordinance to insure themselves against such risks through buying forward exchange. Exporters, in addition to understanding the real export prices and leaving the difference abroad, are intentionally giving foreign customers needlessly long credits, the effect of which is to retard the inflow of foreign exchange.

German Government and Reichsbank Withhold Consent to Reopen Berlin Bourse.

From the "Wall Street Journal" of Nov. 25 we quote the following from Berlin:

The German Government and the Reichsbank have declined to give assent to reopening of the Boerse, fearing a further increase in general nervousness if quotations show substantial changes. Agreements on reparations and the maintenance and safety of German exchange are deemed necessary before the stock market can work normally, therefore it is probable that no reopening will take place during 1931.

Funds Received in New York for Dec. 1 Interest on German Issues.

Funds have been received from Germany by Chase Harris Forbes Corp., paying agent, covering Dec. 1 interest payments as follows: On United Industrial Corp. 1st mortgage 6s, due 1945, \$153,000; East Prussian Power Co. 1st mortgage 6s, due 1953, \$102,780; and German Consolidated Municipal Loan 6s, due 1947, \$475,500.

Walter W. Stewart Named As American Member of Special Advisory Committee on German Reparations to Meet Under Auspices of Bank for International Settlements.

On Nov. 20 the following announcement was issued by the Federal Reserve Bank of New York:

Governor Harrison announced that, in response to an inquiry from the Bank for International Settlements, he has nominated Walter W. Stewart, Chairman of the board of directors of Case, Pomeroy & Co., as the American member of the Special Advisory Committee to be convened by the Bank for International Settlements, at the instance of the German Government, under the provisions of the Young Plan.

Mr. Stewart, it is said, will sail for Europe to-morrow (Nov. 28) on the Olympic. In its issue of Nov. 21 the New York "Journal of Commerce" said in part:

To Confer with Hoover.

It is expected that before he sails for Basle Mr. Stewart will confer with President Hoover. The Basle committee, under the terms of the Young Plan, will have only an advisory function and must make its recommendations to the Governments involved in the Young Plan. It is felt that the amount by which reparations can be reduced will be contingent upon the reduction in Allied Government debt payments which the United States would be ready to accept. Consequently, if the Committee is to offer a program acceptable to the creditor and debtor countries under the Young Plan, many bankers hold, it will need much information as to the intentions of Washington. It is generally believed, even though no definite statement has been issued, that Premier Laval and President Hoover reached a working agreement on figures.

While the committee meeting in Basle discusses reparations payments another committee consisting of commercial bankers will meet in Berlin to take up the problem of Germany's foreign commercial debts. Even though the work of the two committees will have no official connection many bankers feel that it will be most expedient that they exchange information as to the progress of their sessions.

Stillhaltung Pact.

The committee to meet in Berlin will take up the Stillhaltung agreement terminating Feb. 29 on which present commercial credits to Germany are based. Some bankers feel that the agreement does not give sufficient distinction to the qualities of the different credits issued to Germany, particularly those coming from United States and those issued by British bankers, and may seek a new kind of agreement.

Whether the committee, when it meets in Basle, finds that the German and creditor Governments have already reached a rough agreement upon the figures at which to place reparations payments is not yet known, it was stated. Premier Laval held a series of conferences with the German Ambassador and through such direct negotiations an agreement in general terms may already have been achieved, it was pointed out. In that event, it is felt that it will be most desirable that the committee accept and give the first public statement to the terms reached in this way.

The committee will offer its recommendations to the Governments involved. The Governments, it is thought, will then appoint official representatives to discuss these recommendations at a conference which would be similar to the Hague meetings which followed those of the committee of experts which drafted the Young Plan in Paris. At these sessions, it is noted, the distribution of remaining German annuities among the creditor Governments might again come up.

Favor Appointment.

The appointment of Mr. Stewart to the Committee as the American representative won the general approval of Wall Street. Mr. Stewart was the advisor to the Governor of the Bank of England through 1928, 1929, and the first half of 1930, a period which included the drafting of the Young Plan and the setting up of the Bank for International Settlements. While the Experts Committee was working out the terms of the Young Plan, Mr. Stewart kept in close touch with Owen D. Young, who was the Chairman of the Committee, and later worked with Jackson E. Reynolds in drafting the statutes of the Bank for International Settlements.

From September 1922 through 1925 Mr. Stewart was the Chief of the Division of Analysis and Research of the Federal Reserve Board. Between 1925 and 1928 he was a member of the staff of Case, Pomeroy & Co., and joined the company again on his return from England in 1930.

Charles Rist Appointed French Expert on Reparations Committee to Meet Under Auspices of Bank for International Settlements.

Charles Rist, French financial expert, who accompanied Premier Laval to Washington as financial adviser, was appointed on Nov. 23 as French expert on the Consultative Committee on Reparations Payments which is to meet at Basle, Switzerland, Dec. 7 under auspices of the Bank for International Settlements, according to Associated Press accounts from Paris Nov. 23.

Emile Franqui to Represent Belgium on Reparations Committee Meeting Under Auspices of Bank for International Settlements.

In Associated Press cablegrams from Brussels Nov. 23 it was stated that Emile Franqui was appointed by the Governor of the Belgian National Bank to-day to represent Belgium on the Young Plan Committee to investigate Germany's financial condition.

Sir Walter Layton Named As British Member of Advisory Committee to Inquire into German Reparations.

Sir Walter Layton, editor of "The Economist" and formerly director of the economic and financial section of the League of Nations, has been nominated to serve as British member of the advisory committee summoned by the Bank for International Settlements to consider Germany's capacity to pay reparations. A message to the New York "Times" from London, Nov. 24, from which we quote added:

Sir Walter was a member of the bankers' committee which inquired into the immediate credit needs of Germany in August.

Austrian Consulate-General Says Austrian Foreign Exchange Regulations Do Not Apply to Tourists.

The Austrian Consulate-General issued a statement in New York on Nov. 21 stating that Austrian foreign exchange regulations do not apply to tourists visiting Austria. The statement said:

Foreigners visiting Austria are not in any circumstances in danger of being asked to deliver to border authorities either their domestic or foreign money. The border authorities' questions regarding the amount of money in the possession of the traveler have given rise to such rumors. This is, however, merely for the purpose of noting on the visitor's passport the amounts of the domestic and foreign money carried at the time of entry so that he shall be able to take with him equal sums of money on leaving Austria.

The New York "Times," from which we quote, added:

The statement further pointed out that foreigners living in Austria are exempt from registering and giving up their foreign money if they are not in Austria for the purpose of earning their living. Foreigners living in Austria and earning their living there, however, are required to give up such of their foreign currencies as correspond with their earnings in Austria.

The statement says that foreign currencies are easily convertible in Austria by the Austrian National Bank at official rates of exchange.

Four Nations Parley on Gold Embargo—Austria-Hungary, Czechoslovakia-Jugoslavia Seek to Relieve Trade Paralysis.

From the New York "Evening Post" we take the following from Vienna Nov. 23 (copyright):

With commerce between Czechoslovakia and Yugoslavia on the one hand and Austria and Hungary on the other brought to a standstill by the Czech-Jugoslav embargo on all gold payments to the latter countries, negotiations were pushed feverishly here today by the four governments to relieve complete paralysis of trade.

Czechoslovakia and Yugoslavia explain their action in halting payments, which is to say all trade with their two neighbors, as necessary retaliation for increasingly strict currency control in Austria and Hungary, which allows importation of only the necessities of life, such as coal and foodstuffs.

The result of this control was an inevitable drain of the gold reserves of Czechoslovakia and Yugoslavia, through the hands of Austrian and Hungarian exporters, into the gold reserves of the latter countries and an equivalent weakening of the reserve back to the already tottering currencies of the former two countries.

It is granted that a complete embargo of gold payments to Austria and Hungary is a confession on the part of the national banks of Prague and Belgrade that the ordinary system of carrying on international trade has broken down entirely in this part of the world as a result of lack of gold. The only hope the four governments now have of reviving the now totally

dead commerce between their countries is the creation of some clearing agency.

Prague Ties Up Accounts—Padlocks Austrian and Hungarian Funds in Czechoslovakian Banks.

From the New York "Times" we quote the following from Prague Nov. 21:

Following the recent example of Yugoslavia, Czechoslovakia to-day padlocked all bank accounts held in this country by Austrian and Hungarians in retaliation against similar measures by those two countries under their exchange restrictions.

The move is not approved, however, by Czech exporters, who point out that Czechoslovakia, having an active trade balance with Austria and Hungary, has the most to lose in this game of reprisals.

Balkan Nations Take Currency Reprisals—Hungary Plans to Seize Sums Due to Foreign Residents—Yugoslavia Ties Up Funds.

A cablegram as follows from Budapest Nov. 19, is taken as follows from the New York "Times":

Count Julius Karolyi, Premier of Hungary, to-day introduced a drastic bill providing a penalty of five years' penal servitude for failure to place foreign currency debts due from abroad at the disposal of the Hungarian National Bank within 15 days. The bill provides that by decree the Government may extend its effect to any kind of property or income from any source abroad, whether belonging to Hungarians or to foreigners resident in Hungary.

The Hungarian National Bank, as a counter-measure against Yugoslavia's currency reprisals, ordered to-day that quotations of the Yugoslav dinar on Hungarian money markets be suspended until further notice.

The following from Belgrade Nov. 19 is also from the "Times":

As a reprisal against Hungarian restrictions on the disposal of Hungarian accounts abroad and foreigners' bank accounts in Hungary, the Yugoslav National Bank to-day stated that all accounts of Hungarian and Austrian banks in Yugoslavia would be converted into dinars and that exportation of the funds would be forbidden.

The Yugoslavia National Bank refused to make further payments on Hungarian accounts.

Danish Minister to United States Tells State Department Securities and Interest Are Payable in Gold in United States Despite Temporary Suspension of Gold Standard.

A description of the financial condition of Denmark and of Danish bonds has been received by the Department of State in the form of a note from the Danish Minister to the United States, Otto Wadsted. Announcement of the receipt of the note was made by the Department of State Nov. 24 said the "United States Daily" of Nov. 25, from which the following is also taken:

Danish bonds and interest are payable in gold in the United States, despite the fact that Denmark has temporarily abandoned the gold standard, the note to the Department of State says. The Danish budget last year had a surplus and provides for another surplus, it is stated.

The note, as made public by the Department of State, follows in full text:

Note to Mr. Stimson.

Royal Danish Legation, Washington, D. C., Nov. 18 1931.
The Honorable Henry L. Stimson,
Secretary of State, Department of State,
Washington, D. C.

Sir: In connection with the recent Danish Act of Sept. 29, regarding the temporary suspension (until Nov. 30) of the obligation of the Danish National Bank, to redeem bank notes with gold, &c., considerable decline in the stock exchange quotations of Danish bonds has taken place. With reference hereto I have the honor to convey to you the following information given by the Danish Ministry of Finance and received by this legation from the Danish Ministry for Foreign Affairs:

"Danish bonds were until some few weeks ago classified as among the best of those that had been negotiated in the United States in dollars; especially government and municipal Danish loans were considered as high-grade loans. Severe declines have occurred in all groups of foreign bonds, but no doubt Danish obligations have been among those having considerably receded in the loan market, following the news that Denmark had discarded the gold basis so that these loans which hitherto have been regarded as absolutely first class have undergone a certain deflation.

Effect on Bond Issues.

"The attention of the American investor has been called to the present difficulties in Denmark by the abandonment of the gold standard, but it would seem that a special examination of the effect of the depreciation of the Danish currency on issues already floated in the United States would be of value to the investor.

"The Danish Government bonds issued in the United States are all gold bonds, principal and interest having to be paid in gold coin of the United States; the change in the value of the Danish currency is consequently without influence on the payments to be made by the Danish Government in connection with the service of dollar-loans. The financial situation of the Kingdom of Denmark is, present world conditions taken into consideration, of an exceptionally stable character.

Financial Accounts Cited.

"The accounts for the financial year from April 1 1930, to April 1 1931, showed a surplus of Danish crowns 25,639,000, and the budget for 1932-33, just submitted to Parliament, has a surplus of crowns 20,000,000. Unsound public finance, generally the principal cause of inflation and disturbance, is a completely negligible factor in the structure of Danish economy. The abandonment of the gold standard will raise the expense of the external debt service, but the amount in question is relatively small compared with the total sum of the State budget.

"The economic conditions in Denmark are better than in most other countries, and the abandonment of the gold standard must be seen only as a reaction of outside developments. The volume of exports shows new high records in the first nine months of 1931 at a time when the exports of nearly

all countries are decreasing rapidly. The unemployment figures are higher than in 1929 and 1930, but have by no means reached the level of 1926 and 1927."

"I should be much obliged if you would be good enough to transmit this information to interested Government Departments and banking institutions.

"With renewed assurance of my highest consideration, I have the honor to remain, Sir, your most obedient servant.

(Signed) OTTO WADSTED."

Danish Conversion Loan—Government Floats Kr. 50,000,000 Bonds, Bills, to Pay 1916 Issue.

The following from the "Wall Street Journal" of Nov. 18 is from Copenhagen:

The Danish Government 1916 loan of Kr. 50,000,000 matured Nov. 15, and arrangements were made in time for its conversion. A portion of this loan was held abroad—about Kr. 10,000,000—and at one time it was hoped that part of the new conversion loan might have been issued abroad. Recent developments, however, convinced the authorities that the new loan would have to be an internal one.

The Minister of Finance proposed and the Chamber approved the issue of a conversion loan of Kr. 50,000,000, to be absorbed by the banks, part in 5% long-term bonds at not less than 96, the remainder in two-year bills at 5% at not less than 98. Both bills and bonds are exempt from all taxation.

A previous reference to the new loan appeared in our issue of Nov. 7, page 3017.

Denmark Moves to Protect Exchange.

Under date of Nov. 21 the Department of Commerce at Washington issued the following announcement:

The Danish Government extended its authority yesterday to suspend gold redemption notes until February for the purpose of protecting its exchange position, according to Commercial Attache C. B. Spofford Jr., in a cable to the Department of Commerce.

A governmental decree of Nov. 18 also limits the import and sale of Danish securities for foreign account to the control of the National Bank, and requiring Danish exporters to declare their foreign exchange holdings and restricting the transfer of securities, currency, checks and bills of exchange from Denmark.

An item concerning Danish exchange restrictions appeared in our issue of Nov. 21, page 3352.

Danish Banks Advised that Finnish Banks Are Unable to Permit Foreign Currency in Settlement of Accounts—Helsingfors Unable to Obtain Francs to Repay Stockholm Loan.

Copenhagen advices to the "Wall Street Journal" of Nov. 25 stated:

Danish banks have been advised by the Nordiska Foreningsbanken of Helsingfors that Finnish banks will no longer be able to remit foreign currency in settlement of accounts, unless the clients for whom payment is to be made have, in fact, made the requisite foreign currency available. Where a client merely instructs that a certain foreign account is to be paid, the bank will not be able to give effect to the order in any other manner than by crediting the payee's account in Finnish marks. The money will have to remain on deposit in Finland.

It is reported from Stockholm that the City of Helsingfors has not been able to provide all the foreign exchange required for repaying the short-term loan of 35,000,000 French francs which was recently granted to it by the Stockholms Enskilda Bank. It is stated that the City was able to procure only 5,000,000 francs, and that special arrangements have had to be made for meeting the remainder.

Swedish Central Bank Takes Further Steps to Control Exchange.

Following the depreciation of the crown to the level of sterling the Riksbank is again actively intervening in the exchange market, said Commercial Attache H. C. MacLean, at Stockholm, in a cablegram to the Department of Commerce. In making this known Nov. 23, the Department said:

Official sterling rate both buying and selling is at 18.15 crowns, which is below the open market, consequently the bulk of the business going to the Riksbank which is strictly limiting its sales of exchange to normal and necessary business transactions.

No restrictions have been placed on exchange operations of private banks which are still doing a small volume of business at higher rates, but the Riksbank is now the dominant factor.

Through this control over purchases of exchange the Government hopes to reduce imports without resorting to import restrictions or increased duties, growing demand for which will be hard to deny unless the situation improves.

Elimination of the former premium on the crown as compared with pound sterling is expected to encourage conversion of sterling credits which has been largely postponed in anticipation of a more favorable rate.

Exchange restrictions in Sweden were referred to in our Nov. 21 issue, page 3352.

From Stockholm on Nov. 21 a cablegram to the New York "Times" said:

The policy of the Swedish Riksbank in trying to keep a fixed exchange rate between the krona and sterling is causing growing unrest in the currency markets here. It has been impossible to meet importers' demands for foreign currency and the bank at the same time has been flooded with paper invoices to substantiate these demands.

To-day the heads of the Riksbank arranged with the leading Swedish banks to limit the granting of credit in order to check overwhelming imports. The Riksbank also issued a statement that from Monday until further notice the official currency quotations of the bank would be suspended.

The official rate which the bank was trying to maintain was 18.15 kroner to the pound, but an unofficial rate of 18.75 was quoted to-day and dollars climbed from 4.98 to 5.07.

The lack of foreign currency is ascribed to the exportation of large amounts in exchange for large numbers of Swedish shares returning from abroad, especially the Kreuger interests.

There is an increasing demand among the public for the resignation of the Riksbank directors owing to the alleged failure of their policy.

It is believed in well-informed circles that after the suspension of quotations the exchange rate will be rather high in the free market but will gradually decline to a more normal level. There is no fear that disaster will befall the krona, but there was some talk here to-day that Parliament might be called to attempt to set matters right.

On the previous day (Nov. 20) the same paper reported the following from Stockholm:

The Riksbank's attempt to maintain sterling and kroner at their old ratio is causing concern in view of the Riksbank's depleted foreign currency reserves and, with no immediate improvement in sight, it would appear that Sweden might soon be compelled to borrow abroad in order to achieve successful pegging of the kroner.

Yesterday the Governor of the Riksbank decided that invoices must accompany applications for foreign money owing to the fact that demand has showed no sign of decreasing.

Extraordinary scenes occurred to-day in the Riksbank, the clerks being unable to cope with messengers arriving with sheaves of invoices for examination. Dollars to-day reached a price of five kroner in the open market, although the Riksbank's quotation was 4.84.

British agents are meeting everywhere the same reply: "We cannot buy, as we do not know if we can obtain pounds with which to pay."

The situation is growing more difficult daily.

Swedish Krona Drops—Transactions Difficult in First Day of Free Trading.

From the New York "Times" we take the following from Stockholm Nov. 23:

The krona declined sharply to-day, the first day of sales without restriction since Britain went off gold. The pound sold at 18.60 kroner and the dollar at 5.01 kroner.

Although transactions in currencies are virtually without restriction, conditions are such that dealing is almost impossible, the buyers of foreign checks being at the mercy of their banks, since the bankers have the right to refuse applications if not satisfied with the documents.

Prices on the Bourse were marked up all around as the adjustment in kronor altered their value.

Spain Still Retains Picture of Ex-King Alfonso on Currency.

Under date of Nov. 20, advices from Madrid to the New York "Times" said:

Although ex-King Alfonso yesterday was outlawed like a common bandit in Spain and shorn of honors by the Constitutional Cortes and could be shot on sight if he returns to Spain, his picture remains on Spanish currency, which means the sight of his face still is welcome to every one in Spain. Despite Spain's efforts to preserve the value of her currency, the peseta dropped today to a new low level of 11.73 to the dollar in the world's market.

Belgian Cabinet Authorizes New Issue of Treasury Bonds Incident to Delayed Tax Receipts.

Associated Press advices from Brussels, Belgium, on Nov. 24 said:

Because of the difficulty of launching a favorable long-term internal loan at this time, the Cabinet has authorized the Finance Minister to issue a maximum of \$15,000,000 in Treasury bonds to compensate for delayed tax receipts. Issue of a \$30,000,000 colonial loan and a \$25,000,000 railway loan has been postponed.

Governor of Rumanian National Bank Dismissed By Royal Decree.

An Associated Press cablegram from Bucharest (Rumania), Nov. 27 published in the "Sun" of last night said:

M. Manoilescu, Governor of the Rumanian National Bank, was dismissed by royal decree to-day and Constantin Angelescu, a former Governor of the bank, was nominated in his place.

Manoilescu's dismissal was attributed to the fact that three important Rumanian banks had failed during his term as Governor. Another reason, it was said, was his opposition to the King's proposal to release farmers from their debts by issuing a national conversion loan which would give them 20 years to pay off mortgages.

Manoilescu has long been regarded as one of King Carol's closest friends.

Report on Jugoslavia Banking Conditions, by J. Grant Forbes, Representing American Bondholders on Board of State Monopolies.

Drastic steps taken by the Government of Jugoslavia to remedy the situation caused by the suspension of German reparation payments under the Hoover moratorium and by the consequences of the devaluation of sterling appear to be adequate to meet the country's temporary monetary difficulties, according to J. Grant Forbes, representative of the American bondholders on the Board of State Monopolies, in his report for the period October 1930-1931. A statement with regard to the report, issued yesterday (Nov. 27), also says:

In order to offset the loss of revenue due to non-payment of German reparations, the budget has been drastically revised and equilibrium restored by increased taxation, by cuts in the salaries of civil functionaries, by reductions in both the pay and equipment of the army and by curtailment of public works. A saving of over one billion dinars has been effected,

equivalent to the anticipated shrinkage in receipts combined with the shortage due to German non-payment, and the danger of inflation from an unbalanced budget has thus been averted.

Jugoslavia was especially hard hit by the Hoover moratorium, the report points out, inasmuch as under the Young plan German reparations in specie were to have provided enough cash to meet all adjusted war debts due to Serbia's allies and to the United States, leaving a balance of about \$8,000,000 plus an additional \$3,000,000 of reparations in kind.

Thus, in effect the application of the Hoover proposals not only deprived Jugoslavia of the equivalent of \$8,000,000 in foreign exchange available for debt service but also made an \$8,000,000 gap in the budget in a year when growing depression indicated a shrinkage in tax receipts of nearly \$10,000,000.

The banking situation, Mr. Forbes reports, has recently returned to normal after the estimated loss of between \$8,000,000 and \$10,000,000 in foreign deposits and about \$25,000,000 in domestic deposits following the removal of sterling from the gold basis.

The report notes that the simple economic structure of the country deprives the monetary problem of the complexities which arise in highly industrialized communities and that the amounts involved are not so large as to be unmanageable as long as the Government maintains its policy of resisting inflation.

"While it is impossible to foretell the incidence of any new external complication upon Jugoslavia," the report concludes, "nevertheless the fact that in this case and for the past six troubled years the country has managed to solve its financial problems as they arose and to maintain a stable currency, furnishes a reasonable indication that it will continue to do so in the future."

Greek Tariff Bill—Chamber of Deputies Considers Measure for Ten-Fold Increase.

The following (United Press) from Athens is from the "Wall Street Journal" of Nov. 24:

The government has presented a bill to the Chamber of Deputies to increase tariffs as much as ten-fold on the goods of countries with which Greece has no commercial treaties.

The bill proposed that a semi-state company import all wheat and sugar, and demand in return the purchase of Greek products.

The majority of Greek imports come from the United States, Great Britain and Germany. Her best customers for exports are Germany, the United States and Italy.

Six-Day Week for All Ordered by Soviet Russia—New Plan, Starting Dec. 1, Ends Five-Day Uninterrupted Period in Use for a Year.

The abandonment of the five-day uninterrupted week, which Soviet Russia adopted throughout the nation last year in an effort to speed up production, and the substitution of a six-day interrupted week was authorized by the Council of People's Commissars. On Nov. 23, according to an associated Press account from Moscow to the New York "Times" which also said:

Working hours were reduced at the same time from six and one-half hours to six hours daily to compensate for the loss of the time off. The measure, which becomes effective Dec. 1, the decree explained, was aimed at "correcting defects" encountered in the uninterrupted week.

The new working week will apply to all enterprises and offices, except those directly connected with serving the cultural and living needs of the population, such as co-operative stores, dining halls and transportation.

One of the most significant features of the new ruling is the introduction of a common day off. Under the five-day week, days off varied according to shifts, individual preferences and industries. The six-day week will mean five working days and one day off, the latter falling on the sixth, twelfth, eighteenth, twenty-fourth and thirtieth day of each month, corresponding to the customary fixed day off in other countries. The five-day week consisted of four days of work and one day off.

A gradual change to the longer and interrupted week has been in progress for some time in various sections of the country, particularly in the large industrial centres, since Joseph Stalin's speech last June in which he said a number of faults had been found in the five-day uninterrupted week.

Under this system, many factories and industries operated continuously throughout the week without regard for days off for their labor. As a result conditions bordering on chaos were experienced in numerous departmental bureaus, the authorities found.

An enormous breakage of machinery was caused by inexperienced reliefs supplanting regular operatives, there was insufficient time in which to repair the machines, responsible authority was improperly distributed on the regular officials' days off and there was a general disorganization of labor.

Thomas F. Lee, Organizer of Latin American Bondholders' Association, Suggest That Latin America Be Allowed to Work Out Its Principles of Conduct.

Declaring that we can best help Latin-America by cultivating relations which command its confidence and respect rather than relations which arouse its suspicion and antagonism, Thomas F. Lee, organizer of the Latin-American Bondholders' Association of which William G. McAdoo is the national Committee Chairman, told the Westchester County World Affairs Institute at its annual meeting on Nov. 18 at Westchester County Center that three kinds of momentous problems presented themselves in the nations to the south to-day. He asserted these to be:

- (1) Problems which arise from race mixture;
- (2) Problems which grow out of living together in a group, or problems of government, and
- (3) Problems which arise from an effort to provide the group and its individuals with the things which they need to eat and wear and build into shelter, or their economic problems.

Mr. Lee said:

"Our need for knowing Latin America and her people is so keen at this moment when we are looking eagerly for foreign markets to absorb our enormous surplus of made things, when we are seeking raw materials with

which to feed our factories, and especially at a time when our people have gathered together and loaned to Latin-America nearly a billion and a half dollars."

The most outstanding economic ill of South America, Mr. Lee said, was the fact that there is not over much tillable and productive land and that there was not a sufficient of the necessary things produced to give everyone what he needs. He suggested that we could best assist Latin-America with her problems by not forcing our own political and other practices upon her, but allow her to work out her own principles of conduct. The term "Latin-America" he declared was a misnomer, as the various countries to the south were made up largely of inhabitants descended from the European white, African negro, and the South American Indian—a race combination differing quite radically from that of the United States and, therefore, differing greatly in temperament and ideals. The original infusion of Latin blood was small and has all but disappeared, despite the common tie of language, surface religion and legal procedure in the 20 nations, "each separate and distinct from each other."

Colombia Proposes Cut in Gold Ratio—Government Would Reduce Cover from 50 to 30% As Means of Getting Loan.

A Bogota cablegram Nov. 26 to the New York "Times," stated:

A plan to reduce the 50% legal reserve of the Bank of the Republic to 30 in order to enable the Bank to lend the Government 16,000,000 pesos was proposed by the board of the Bank yesterday, according to "El Tiempo" to-day.

The proposal came from Esteban Jaramillo, the representative of the National Government on the board of directors. It would be carried out by decree of President Olaya under the emergency powers act. The loan would be serviced by the 2,000,000 pesos net annual revenues of the National Government salt monopoly, which would be transferred to the Bank for administration. It is understood that the proceeds of the loan would be devoted to covering treasury debts, increasing the Government's capital in the new agrarian credits bank and resumption of construction on at least two national highways.

It is reported that a director representing five foreign member banks on the board of the Bank of the Republic and representatives here of the official bankers of the National Government were not consulted and may oppose the entire plan.

Clauses in contracts of outstanding foreign loans to the National Government require to pro rata participation in guarantees assigned to subsequent loans. This may be an obstacle to application of more than 25% of the salt revenues as proposed in the new loan.

Colombian Congress Ends—President's Decree Terminates Session of Only One Week.

President Olaya Herrera of Colombia ended on Nov. 24 by special decree the session of Congress which began a week earlier, although bills which had been specially recommended had not been passed. A cablegram from Havana, Nov. 24 to the New York "Times" also said:

It is likely his action was taken because the group supporting the Government was insufficient, as was indicated by a tie vote for Speaker of the House of Representatives.

The regular Conservatives had announced their opposition to the Government and succeeded in blocking the electoral reform law and the election of a Liberal Vice-President by Congress.

The tendency of Congress to interfere in the Bocas Ceniza concession and its interest in the demands of the debtors of mortgage banks for relief also are believed to have influenced the President's action.

Gold Maintenance a Strain on Chile—Valparaiso Asks Relaxation of Curbs As Aid to Home and Foreign Trade—Government Insists It Will Keep Up Exchange and Ease Regulations When Business Permits.

Chile's endeavor to keep her exchange pegged at 6d. to the Chilean peso, despite the unfavorable foreign trade balance and adverse economic conditions, is proving a serious proposition to the Cabinet, which sees no other way of checking the outflow of gold. The foregoing is from a Santiago (Chile) cablegram Nov. 20 to the New York "Times," which went on to say:

Although the Kemmerer financial commission recommended the adoption of the gold standard, establishment of a central bank and fixing the international exchange rate at 6d. to the peso (roughly, 8.22 pesos to the dollar), these nominal values are proving obsolete to a great extent in actual practice. At the present time demands for drafts on New York and London are overwhelming the Government commission for the control of exchange, which is rationing foreign currency remittances. The situation deeply affects Chilean industries and foreign commercial firms, handicapping them in production and imports.

It is now reported from Arica that trade with Bolivia is dwindling to nothing and Valparaiso authorities have approached the Government with an appeal for more liberal attention to those desiring to send money out of the country to pay for importations and purchase raw materials for industry and other basic commodities unobtainable in Chile.

While it is conceded that the control commission has served the purpose of avoiding a big drainage of gold, thereby safeguarding the Chilean gold standard, it is asserted that the control is excessive and unfairly exercised on some occasions. Charges were made to-day that some permits for foreign currency have been used in some instances for speculation through the resale of drafts at a profit.

It is also asserted in commercial circles that the existence of the commission has added one more obstacle to the development of industries and commerce in Chile, which is hampered and overburdened by the grave economic depression, with no present exports of nitrate, copper, cereals and manufactured goods by the recent suspension of the British gold standard, higher tariff walls, political unrest and finally the drop in purchasing value of the paper peso.

Officials argue that the measures adopted should be fruitful and lead to improvement of the trade balance, with the possibility of more freedom in future remittances when the volume of available drafts permits.

As regards the gold standard itself, the new Vice-President, Juan Esteban Montero, who assumes the Presidency on Dec. 5, said recently in a formal statement that the Government would maintain it at any cost, keeping exchange pegged. Coming after press discussions as to the possibility and advisability of forcibly keeping up the present rate, the Vice-President's declaration helped to clear the minds of skeptical groups who were predicting collapse in the near future due to present trade conditions.

The situation, which certainly involves significant issues, is being anxiously watched by both Chilean and foreign firms.

Chilean Exchange—Country Appoints Committee to Aid Foreign Exchange Board.

In its issue of Nov. 21 the "Wall Street Journal" reported the following from Santiago, Chile:

The Government has appointed an advisory committee to the Foreign Exchange Board, whose operations, it was understood, have brought about a serious situation in the import business.

Rigorous exchange control by the Board has made it increasingly difficult for importers to make foreign remittances, and sent prices of imported articles soaring.

Pesos have been adversely affected by recent developments, being quoted at 14 to the dollar in private purchases, compared with a normal quotation of 8½ to the dollar.

Uruguayan Trade Shows Big Decline—Exports Have Dropped More Than Imports in 1931, but Balance Is Unfavorable.

In a cablegram from Montevideo, Nov. 22, to the New York "Times" it was noted that Uruguayan exchange weakened somewhat during the past week, closing at 45 cents, compared with 45.35 Monday, but still shows an improvement over the first of the month, when it was 42. The cablegram went on to say:

Wool prices declined from their recent satisfactory levels. There is little export demand, export buyers complaining they cannot do business under the Bank of the Republic's strict control of exchange operations.

The official report on foreign trade for the first three-quarters of 1931 shows imports were 64,799,800 pesos (\$67,067,793 at par) and exports 57,850,458 pesos [\$59,875,224], leaving an unfavorable balance of 6,949,342 pesos [\$7,192,569]. It is significant that, while exports declined 21,538,640 pesos, compared with the corresponding period of last year, imports declined only 1,655,070 pesos. Imports from the United States declined, while other countries either maintained or improved their positions.

Bank of Republic of Uruguay Fixes Exchange Rate Acts to Curb Selling of Peso.

A Montevideo cablegram Nov. 25 is taken as follows from the New York "Times":

The Bank of the Republic began a new attempt to control exchange to-day by fixing a rate at which private banks may buy and sell. As a starter it fixed 45 cents as the buying rate for the Uruguayan peso and 44.80 as the selling rate. Par is \$1.035.

The Bank of the Republic has been closely restricting exchange operations for several weeks, prohibiting private banks from undertaking any exchange operation, however small, without the official bank's permission. Despite this control the official bank charges that private banks have been quoting the peso lower than the Bank of the Republic's rate, and the new regulation is designed to make the rate uniform.

The official bank's two former attempts to control exchange failed. Its restrictive measures are seriously interfering with export trade, which bankers say would tend to improve the peso's position if permitted to develop freely.

There recently has been good demand for Uruguayan wool at satisfactory prices, but the market is stagnant because export buyers cannot negotiate their drafts freely. This situation is blamed for the recent decline of peso exchange.

From the same paper we take the following further account from Montevideo, Nov. 26:

Uruguayan exchange continued to fall despite a second day's effort of the Bank of the Republic to control the rate. The peso closed at 44.50 cents, compared with 45 yesterday and 45.20 before the Bank began fixing the rate. Even this rate failed to bring out sellers of dollars, and there was practically no business.

"The Bank is quoting the rate only for dollars, and other currencies are falling into their relative positions. During former efforts to control exchange the Bank of the Republic quoted sterling instead of dollars.

The Bank has issued a circular urging farmers to cease the wholesale selling of sheep for slaughter, offering loans at 5½% to enable them to keep their flocks intact. Since the wool was clipped the sheep are being sacrificed in record-breaking numbers and a decrease in next year's production of wool is feared.

Bolivian Foreign Debt \$62,737,200.

The following from La Paz, Nov. 26 is from the New York "Times":

The Bolivian foreign debt, as of July last, amounts to \$62,000,000. To this should be added a bond obligation equivalent to £152,000 (about \$737,200 at par) in favor of an American mining company.

Extra Session in Bolivia—Congress to Work on Budget.

Under date of Nov. 25 a cablegram from La Paz, Bolivia, to the New York "Times," stated:

The regular session of Congress ended to-day and, because of important matters pending, the Government issued a decree calling an extraordinary session to study financial projects for the budget, the naming of a new Supreme Court and other legislation.

The newspapers comment favorably on the agreement reached in Washington for a non-aggression parley on the Bolivian suggestion that neutrals name a delegate to preside at the meetings, leaving the discussion to the Bolivian and Paraguayan delegates.

Rio Grande do Sul Unable to Purchase Dollar Exchange to Meet Interest Payment on Consolidated Municipal Loan Due in 1967—Chase National Bank of New York Asks Holders to Defer Formation of Protective Bonds.

Bankers, who originally underwrote State of Rio Grande do Sul consolidated municipal loan 7s due 1967, have received official advice from the Secretary of Treasury of that State, to the effect that it is found impossible to purchase dollar exchange to cover payment of interest and sinking fund due Dec. 1, but that moneys will be deposited in Rio Grande do Sul on the basis of 6d. Sterling. The bankers interpret this to mean that the State will deposit in Brazil, milreis equivalent to the amount of the payment if the milreis were at the last proposed stabilization rate of 11.96 cents. As the milreis is now worth only about 50% of that figure, the deposit, if it were possible to convert it into dollars to-day, would be approximately 50% of the amount in dollars needed for the semi-annual payment due on Dec. 1. Notice of this arrangement was forwarded to the bankers following the failure of State to deposit the required funds with the fiscal agent in New York on Nov. 1.

The cablegram received from the Secretary of Treasury reads as follows:

Two reasons have determined suspension of our payments, impossibility of purchasing cover and Federal Government's instructions whose intention is to resolve by general measure matters concerning debts of that country. Creditors may have every confidence. We will fulfill engagements and we will deposit temporarily installment on basis of 6d. Sterling.

The Chase National Bank of the City of New York, as successor fiscal agent, is advising holders of State of Rio Grande do Sul consolidated municipal loan 40-year 7% sinking fund gold bonds, due June 1 1967, that since moneys to cover the Dec. 1 interest and sinking fund payments have not been received, they refrain from presenting their coupons for collection. The bankers suggest further that bondholders also refrain from moving for the formation of a bondholders' protective committee and a deposit of bonds at the present time, pointing out that they will advise the bondholders when and if such action seems to them to be desirable.

Cuba to Pay \$297,617 on Foreign Debts—Sets Aside Funds for Interest and Amortization on Loans Made in United States.

A cablegram from Havana, Nov. 24, said:

Cuba to-day made provisions for further payments on its foreign obligations, according to a statement of the foreign debt section of the treasury. It said that \$194,617.35 has been earmarked for payment of interest and amortization on the \$50,000,000 5½% Morgan loan of 1953 contracted in January 1923, under the presidency of Dr. Alfredo Zayas.

A payment of \$85,000 is to be made as interest and amortization on the \$16,500,000 4½% Speyer loan of 1949, assumed by Cuba in August 1909, during the second American intervention in Cuba.

Also it is asserted that \$148,947.50 has been set aside to cover interest payments on internal indebtedness.

Bill Signed by President Machado Creates New Election Board With Wide Powers.

A cablegram as follows from Havana Nov. 22 is taken from the New York "Times":

President Machado last night signed a bill recently passed by the Cuban Congress, changing the name of the present Central Electoral Board to the Supreme Electoral Tribunal and increasing its powers as well as adding two members. One of the new members will be a Supreme Court Judge, the other a magistrate from the Audiencia Court, to be chosen by these judicial bodies.

The Tribunal will have complete control over all elections, the census, the formation and organization of new political parties and the choice of candidates. It will have power to issue such regulations as may be advisable in conformity with the present electoral code. It is also empowered to recommend to the Chief Executive such movements of troops as it deems convenient only during election periods and exclusively for political purposes.

Havana Province Military Supervisor Forbids Trade Boycotts—Acts to Curb Unions.

Havana advices, Nov. 21, to the New York "Times" said: All union boycott campaigns against any industry are prohibited, according to a proclamation issued last night by Colonel Rasco, military supervisor of Havana Province.

Labor disturbances are affecting many lines of commerce, especially the tobacco industry, now harassed by numerous strikes in cigarette factories and extensive boycotting campaigns by unions. A committee of the cigarette workers' union to-day intimated to Major Carrera, chief of the national police, that unless those workers arrested yesterday were freed immediately the cigarette workers of the republic would declare general strike Monday.

South Africa Institutes Measures to Hold to Gold Standard—Proposed New Gold Coin.

Drastic emergency authority for dealing with the currency exchange situation by proclamations pending the

regular session of the South African Parliament in February has been granted the Minister of Finance, according to Trade Commissioner Samuel H. Day, Johannesburg, in a cablegram to the Department of Commerce at Washington. The Department, under date of Nov. 24, also said:

A strong statement was made reaffirming the intention of the South African Government to keep that country on the gold standard basis, the cable states.

A £10,000,000 pool was formed by commercial and reserve banks to facilitate exchange, which will probably improve the situation. With foreign transfers again moving the immediate outlook is clarifying and improving.

On Nov. 25 Associated Press advices from London stated:

An emergency finance bill to enable South Africa to remain on the gold standard was carried in the House Assembly to-day by a vote of 78 to 53.

Winding up debate on the bill, which encountered strong opposition, Finance Minister N. C. Havenga admitted that primary producers were in a serious situation, but contended that the condition was only temporary and would not justify suspension of the gold standard.

The Government is planning to introduce a new gold coin of 113 grains of fine metal to replace the British pound. The new coin will probably be known as the "rand," after the district which is the center of the Transvaal gold fields.

5% Primary Import Duty Proposed in South Africa on Wheat, Paper Currency, &c.

The following (United Press) from Capetown, South Africa, is from the "Wall Street Journal" of Nov. 20:

A 5% primary duty on imports with certain exceptions has been proposed in Parliament by Finance Minister Havenga.

The import duty exception will be on wheat, flour, coins, paper currency, governmental and hospital supplies and other articles.

The proposal was to counteract abnormal imports from foreign countries on a sterling basis.

Japanese Financial Commissioner Denies Report That Japan Seeks Loan in New York.

Reports that the Japanese Government was seeking a loan in New York were denied on Nov. 23 by Juichi Tsushima, Japanese Financial Commissioner, who has been in New York for the past month, and by bankers who have previously handled Japanese financing. The New York "Times" of Nov. 24 added:

"The report is entirely without foundation," Mr. Tsushima said. "No loan is under consideration, nor has one been contemplated."

Mr. Tsushima reaffirmed the intention of the Japanese Government to adhere to the gold standard. This intention, he remarked, had been frequently announced by Finance Minister Junnosuke Inouye and was firmly supported in Japan.

The recent heavy movement of gold from Japan to the United States which has brought \$106,948,000 of Japanese gold to this country since the first of the year was largely to create dollar balances, Mr. Tsushima said, rather than because of Japan's adverse trade balance.

Mr. Tsushima expects to remain in New York until after the end of the year, when he will go on to London. His duties as Financial Commissioner carry him to the various money markets every year, and he is a frequent visitor in New York.

The report that Japan was seeking a loan had an unfavorable effect upon Japanese Government bonds yesterday and was held partly responsible for a break of 6 points in yen exchange. Japanese Government 6½s of 1954 dropped 1½ points to 94½, while the 5½s of 1965 were down 1 point to 79. Oriental Development 6s of 1952 and 5½s of 1958, which are guaranteed by the Japanese Government, sold off 1½ and 1 point to 75 and 72½ respectively. Taiwan Electric 5½s of 1971, also guaranteed by the Japanese Government, fell 1 point to 70.

Agreement for Amalgamation of Government Savings Bank of New South Wales (Australia) and Commonwealth Bank.

The following from Melbourne is from the "Wall Street Journal" of Nov. 24:

An agreement reached for amalgamation of the Government Savings Bank of New South Wales and the Commonwealth Bank of Australia provides for immediate relief of depositors of the savings bank to the extent of 10% of their deposits. It is officially stated that the Commonwealth board intends to make the whole of depositors' balances available as soon as possible.

The Government Savings Bank of New South Wales was closed by the authorities in the early part of this year in order to prevent its failure. It was stated at the time that the bank was solvent.

The proposed amalgamation of the two banks was referred to in these columns April 25 1931, page 3063 and May 2, page 3256.

Gold Shipment to Turkey from New York.

From the New York "Times" of Nov. 26 we take the following:

An Istanbul dispatch printed in the New York "Times" on Nov. 19 reporting the arrival of \$3,000,000 in gold shipped from New York stated that the shipment was held at the Sirkedji railway station because no arrangement had been made to pay the freight through Greece and Bulgaria. The E. Henningson Company, Inc., writes the "Times" that they forwarded this shipment in behalf of a New York bank and that they have been advised that the gold was delivered to the bank in Istanbul on Nov. 19 within the relatively short time of fourteen days from the time it left New York.

Reference to the earlier "Times" item appeared in our issue of Nov. 21, page 3354.

Roger W. Babson Sees Federal Land Banks Maintaining Liquid Position Despite Increasing Number of Farm Mortgage Foreclosures.

Attention to the following excerpt from an article by Roger W. Babson Nov. 15 is called by the Federal Land and Intermediate Credit Banks:

"In spite of the rising tide of farm mortgage foreclosures and defaults on loan payments, Federal land banks have maintained a highly liquid position. They are organized on a long-term mortgage and bond basis and in any emergency would have doubtless the full support of the government. Each bond is an obligation of the issuing bank, but also secured by resources of all the banks of the system.

"Mr. Mellon, Chairman ex-officio of the Farm Board, has said that these bonds constitute a sound tax-free security. The Federal Farm Land Act made them legal investments for all fiduciary and trust funds under the jurisdiction of the United States Government, which indicates the attitude of the Government toward the bonds. They are legal for savings banks in about 40 States. Under present conditions they are a more attractive investment than Liberties and U. S. Government bonds. The latter may be depressed by the growing Government indebtedness, the necessity for large additional financing and the inflationary tendencies probable during the coming year.

"Federal Land Bank bonds are in an especially favored group, being under-priced and subject to improvement as the general farm situation improves. President Hoover's proposal that Congress authorize large additional subscription to capital of these banks is an additional proof of Government support.

"The recent rise in crop prices shows clearly that those now hoarding gold and currency would be much better off to put it into commodities, sound bonds selling at a substantial discount, good stocks and equities. Otherwise the hoarders may wake up later on to find that their gold has partly rotted away in value whereas these other things will have become much more valuable."

Apartment Owners Seek Hoover Aid—However, President's Plan for Home Loan Discount Banks Will Include Only Private Dwellings.

Efforts of the large real estate operators to persuade President Hoover to widen his plan for the creation of central banks to discount real estate mortgages to make it include apartment houses as well as private dwellings have not proved successful, it was learned on Nov. 24, said the New York "Journal of Commerce" of Nov. 25, from which we take the following:

On Monday, Frederick Brown conferred with the President on the possibility of amending the plan. On the invitation of President Hoover he went to Washington and discussed the question.

It is now expected that the message of the President to Congress will embody a plan whose scope will correspond to the outline announced a few weeks ago.

In the meantime real estate operators in New York City, according to a recent announcement, are working separately on plans for the formation of a \$50,000,000 corporation which would create new second mortgages. The Hoover banks would discount mortgages already in existence, but do not contemplate the direct issuance of new credits to finance building.

The plan for the formation of an issuing corporation, it is held in real estate circles, should stimulate new construction. Should the corporation actually be formed and such hopes of increasing building realized, it is expected that results would be most pronounced in private home construction in view of the great amount of floor space in office and apartment buildings created up to 1930.

Operations of Mill Export Plan by Grain Stabilization Board—Statement Issued by Federal Farm Board—Board Contends Operations Resulted in Maintenance of Wheat Prices in 1930-1931—Benefits to Millers—Over 9,000,000 Bushels Sold.

On Nov. 21 a statement was issued by the Federal Farm Board bearing on the mill export plan, the Board announcing that the statement had been made available in response to questions which had been asked of it as to operations of the Grain Stabilization Corp. under the plan which was put into effect on Jan. 20 1931, in an effort to help keep export channels open. The Board says:

A review of the transactions indicates that the plan was reasonably effective in enabling millers to retain established foreign trade, operate their plants at somewhat greater capacity than otherwise would have been the case, thereby giving additional employment to mill workers; that it resulted in about 9,000,000 bushels more wheat exports from the United States than would otherwise have been the case, and that it benefited wheat growers not only by this reduction in 1930 wheat carry-over, but also by affording an additional market for new crop wheat to the extent of the replacement purchases made by both the millers and the Grain Stabilization Corporation.

In full, the Board's statement follows:

The operations of the Grain Stabilization Corporation during the winter of 1930-1931 had the effect of maintaining wheat prices in all United States markets at 15c. to 30c. per bushel higher than the comparable price in Liverpool, Antwerp and other markets which reflected importing values.

United States flour millers had established trade in foreign markets and the maintenance of such trade was not only of importance to the millers but also to wheat growers, mill employees, and associated industries. For the miller to meet competition of foreign millers who were able to buy wheat on a world level, it was necessary that some arrangement be made whereby mills in the United States could make wheat purchases (to be used exclusively in manufacturing export flour) on a price equalized, as far as possible, with the export value of wheat.

In view of the above circumstances, on Jan. 20 1931, the Grain Stabilization Corporation, after holding conferences with representatives of the milling industry, publicly announced and put into effect the so-called "Mill Export Plan." Under the provisions of this contract wheat was sold

to millers for cash at the full domestic market value, with the agreement, however, that when the millers offered conclusive evidence that the flour milled from such wheat had actually been exported, the Grain Stabilization Corporation would permit the miller to return a quantity of new crop wheat equal to the original purchase, such return to be made after July 1, 1931 and to be of equal grade and quality as the wheat originally purchased. On making the return of wheat the miller received a refund of the amount paid for the original purchase.

The miller, in selling the flour for export on a competitive world basis, immediately took a loss on the transaction equivalent to the difference between the domestic price paid for the wheat and the world price level received for the flour. This loss could only be overcome if the miller was able to purchase the wheat to be returned to the Grain Stabilization Corporation at prices reflecting world levels. On account of the fact that the Grain Stabilization Corporation's buying program was confined to the 1930 crop, the prices of the new crop futures, such as July and September wheat, were more nearly on a world level, therefore, the miller was able to partly protect his position through hedging the flour sold for export by purchasing and holding the July or September future until such time as he was able to secure new crop cash wheat to return to the Grain Stabilization Corporation.

The advantage to the Grain Stabilization Corporation was that it saved several months storage and carrying charges on wheat that otherwise could not have been sold.

The Grain Stabilization Corporation sold 9,056,490 bushels of wheat to mills under the "Mill Export Plan." Of this quantity, 2,717,275 bushels were purchased by 77 mills east of the Rocky Mountains and 6,339,215 bushels by 22 mills on the Pacific Coast. Due to the limitation of Pacific Coast hedging facilities the "Mill Export Plan" was modified to permit Pacific Coast mills to return wheat in the terminal markets east of the Rocky Mountains. Even with this modification of the plan the mills in that section failed to take as much wheat to be ground for export, as was expected.

In the Pacific Northwest there were considerable quantities of wheat that needed to be shipped out by July 1 if sufficient handling facilities were to be available for the new crop movement. Practically the only foreign market available to the Pacific Coast mills at that time was the Orient. To meet this situation, the Grain Stabilization Corporation decided to further modify the "Mill Export Plan" so that the Pacific Coast mills could buy wheat at its export value without returning the wheat later. In order to guard against any of the flour ground from such wheat being sold in the United States, the miller was required to pay the domestic price for the wheat. When he exported the flour he was refunded the difference between the domestic price and the export value of the wheat as of the day of the original purchase. The amount of the refund was stipulated in the contract and the refund was not made until documents were submitted showing that the flour actually had been exported to the Orient. The above modification of the "Mill Export Plan" only applied to flour exported to the Orient in order not to conflict with the original plan which was still maintained east of the Rocky Mountains. Under this arrangement, 4,605,326 bushels of wheat were sold to Pacific Coast mills and the way cleared for handling the new crop.

All of the wheat sold to mills east of the Rocky Mountains and 1,733,887 bushels of that sold to Pacific Coast mills, or a total of 4,451,162 bushels, was to be returned to the Grain Stabilization Corporation from the 1931 crop. Of this amount, mills east of the Rocky Mountains returned 1,911,021 bushels and the Pacific Coast mills, 5,000 bushels. In the case of the remainder of the wheat to be returned, arrangements were made between the miller and the Grain Stabilization Corporation whereby the miller was permitted to cancel his contract to return wheat to the Grain Stabilization Corporation; in such cases a refund to him was made on a basis reflecting the difference between the market price of new crop wheat and the price originally paid by the miller for stabilization wheat used to manufacture the flour for export. In all such cases, however, the Grain Stabilization Corporation purchased on the open market an equivalent quantity of new crop cash wheat to replace in stabilization holding the wheat that would have been returned by the miller; thus such cancellations had no effect upon the new crop wheat price.

The advantage to the Grain Stabilization Corporation in the "Mill Export Plan" was that it enabled the Corporation to save storage and carrying charges on the wheat from the time of the original sale until the return of the wheat or the settlement of the contract several months later. This saving to the Corporation amounted to approximately \$195,000. The advantage to the Corporation in some instances in making cancellations and repurchases instead of requiring the miller to actually return the wheat was that it enabled the Corporation to buy replacement wheat in a manner that caused the most beneficial effect to new crop markets.

Final settlement has been made between the Grain Stabilization Corporation and all mills that made purchases under the "Mill Export Plan." A review of the transactions indicates that the Plan was reasonably effective in enabling millers to retain established foreign trade, operate their plants at somewhat greater capacity than otherwise would have been the case, thereby giving additional employment to mill workers; that it resulted in about 9,000,000 bushels more wheat exports from the United States than would otherwise have been the case, and that it benefited wheat growers not only by this reduction in 1930 wheat carry-over, but also by affording an additional market for new crop wheat to the extent of the replacement purchases made by both the millers and the Grain Stabilization Corporation.

The Grain Stabilization Corporation has been unable to find any case in which the mill made more than a normal milling profit.

According to the "United States Daily" Governor Murray of Oklahoma recently criticized the Board for permitting the arrangement, declaring millers made heavy profits on the transactions.

Federal Farm Board Announces Consummation of Arrangements to Remove 6½ Million Bales of Cotton From Market.

The consummation of arrangements which will definitely remove at least 6½ to 7 million bales of cotton "from the supply of American cotton available for sale during the current season" was made known in a statement issued at Washington under date of Nov. 22 by the Federal Farm Board. The Board's announcement follows:

On Oct. 12 1931 a group of bankers from the cotton-growing States met in conference at New Orleans with Chairman Stone and Mr. Williams of the Federal Farm Board and the directorate of American Cotton Co-operative Association for consideration of cotton financing and marketing problems. Subject to ratification by the Farm Board, its representatives there present agreed that if the banking groups of the South would under-

take to finance not less than 3,500,000 bales of cotton through making or renewing loans, secured by cotton collateral of this aggregate baleage, the Farm Board would agree to extend the obligations of the American Cotton Co-operative Association covering approximately 2,000,000 bales of cotton of the seasons 1930-31 or earlier years, to July 31 1932, unless such cotton could be sold at a price of more than 12½ cents per pound on the near month of the New York Cotton Exchange, and would further agree that the Cotton Stabilization Corporation would be authorized to maintain its present baleage of approximately 1,300,000 bales for an equal period subject to the same exception as to price.

This arrangement was subsequently ratified by the Farm Board. *Committee Has Definite Pledges from Southern Bankers for 3,100,000 Bales.*

The Farm Board is now in receipt of a report from Mr. Nathan Adams of Dallas, Texas, the Chairman of the Bankers' Committee appointed by the New Orleans conference to receive pledges, stating that he holds definite pledges from Southern banks to finance 3,100,000 bales of cotton in accordance with the terms of the above understanding.

The Farm Board appreciates the difficulties inherent in securing pledges for financing so large an amount of cotton within the limited time available. Although the number of pledges reported is 400,000 bales short of the goal set, we hope and expect that additional pledges covering at least this amount, will be received. The willingness of Southern bankers to guarantee credit on cotton to such an extent abundantly evidences their sympathetic attitude towards cotton, their conviction as to the basic soundness of loans on the low price level of this year's crop and their co-operation with the Farm Board in its efforts to help Southern farmers.

Farm Board Will Carry Out Its Part of New Orleans Agreement.

The Farm Board announces at this time that it will carry out its part of the agreement tentatively reached at New Orleans on Oct. 12 1931.

The consummation of these arrangements will definitely remove at least 6½ to 7 million bales from the supply of American cotton available for sale during the current season. The Farm Board appreciates the earnestness which Mr. Adams and the other bankers of the South, especially the small country banks, have shown in carrying through these arrangements, and congratulates them on their success.

Egypt Agrees to Sell Hungary 12,000 Bales of Cotton—To Be Paid For in Treasury Bonds.

Under date of Nov. 22, Cairo (Egypt) advices to the New York "Times" said:

The Egyptian Government concluded an agreement to-day to sell 12,000 bales of cotton to Hungary. It will be paid for with Hungarian Treasury bonds on long terms.

The sale was made from Government-owned cotton, because private owners were unwilling to accept payment in bonds.

Carl Williams of Federal Farm Board Confers With Congress on Uniform Law for Cotton Reduction—International Agreement Also Discussed.

Plans for development of a uniform measure for adoption by States to reduce cotton acreage and the possibility of an international agreement to restrict acreage were discussed Nov. 20 at a conference between Carl Williams, member of the Federal Farm Board, and Representatives Sandlin (Dem.), of Minden, La.; Patman (Dem.), of Texarkana, Tex., and Wilson (Dem.), of Ruston, La., Mr. Sandlin stated orally after the meeting. The "United States Daily" of Nov. 21, reporting this added:

Mr. Sandlin said a conference of representatives of the cotton-growing States is to be held within the next few days at Jackson, Miss., at which it is hoped a model law can be drafted. He expressed himself as favoring complete prohibition of cotton growing during the next season, declaring there is already in sight enough American cotton to meet the foreign and domestic demand for two entire seasons and to leave a substantial surplus.

Mr. Williams declined to give any views on the most desirable form of acreage reduction law. Mr. Sandlin said, believing that to be a matter for the States themselves to decide. However, Mr. Williams expressed himself as in sympathy with action to reduce acreage. Mr. Sandlin said he could see no objection to prohibiting cotton production for the next year, since the heavy supply in the United States would discourage any possible resulting inclination on the part of foreign countries to increase production.

Egypt appears to be the only country at present so situated as to be able to enter an effective agreement to reduce acreage, Mr. Sandlin said, and it already had a law restricting acreage to 30% of the total acreage in cultivation. This law is the same as the one adopted by Texas, he added.

India and China, two of the other principal producing countries, might not be able to act effectively, he said, and Russia has no inclination to go along with the plan, its object being to increase production. Further discussion of the subject is expected after the Jackson meeting, he said, and it is hoped some arrangement may be made to obtain the co-operation of India, China and other producing countries.

New York Cotton Exchange Service on World Consumption of Cotton.

World consumption of American cotton during October totaled approximately 1,027,000 bales, compared with 982,000 in September and 918,000 in August, according to the New York Cotton Exchange Service. During October last season, the world used approximately 961,000 bales. Total consumption in the three months from Aug. 1 to Oct. 31, constituting the first quarter of the season, was approximately 2,927,000 bales, compared with 2,626,000 in the corresponding period last season. The Exchange Service Nov. 24 said:

Consumption is running moderately higher than last year in the United States, considerably higher in Great Britain, very much higher in the Orient, but considerably lower on the Continent of Europe. The United States used 452,000 bales of American cotton in October of this year, against 426,000 last year. Great Britain used 93,000, against 85,000. The Orient used 183,000, against 95,000. The Continent of Europe used 285,000, against 337,000.

Federal Farm Board Holds 189,656,187 Bushels of 81-cent Wheat—Chairman Stone Reveals Operations at Inquiry Before Senate Committee—Says Secrecy Policy Is Ended—Had Bought 329,641,052 Bushels—Cotton Purchases of 1,319,809 Bales Made at Average Price of 16.3 Cents—Heavy Losses Calculated.

Officials of the Federal Farm Board revealed on Nov. 24 its transactions to the Senate Committee on Agriculture, disclosing large paper losses in wheat and cotton stabilization operations. The disclosures were made before the Senate Committee on Agriculture and Forestry which began on Nov. 24 an inquiry into the agricultural situation. With regard to the hearing on the opening day the New York "Times" in a dispatch Nov. 24 stated:

Senators, members of the House and leaders of farmers' organizations heard James C. Stone, Chairman of the Board, and Carl Williams, its cotton member, relate how in operations with its \$500,000,000 revolving fund the purchase of 329,641,052 bushels of wheat and 1,319,809 bales of cotton was financed.

Summoned before the Committee to testify on the Board's activities, Mr. Stone, who has been Chairman since the resignation of Alexander Legge, produced a copy of his annual report to Congress. He put into the record all the details of stabilization purchases, financing operations and other efforts of the Board to help the farmer.

The report, turned off the Government printing presses only a few hours before Mr. Stone's appearance before the Committee, showed that the Farm Board had bought wheat up to June 30 1931 at a cost of \$270,204,303.78, or an average price of \$1.97c a bushel. Sales for export, milling and other purposes amounted to 72,504,481 bushels, leaving 257,136,571 bushels owned by the Grain Stabilization Corporation last June 30.

189,656,187 Bushels Remain.

Up to Nov. 1, sales of stabilization wheat were made to Brazil, 25,000,000 bushels; to China, 15,000,000 bushels, and to Germany, 7,500,000 bushels. In addition, sales in regular trade channels had nearly equaled the 5,000,000 bushel monthly cumulative maximum, in accordance with the Board's statement of June 30. Wheat still owned by the Stabilization Corporation on Nov. 1 amounted to 178,656,187 bushels.

Up to June 30 the Cotton Stabilization Corporation had bought its 1,319,809 bales at a cost of \$107,533,246, the average price being \$81.43 a bale, or 16.3c a pound. Net sales amounted to only 9,020 bales, leaving 1,310,789 owned by the Corporation on June 30.

At the close of the day's hearing the Board's losses were unofficially calculated at as high as \$160,000,000 on the basis of cash prices to-day. Mr. Stone and Mr. Williams would not admit, however, that losses have been incurred on the 189,656,187 bushels of wheat and 1,310,789 bales of cotton now held by the stabilization corporation until an actual sale of these holdings is made. These holdings were bought at prices far above the present market figure. Mr. Stone promised to furnish the committee with estimates of the losses if the wheat and cotton had to be sold now. Senators estimated that the total loss on cotton, under a forced sale, would be \$72,000,000. Farm Board officials said privately that if the wheat could be sold at \$1 a bushel, this would permit the board to "break even." The statement was interpreted as meaning a total loss of about \$85,000,000 on the wheat purchases.

Mr. Stone testified that there might be a loss of 2% on the \$255,000,000 loaned to co-operatives, and this was worked out to mean an additional loss of \$5,110,000.

While these three estimates of losses total more than \$160,000,000, the figure does not include those on general sales before or after June 30, or those sustained on wheat sold to China and Germany, or exchanged with Brazil for coffee.

Holdings Cannot Be Dumped.

"There has been no opportunity for the stabilization corporation to dispose of its supplies at a profit," Chairman Stone testified. "It faces the necessity of developing a selling policy that will be least disturbing to the cotton market and which will keep its losses to as low a figure as may be consistent with this policy. The burden of carrying charges increases the longer the cotton is held, and eventually stabilization stocks must be sold. Until circumstances favor disposal, every economy possible will be practiced in carrying the stabilization cotton."

The banks of the cotton-producing States have agreed to make or renew loans to mature not earlier than July 31 1932, secured by cotton to the total amount of at least 3,500,000 bales.

"The Board has agreed not to call the obligation of the cotton co-operatives, covering approximately 2,000,000 bales of cotton, unless such cotton can be sold at a price of more than 12½ cents a pound, based on the near month of the New York Cotton Exchange, before July 31 1932, and that the Cotton Stabilization Corp. will maintain its present baleage of approximately 1,200,000 bales until July 1 1932, on the same terms."

Extension of Acreage.

"This agreement was entered into tentatively at a conference held in New Orleans Oct. 12 1931 and subsequently approved by the bankers of the South in a series of State meetings on Oct. 20 1931. In addition the board agreed to extend these commitments to July 31 1933, if cotton acreage is substantially reduced in 1932. On Nov. 23 1931 the board announced that enough cotton had been pledged by bankers so that it could carry out its share of the tentative agreement."

Of the \$500,000,000 revolving fund which Congress voted to the board it now has \$45,000,000 which is not committed for loans and \$22,000,000 which has been committed but has not yet used. The board, Mr. Stone said, has loaned \$160,148,762 for wheat stabilization and \$74,983,881 for cotton stabilization efforts.

The stabilization policy was defended in the annual report to Congress, unexpectedly made public at the hearing, but was not so warmly championed by the witnesses. It was derided by the members of the committee. Representatives of the National Grange, the American Farm Bureau Federation and the Farmers Union to-morrow probably will ask the Committee to eliminate the stabilization program from the Farm Marketing Act and substitute respectively the export debenture plan, and equalization fee and an entirely new principle.

The Farm Board is virtually being put to trial at the present hearing, which is designed to ascertain if the Farm Marketing Act should be changed. Senator McNary, the Committee's Chairman, hopes to wind up the inquiry by to-morrow night, but John A. Stimson, Chairman of the Farmers Union, said that to-morrow he will ask for a thorough investigation of the manner in which the board has conducted its affairs.

30,000,000 to 40,000,000 bushels of wheat on the market and have resulted in the closing of many banks. The whole credit structure might have been impaired except for the Board's action, he said.

Asked by Senator Wheeler (Dem.), of Montana, why the Board did not continue the stabilization operations, Mr. Stone said there was not enough money left to continue stabilization.

Replying to further questions, Mr. Stone said he "hoped" China would be able to pay for the wheat sold to her on credit, for which the Grain Stabilization Corporation took Chinese bonds.

Mr. Wheeler then asked what Mr. Stone thought of giving some of the wheat to the unemployed in the United States and Mr. Stone said he believed that "would be a very good way to use some of it."

Questioned on loans to grape growers, Mr. Stone said grape co-operatives have received advances totalling \$20,105,000, of which they have repaid \$5,434,000. Of the total, \$3,094,000 was loaned to Fruit Industries, Inc., and of this \$1,704,000 is on grape concentrates and by-products, he said.

Mr. Stone in reply to Senator McNary said that there is "some truth" in the contention that the stocks of stabilization wheat have a depressing effect on domestic prices.

Wheat is now in a much stronger position, however, in view of world crop conditions, he added. He looks for an appreciable reduction in the 1931 world crop, he said.

The present President of the Chicago Board of Trade was offered the position now held by Mr. Milnor, Mr. Stone said in reply to Senator Gore (Dem.) of Oklahoma, but he asked more salary than the Board felt should be paid.

Senator Norris (Rep.) of Nebraska, asked what "propaganda" had been carried on to obtain wheat acreage reduction. Mr. Stone referred to the speaking tour of the Secretary of Agriculture, Arthur M. Hyde, and the former Chairman of the Farm Board, Alexander Legge, on that subject, and said pamphlets had been distributed.

Senator Norbeck (Rep.) of North Dakota, remarked that the Board had advised farmers to raise less wheat but had not told them what to raise instead. Mr. Stone said a Board sitting in Washington could not tell individual farmers what to do with their land. He added that he believed there had been Farm Board advice in 1929 to hold wheat, which advice proved to be unwise.

Senator Norbeck criticized the Board for using its funds for "bank relief" instead of farm relief in its stabilization operations.

Senator Thomas asked how much wheat the Board had sold Nov. 22, and Mr. Stone said he would obtain the figures.

The General Manager of the American Cotton Co-operative Association, E. F. Creekmore, receives a maximum salary of \$75,000 a year, of which \$25,000 is a flat salary, besides which he receives 5 cents a bale on cotton handled up to 1,000,000 bales, Mr. Stone testified.

Carl Williams, member of the Board representing cotton growers, then testified on the operations in cotton. The Cotton Corporation took over nearly 1,300,000 bales at 16.38 cents a pound, he said. These holdings have been maintained and it was announced no sales would be made until July 31 1931, he said.

The Corporation later bought 78,300 bales to steady a declining market, and succeeded in this, he testified. Adding carrying charges, the cotton has cost the Corporation about 18 cents a pound, and the price now is roughly 11 cents below that figure, he said.

An agreement has been reached with bankers to hold the stabilization stocks and about 2,500,000 bales held by co-operatives until July 31 1932, if the bankers finance the holding of a like amount, he added. The Board further agreed that if substantial acreage reduction takes place next Spring, the stabilization stock will be held another year, he said.

Senator Norris asked what could be planted instead of cotton. Mr. Williams said the first substitute should be feed for livestock and food for the farm family which have not been raised sufficiently in the South.

Mr. Norris said he is afraid the shift to food and feed crops would be too small to do much good.

The Board has loaned \$64,435,000 to cotton co-operative marketing associations to handle the 1930 crop, of which \$25,680,000 has been repaid, Mr. Williams testified. Cotton prices have declined below the amounts of the loans, he said, but whether there will be a loss depends on prices since the loans are not due until July 31 1933.

The increased income to cotton farmers as a result of the Board's operations has been larger than the entire investment of the Board in cotton, Mr. Williams said. The Board's loans on cotton are practically all secured by second mortgages, he said, loans first having been obtained by the co-operatives from banks.

Stabilization is valuable in temporary emergencies but it fails in the face of continued overproduction, he declared. In the 1930-31 season the loans on cotton up to 90% of its value had a price stabilizing effect and also encouraged farmers to join co-operatives, he said.

Mr. Williams said he had predicted two years ago that in three to five years co-operatives would handle 2,500,000 bales of cotton a year. This has been accomplished in two years, he said.

Senator McNary announced that the Secretary of Agriculture, Arthur M. Hyde, and the heads of the National Grange, the Farmers Union, and the American Farm Bureau Federation will be heard by the committee.

The purpose of the hearings, he said, is not to hear only those who agree entirely with the Farm Board's policy. The hearing was adjourned until Nov. 25.

Federal Farm Board's "Loss" in Stabilization Is Put at \$177,000,000—Chairman Stone Tells Senators Wheat on Hand, Now Worth \$120,000,000, Cost Board \$222,000,000—Cotton \$75,000,000 Off—Farmers' Organizations Unite at Hearing for Either Debenture or Equalization Fee.

Supplementing the item in this issue of our paper bearing on the Senate inquiry into agriculture, in which reference is made to the Federal Farm Board's holdings of wheat, we give herewith, from the New York "Times," the account from Washington of the Committee's hearing on Nov. 25:

Wheat and cotton stabilization activities of the Federal Farm Board involved a loss on paper of \$177,000,000 on the basis of quotations of wheat and cotton on Oct. 31, according to a statement prepared for the Senate Agricultural Committee by James C. Stone, Chairman of the Farm Board.

The statement was put into the record of the Committee hearing by Senator McNary of Oregon, Chairman, who explained that an out-of-town engagement prevented Mr. Stone's personal appearance. Mr. Stone testified yesterday to the amount of wheat and cotton bought, sold and held by the Farm Board in the use of its revolving fund of \$500,000,000, but was unable to give specific figures on investments, sales and losses.

According to Mr. Stone's statement, the Farm Board's holdings of wheat on Oct. 31, totaling 189,656,187 bushels, represented an investment of \$1.17 a bushel, including purchase price, storage and other charges, and losses sustained on wheat previously sold, or a total of about \$222,000,000. It was worth on Oct. 31 about \$120,000,000, or \$102,000,000 less than cost.

Says Losses May Be Reduced.

In cotton the Farm Board on Oct. 31 held 1,310,789 bales, representing on the same basis as wheat an investment of 18c. a pound, or about \$120,000,000. The value of the cotton at quotations on Oct. 31 was about \$45,000,000, or a loss of \$75,000,000.

Many qualifications of these figures were contained in Chairman Stone's statement, which pointed out that future prices and the fact that the Board's wheat and cotton may not be sold completely until many years have passed may radically change the picture.

These points will be dealt with in more detail when Mr. Stone reappears before the Committee, which will reconvene Friday and probably sit through Saturday.

At to-day's hearing the Committee was told that four national farm organizations had finally united in backing agricultural relief by either the debenture or equalization fee plan, both of which have been opposed by President Hoover and other Republican administrations.

The organizations are the National Grange, the American Farm Bureau Federation, the Farmers' Educational and Co-operative Union and the National Committee of Farm Organizations.

Recommendations for an investigation were made by Edward A. O'Neal, President of the Farm Bureau Federation, a friend of the Board; John A. Simpson, head of the Farmers' Union, who sharply criticized it, and by J. M. Garrow, President of the American Cotton Shippers' Association. Louis J. Taber, Master of the National Grange, was concerned principally with including in farm relief the debenture or the equalization fee.

The Farm Board Statement.

The Farm Board statement on its deals in wheat and cotton read:

Wheat stabilization: On Oct. 31 1931 the Grain Stabilization Corporation held 189,656,187 bushels of unsold wheat. Including cost, carrying and operating charges, and loss on wheat sold to date, these remaining stocks represent an investment of \$1.17 per bushel, or approximately \$222,000,000.

This wheat is being sold at not over 5,000,000 bushels per month (except for possible additional sales to foreign governments). It would be impossible to sell all the holdings on any one day or in any short period without seriously breaking the price. The disposal of stabilization wheat may extend over several years into the future; if prices should rise significantly during that period, the final cost of stabilization might be materially less than it would appear from an estimate based on present market prices, and there might even be a gain.

On Oct. 31 1931 the value of the unsold stocks owned by the Stabilization Corporation, computed at the market prices of that day (61½c., December futures at Chicago), would be estimated at 63½c. per bushel, or approximately \$120,000,000.

Operations in Cotton.

Cotton stabilization: On Oct. 31 1931 the Cotton Stabilization Corporation held 1,310,789 bales of cotton. Including costs, carrying and operation charges and loss on cotton sold to date, these stocks represent an investment of about 18c. per pound, or approximately \$120,000,000.

This stock of cotton could not be sold in one day or in a short period without seriously depressing the price. The stock will not be sold within this crop year, and not within the next crop year if acreage is materially reduced. Should there be material advances in price before the sales are completed, the final cost of stabilization might be much less than would appear from an estimate based on present market prices, and in fact might even show a gain.

On Oct. 31 1931 the value of the unsold stocks owned by the Stabilization Corporation, computed at the market price of that day and considering the quality of the cotton held, might be estimated at about \$45,000,000.

Taber Would Try the Debenture.

Mr. Taber suggested that the Agricultural Marketing Act, under which the Farm Board has operated, be amended to substitute for the Board's stabilization operations the export debenture "or such other methods of bringing our exportable crops and live stock products under the protective system."

He demanded agricultural protection "equal to that given industry," and asked for a broadening of the loan system to co-operatives, so that it might include small organizations of farmers.

"Your law compelled the Board to stabilize wheat, but they did it at the behest of the financial bosses of the nation," Mr. Taber contended. "In the opinion of the Grange and other supporters of the idea, the stabilization operations of the Farm Board would have been less costly to the Treasury and would have brought far greater returns to the farmers if the export debenture plan had been in effect than has been the case under the plan pursued by the Farm Board.

"In fact, the carrying charges on wheat and cotton which have been held in storage would have taken care of a large percentage of the cost of the debenture plan."

Argues for Equalization Fee.

Mr. O'Neal stressed the equalization fee as the most important feature of agricultural rehabilitation, but indicated that his organization would accept the debenture if the fee system could not be obtained. He acknowledged the difficulty of getting either proposition embodied in a law, and in this agreed with Senator Norris of Nebraska, who remarked:

"We have tried to pass such laws two or three times, but they either have been vetoed by the President or killed in Congress by the influence of the White House."

Mr. Simpson challenged Congress to create an investigating commission before which he promised to summon expert witnesses who would show that the Farm Board "had set up competing organizations for those already maintained by agriculture and had sought to destroy them."

He also suggested an informal plan, involving "the principle of the equalization fee brought down to date," and governmental guarantees of a minimum price for wheat such as was invoked in 1919. If this proved impracticable, he would favor the debenture.

Urges Currency Expansion.

Mr. Simpson advocated the cessation of bond issues by the Government and, instead, currency issues to provide money for an expanded public works program. Currency issues could be retired as easily as bonds, he concluded, with a saving of interest now paid on bonds. For the farmers' benefit, he recommended that the Government lend them money at 1½%.

Ralph Snyder, President of the National Committee of Farm Organizations, defended the Farm Board, saying that success or failure of stabilization is only incidental to the work done on fostering development of co-operative marketing. Mr. Snyder favored adoption either of the debenture or the equalization fee.

Mr. Garrow charged the Farm Board with encouraging "reckless borrowing" by cotton co-operatives and said the losses exceed by several million dollars the figures presented by Chairman Stone.

"The stabilization operations of the Board," he said, "have resulted in a loss to the Treasury of from \$70,000,000 to \$80,000,000 from the

decline in value and carrying charges of the 1,300,000 bales of cotton held by the Cotton Stabilization Corporation.

"There is an additional loss approximating \$40,000,000 upon the spot cotton and futures contracts now held by the co-operatives at the instance of the Board, this loss to be borne either by the members of the co-operatives out of the future crops or by the Federal Treasury."

In asking for a Congressional investigation of the Board, Mr. Garrow stated:

"The policies followed by the Farm Board in its attempts to equalize agriculture will bankrupt any industry in the world."

Year's Activities of Federal Farm Board Reviewed in Annual Report—Account Given of Price Stabilization Work and Organization of Co-operative Marketing Groups.

Recommendations, activities and accomplishments of the Federal Farm Board in its program to regulate American agriculture during the fiscal year ended June 30 1931, are set forth in its annual report to Congress, made public Nov. 24 as part of the records of the Senate Committee on Agriculture. Regarding the report, the "United States Daily" of Nov. 25 stated:

Submitted by James C. Stone, chairman of the Board, the report contains an account of attempts to stabilize the prices of farm products and work to organize farmers in co-operative associations.

The final costs of the price stabilization operations of the Board will not be determined until the products purchased by the Board are sold, it was explained. The Board, it was said, at this time is not prepared to recommend any changes in the Agricultural Marketing Act.

"It believes," according to the report, "that the wiser course would be to wait until various provisions of the act have been tested over a longer period and in more favorable economic circumstances."

Legislation to aid in the more efficient stabilization of land, however, is recommended, and an outline of a program to be provided by such legislation is given in the report.

Because of the speculative nature of the Board's price stabilization operations, the public has tended to overemphasize this phase of the Board's work, it was stated. The growth of co-operative marketing among farmers as a result of the Board's activities is stressed in the report. The preface of the report follows in full text:

Progress Pointed Out Toward Main Objectives.

The Federal Farm Board presents to Congress in the pages that follow a report of its second year's administration of the Agricultural Marketing Act.

In that period ended June 30 1931, notwithstanding unfavorable economic conditions, substantial progress continued to be made toward the main objective of the act, which is to develop a national program of improved marketing and production adjustment for the permanent betterment of American agriculture.

As was the case in its first year, the Board's major activities were directed to giving farmers all possible assistance in carrying forward the co-operative movement on a sound basis. At the same time emergency efforts to protect wheat and cotton growers from the threatened collapse of the markets for these commodities were continued to the benefit not only of farmers, but of the country as a whole.

Being of a spectacular character, these latter operations have attracted public attention out of proportion to their importance in the program being developed in accordance with the provisions of the Agricultural Marketing Act and thus have served to obscure what is being done of a permanent nature to place agriculture "on a basis of economic equality with other industries. It, therefore, seems desirable briefly to call attention again to the means by which the act says this equality for agriculture shall be brought about.

Long-Term and Temporary Measures are Discussed.

These divide themselves into long-term measures and temporary measures. Of the former, the primary are: (1) Improvement in marketing of farm products through the development of strong self-contained farmer-owned and controlled marketing associations to the end that farmers will receive a larger share of the consumer's dollar and a fair return based on supply and demand conditions; (2) adjustment of production to meet the probable consumer demand.

The temporary measures are provided to meet emergency situations, such as the purchasing of seasonal surpluses of agricultural commodities by stabilization corporations to prevent sudden drastic declines in prices.

Assistance made available under the terms of the Agricultural Marketing Act accelerated the growth of co-operative-marketing associations in number and strength the past fiscal year. Major efforts have been centered on strengthening and expanding existing co-operatives and unifying their sales activities.

Co-operatives now have six active national sales agencies as follows: Grain, cotton, livestock, wool and mohair, pecans and fruits and vegetables. Numerous regional and State associations have been formed the past year for daily products, poultry products, fruits and vegetables, potatoes, beans, sugar beets, and other products.

Co-operative Marketing Said to Be Growing.

As evidence of the growth in co-operative marketing, Farmers National Grain Corp., with its 27 regional members serving 250,000 farmers, handled approximately 196,000,000 bushels of grain in terminal markets or approximately three times the amount handled on terminal markets by co-operatives before the Agricultural Marketing Act was passed; the American Cotton Co-operative Association and Staple Cotton Co-operative Association, with combined memberships of more than 160,000; handled 2,442,001 bales in 1930-31, compared to 825,786 bales handled by co-operatives in 1927-28; National Wool Marketing Corp., serving 40,000 wool and mohair growers, handled 130,349,499 pounds in 1930-31, compared to 22,575,000 pounds handled by co-operatives in 1927-28; and the National Livestock Marketing Association, serving 300,000 producers, handled more than 8,000,000 head of livestock.

Up to June 30 the Farm Board made loans from the revolving fund to 105 co-operative associations with which were affiliated approximately 3,375 regional or local associations having 1,100,000 farmer members. In addition to direct loans the Board assisted co-operatives in many ways, by organization surveys, by aid in improving methods of operation and management, in maintaining sound relations with members, in developing sound sales policies, and in improving the quality of services rendered.

Wheat and Cotton Stabilization Reviewed.

Profitable prices are much to be desired, but agricultural products once produced must be marketed. Co-operatives have learned this, and since

the passage of the Agricultural Marketing Act have made an effort to merchandise their members' products in an orderly manner, based on supply and demand conditions.

Wheat stabilization activities made necessary by the acute situation sustained our prices well above world markets for six months, added millions of dollars to farmers' incomes, and gave farmers and business organizations a breathing spell in which to readjust to a lower level of prices. Cotton prices, supported through loans to co-operatives and the withholding from the market of stabilization stocks acquired the previous year, were sustained through the marketing year higher than they otherwise would have been, to the benefit of cotton growers and the Nation.

Complete information of the Board's activities during the past year is given in the pages that follow. The facts are arranged to present to Congress a clear and concise picture of the long-term program and what has been done thus far in its development and also the current status of the emergency stabilization operations. The Board confidently believes the program to be sound and that it is the best approach yet offered to bring about the permanent improvement of American agriculture.

Some opposition is being encountered from those who object to the American farmer marketing his own product. The Board is not permitting this to interfere in any way with the carrying out of the duties imposed upon it by Congress. It is the purpose of the Board to continue in the future as in the past—to render every possible assistance offered to agriculture in the Agricultural Marketing Act to the end that farmers may have equality of economic opportunity with other groups.

Farm Board Agency in Minnesota Dispute—State Officials Charged With Unfair Practices in the Marketing of Wheat—Their Removal is Sought—Governor Olson Hearing Case.

From Minneapolis Nov. 19 the New York "Times" reported the following:

The Federal Farm Board's wheat-marketing agency is under fire in an unusual proceeding at the State Capitol. The regular grain trade, almost paralyzed by Government subsidy of the big co-operative, is an interested spectator at least, and is accused of inspiring the whole affair.

Nominally the action is an ouster proceeding against the three members of the State Railroad and Warehouse Commission, which has regulatory power over the grain trade. Actually it is a controversy over grain-marketing methods, complicated by strange political alliances. It is worth while to get a picture of the contending forces.

State Senator Gerard T. Mullin of Minneapolis appears as the relator in a petition asking the ouster of the three commissioners for neglect of duty. The petition was addressed to Governor Floyd B. Olson, who has wide powers of removal of public officers. Until now it was not supposed that this power extended to an elective State official. Senator Mullin's counsel contend that the Railroad and Warehouse Commissioners, not being constitutional officers, are not subject to impeachment, but to removal by the Governor. Governor Olson agrees to this view and has begun a public hearing on the charges. His power is debatable, but the question has not been raised so far.

Governor Seems to Like It

After ten years' work as prosecutor and a few months as an executive, the young Governor—he has just turned 40—seems to relish the judicial role. Instead of appointing a referee, he is hearing the testimony himself.

All the Mullin charges against the Commission are based on alleged wrong practices by the Government subsidized grain co-operative. The petition alleges that the Commission knew of the practices and is guilty of non-feasance in permitting them itself. Its child, the Farmers' Union, feels feaseance in permitting them. Its child, the Farmers' Union, feels the necessity of defending itself. Its child, the Farmers' Union Terminal Association, is the agency through which wheat farmers are brought together to market their product co-operatively, and the Farmers' National Grain Corporation does the buying and the selling. So the Farmers' Union asked leave to intervene, and so far has been the active defendant in the proceedings.

First blood was scored for the Farmers' Union. The first count to be considered was the charge that the Grain Corporation has been permitted to violate the common law and a penal statute of Minnesota by selling consigned grain to itself, and charging a commission for the service.

In reply it was contended that the co-operative marketing Act in force in the State since 1923 has given Minnesota co-operatives the right to do this very thing. This construction of the law was disputed, but Governor Olson ruled in favor of the Farmers' Union, and declined to receive evidence on that charge. He decided to receive evidence, however, in two other charges involving practices of the grain co-operatives, alleged to be unfair to the producers. Other serious charges, involving the doctoring of grain samples, remain to be taken up.

There Is a Political Side.

Tom Davis, famous political leader appearing for the Farmers' Union, is taking every opportunity to proclaim that the Minneapolis Chamber of Commerce is the real instigator of the complaint. A brother of the rector, Senator Mullin, is a member of the Chamber. Feeling among the regular grain dealers is intense against the Government agency.

Naturally, the picture is not complete without its political phases. Governor Olson, who must decide the questions involved, is head of the Farmer-Labor Party in the State. The railroad and warehouse commissioners are Republicans. If he should remove them and appoint a new commission, he would gain control of some five hundred appointments, not under civil service.

Before the Governor takes any such action, however, he must find true the charges against the Farmers' Union officials who are involved. They are all members of the Governor's party, and active supporters of his administration. If he holds against them, he will be accused of undue friendship for the private grain trade. The opposition is saying that the Governor is not "farmer minded," and a decision against the first union would be new evidence to support that claim.

Situation Is Interesting.

It is an unpleasant spot for the Farmer-Labor executive. Leading counsel on both sides are his close friends and political supporters. His judicial abilities will be sorely tested. He has friends, too, in the private grain trade as well as in the Farmers' Union.

One Farmers' Union attorney, Rolf Jacobson, is a son of the Chairman of the Railroad Commission. The other, Tom Davis, is a backer of Senator Thomas D. Schall, and law partner of Ernest Michel, whom Senator Schall has vainly tried to place on the Federal bench. Davis dislikes President Hoover bitterly on this account. Now he is defending the policies of the President's Farm Board in its handling of wheat.

All in all, the spectacle is intriguing. Its business rivalries and its political complications combine to make the proceeding both important and of absorbing interest.

Federal Farm Board to Provide \$500,000 for Export Financing of Sun Maid Raisin Growers.

Agreement has been reached between the Farm Board, Sun Maid raisin growers and California bankers for the financing of Sun Maid's export business next year, said Associated Press advices from Washington, Nov. 23, which further reported:

Heretofore the bankers have handled virtually all of the financing, but this year they sought to divert a portion to the Board.

It is understood that \$1,000,000 would be required. The bankers will provide \$500,000 and the Board will increase by \$125,000 its previous commitment of about \$375,000.

Commitments by the Board for California grape growers this year total about \$5,000,000.

Live Stock Advisory Committee In Report to Federal Farm Board Recommends Appointment of Production Councils.

The Live Stock Advisory Committee has submitted a report to the Federal Farm Board recommending that the Board appoint a committee of 50 representatives of various groups and agencies interested in the swine industry and a similar committee interested in cattle and sheep production whose purpose would be to recommend to the Live Stock Advisory Committee national production policies with respect to hogs, cattle, and sheep. In making the foregoing announcement on Nov. 23, the Federal Farm Board said:

The Committee also recommended that efforts be made by the Farm Board to find additional foreign markets for American agricultural commodities, also that trade standards for market classes and grades of cattle and sheep should be encouraged. The Committee recommended further that the provisions of the Packers and Stockyards Act should be strictly enforced so that trading on the terminal markets be kept free and open in the best interest of livestock producers.

Prior to preparing the recommendations the Live Stock Advisory Committee called in representatives of growers, colleges and other educational agencies, the agricultural press, processors, and retailers in order to get an expression of their opinion of the problems confronting the livestock industry.

The following is taken from the report submitted by the Live Stock Advisory Committee to the Farm Board:

Swine Production Policy.

"In order to assist in the distribution and publicity of information among stockmen of market requirements, your Committee recommends:

"That the Federal Farm Board appoint a committee of 50 to be termed a Council Group on Swine Production; that this committee include appropriate representatives of the Department of Agriculture, and include also representatives of the agricultural colleges, extension service in chief hog-producing States, agricultural editors, processors, retailers, and such other individuals as the Federal Farm Board sees fit to appoint; that this committee assemble not later than April 1 and Oct. 1 of each year, and after study and deliberation make its recommendations on a hog-production policy to the Live Stock Advisory Committee, this council to meet at the call of the Advisory Committee.

"We also recommend that the Federal Farm Board appoint a similar committee for the purpose of considering both cattle and sheep production.

Foreign Outlets.

"The Live Stock Advisory Committee commends the efforts made by the Federal Farm Board to dispose of our agricultural surplus by finding additional foreign markets for American food commodities and recommends:

"That the Federal Farm Board attempt to secure additional outlets abroad for American livestock products through such means as will make it possible for new or former buyers to acquire them.

Market Classes and Grades.

"The Committee reaffirms that the establishment and recognition of trade standards of market classes and grades of livestock is a subject of great importance to the industry, and calls the attention of the Federal Farm Board to the progress made in working out such standards for market classes and grades of hogs by the joint committee representing the producing and packing industries, with the appreciated assistance of the United States Department of Agriculture. The Committee recommends:

"That the establishment of trade standards for market classes and grades of cattle and sheep should be encouraged.

Open Markets.

"The Committee believes that it is fundamental to the livestock industry that trading on the terminal markets be kept free and open and unhampered by any practices that tend to restrict it. In this connection the Committee commends and endorses the efforts of the Secretary of Agriculture in enforcing the provisions of the Packers' and Stockyards' Act, which is designed to keep trade on these public markets free and open, and assure a service to the patron thereof at reasonable rates for yardage service and commission charges. Violations of this Act should be dealt with promptly, and decisions rendered without delay. The Committee recommends:

"That all necessary steps for the strict enforcement of the provisions of the Packers' and Stockyards' Act be taken by the governmental authorities vested with the responsibility of protecting the interests of the producers on these public markets."

The Committee met in Chicago, Nov. 3 and 4 1931. It was established by the livestock co-operatives in accordance with the provisions of the Agricultural Marketing Act and is composed of the following members:

Charles A. Ewing (Chairman), President, National Live Stock Marketing Association, Decatur, Ill.

H. L. Kokernot, President Texas Live Stock Marketing Association, San Antonio, Texas.

Harry G. Beale, Columbus, Ohio.

E. C. Gunn, director of the National Live Stock & Meat Board, and member of the Marketing Committee of the Iowa Farm Bureau Federation, Buckingham, Iowa.

William Whitfield Woods, President Institute of American Meat Packers, Chicago, Ill.

E. F. Forbes, President and Manager Western Cattle Marketing Association, San Francisco, Calif.

F. R. Marshall, director of the National Live Stock & Meat Board, and President of the National Wool Growers Association, Salt Lake City, Utah.

Mr. Forbes and Mr. Marshall were not present at the meeting.

Representative Huddleston Proposes Law to Create Home Financing Board—To Offer Bill Providing Federal Building Loan Board to Promote Construction—Branches Planned Throughout Country.

Creation of a Federal Building Loan Board with authority to carry out recommendations similar to those recently presented by President Hoover for the assistance of home loan discount banks will be proposed in a measure which Representative Huddleston (Dem.) of Birmingham, Ala., stated orally Nov. 21 he will introduce during the coming session of Congress. As to this proposal, the "United States Daily" had the following to say Nov. 23:

This same measure was introduced by Mr. Huddleston during the last session of Congress, and was referred to the Committee on Banking and Currency, where it remained.

Twelve Districts Created.

Mr. Huddleston's proposal would provide for the establishment under the Treasury Department of a Federal Building Loan Bureau under the supervision of the Federal Building Loan Board. The Board would consist of three members, including the Secretary of the Treasury, who would be a member and Chairman ex-officio, and two other members to be appointed by the President by and with the advice and consent of the Senate.

Under the proposed measure, the Board, as soon as practicable after the passage of the bill, would divide the continental United States into 12 districts, said districts to be apportioned with "due regard to the building loan needs of the country."

May Establish Branches.

"The Federal Building Loan Board shall establish in each Federal building bank district a Federal building bank, with its principal office located in such city within the district as said Board shall designate," Mr. Huddleston's bill would provide. "Subject to the approval of the Federal Building Loan Board and Federal building bank may establish branches within the building bank district.

"Loans made by each such branch bank shall not exceed the sum of \$10,000 to any one borrower and shall be subject to the restrictions and provisions of this act, except that each such branch bank may loan direct to borrowers, and subject to such regulations as the Federal Building Loan Board may prescribe, the rate charged borrowers may be 1.5% in excess of the rate borne by the last preceding issue of building loan bonds of the Federal building bank with which such branch bank is connected.

Stock Subscriptions.

"Each borrower through such branch bank shall subscribe and pay for stock in the Federal building bank with which it is connected in the sum of \$5 for each \$100 or fraction thereof borrowed; such stock shall be held by such Federal building bank as collateral security for the loan of the borrower; shall participate in all dividends; and upon full payment of the loan shall be cancelled at par and proceeds paid to borrower, or the borrower may apply the same to the final payments on his loan."

The bill would make provision for the organization and temporary management of each Federal building bank by a temporary board of directors, and would also provide for the regular supervision of the banks by elected officers and a board of directors. It would also provide that each district be divided into three divisions, and for the election of a director for each division.

Minimum Capital.

Mr. Huddleston's measure would require "that every Federal building bank shall have, before beginning business, a subscribed capital of not less than \$500,000."

"The Federal Building Loan Board is authorized to prescribe the times and conditions of the payment of subscriptions to capital stock, to reject any subscription in its discretion, and to require subscribers to furnish adequate security for the payment thereof," it would be provided.

"The capital stock of each Federal building bank shall be divided into shares of \$5 each, and may be subscribed for and held by any individual, firm or corporation, or by the Government of any State or of the United States.

"Stock held by national building loan associations shall not be transferred or hypothecated, and the certificates therefor shall so state.

"Stock owned by the Government of the United States in Federal building banks shall receive no dividends, but all other stock shall share in dividend distributions without preference." If the minimum capitalization of \$500,000 remained unsubscribed for any bank 30 days after the opening of the books of the bank, the Treasury Department would be authorized to subscribe the balance thereof, for which amount the Secretary of the Treasury would be empowered to take out shares.

Corporations, to be known as national building loan associations, may be organized by persons desiring to borrow money on building site mortgage security under the terms of the act, it would be provided.

Any person whose application for membership is accepted by a national building loan association would be entitled to borrow money on building site mortgage upon filing his application in accordance with provisions prescribed by the act. The amounts which any one individual may borrow would be not less than \$100 and not more than \$10,000.

Investigating Applicants.

Whenever an application for a mortgage loan would be made through a national building loan association, the loan committee would have such investigation made as it would deem necessary as to the character and solvency of the applicant and the efficiency of the security offered. No loan would be made unless a favorable report be returned and the loan committee unanimously approve the report, but the directors of the building bank would not be bound by the report.

Every national building loan association would be vested with power to:

(1) Indorse, and thereby become liable for the payment of, mortgages taken from its shareholders by the Federal building bank of its district.

(2) To receive from the Federal building bank of its district funds advanced by said building bank, and to deliver said funds to its shareholders on receipt of first mortgages.

(3) To fix reasonable initial charges to be made against applicants for loans and to borrowers in order to meet the necessary expenses of the association and to acquire and dispose of property, real and personal, that may be necessary or convenient for the transaction of its business.

(4) To issue certificates against deposits of current funds bearing interest for not longer than one year as not to exceed 4% per annum after six days from date, convertible into building loan bonds when presented at the Federal building bank of the district in the amount of \$25 or any multiple thereof.

Repayment of Loans.

Every mortgage would be required to contain an agreement providing for the repayment of the loan on an amortization plan by means of a fixed number of annual or semi-annual installments sufficient to cover (a) a charge on the loan at a rate not exceeding the interest rate in the last series of building loan bonds issued by the building bank making the loan; (b) a charge for administration profits at a rate not exceeding 1% per annum on the unpaid principal, said two rates combined constituting the interest rate on the mortgage, and (c) such amounts to be applied on the principal as will extinguish the debt within an agreed period, not less than five years nor more than 40 years. No loan on a mortgage would be made under the act at a rate of interest exceeding 6% per annum, exclusive of amortization payments.

Mr. Huddleston's proposal would provide that:

"Such loans may be made for the following purposes and for no other—

"(a) To provide for the purchase of a building site to be occupied by the owner as a home.

"(b) To provide buildings and for the improvement of a building site to be occupied by the owner as a home.

"(c) To liquidate indebtedness of the owner of the building site mortgaged, incurred prior to the passage of this act, or incurred for the purchase of the site, or to provide buildings thereon for use by the owner as a home."

Residence Requirement.

No loan would exceed 50% of the value of the building site mortgaged and of the value of the permanent, insured improvements thereon, to be ascertained by appraisal, under the bill, and no loan would be made to any person who is not at the time, or shortly to become, a resident upon the building site mortgaged.

Every borrower would be required to pay simple interest on defaulted payments at the rate of 8% per annum, and by express covenant in his mortgage deed would undertake to pay when due all taxes, liens, judgments, or assessments which may be lawfully assessed against the land mortgaged.

The Federal building banks, under Mr. Huddleston's proposal, would have the power to invest the funds of the banks under certain specified conditions, and would acquire and dispose of property and land under its supervision, and to deposit its securities and current funds with a Federal Reserve bank, to borrow money and buy and sell United States bonds among other things.

Luncheon Given by New York Clearing House Association in Honor of Jacob Cohen on Occasion of 50th Anniversary of His Connection With Association.

On Saturday afternoon, Nov. 21st, at the close of business, the entire staff of the New York Clearing House Association gathered in the Assembly Room at the Clearing House for a luncheon in honor of one of their number, Jacob Cohen, on the occasion of the 50th Anniversary of his entering the Clearing House. Clarence E. Bacon, Manager of the Clearing House, acted as Toast Master and a number of Mr. Cohen's associates who had worked with him for many years in the Clearing House spoke of their long association with him, following the luncheon, Mr. Cohen was presented with a gift from the Clearing House staff.

Mr. Cohen entered the Clearing House on Nov. 23 1881, at which time it was located at 14 Pine Street, the Manager being the late William A. Camp. In the 50 years, he has served under four managers, the other three in addition to Mr. Camp being the late William Sherer, William J. Gilpin, and the present Manager, Clarence E. Bacon. This is the first time in its history of a little more than 78 years that one of the employees of the Clearing House has completed a half century of active and continuous service. Mr. Cohen was born in the year 1865 at 123 Liberty St. He attended grammar school No. 29 at Rector and Greenwich Sts. until he made his first and only business connection. During his time the Clearing House passed through the financial disturbances of 1884, 1890, 1893, 1907 and 1914. Prior to the formation of the Federal Reserve Bank when the daily balances were paid into the Clearing House in cash, Mr. Cohen as an assistant to the late Robert W. Ferguson, Clearing House Teller, handled daily more actual cash in amount than any teller in the city or country and his accuracy and speed as a money counter were well known, as was also his accurate work in making the daily proof. He is now Chief of the City Collection Department at the Clearing House and he is as active and energetic as at any time in his career.

Following the regular monthly meeting of the Clearing House Committee, which likewise came on Nov. 23 the Clearing House Committee adopted the following resolution:

For the first time in its history of more than 78 years, one of the employees of the New York Clearing House has completed 50 years of continuous and active service.

Jacob Cohen came to the Clearing House as a boy in 1881 and in the intervening years he has served it with unswerving zeal, integrity and fidelity. By his faithfulness and willing attention to his duties in the various positions of trust and responsibility that he had occupied, he has merited the confidence reposed in him, and his cheerful and unflinching courtesy has won the esteem of all who have been associated with him.

The Clearing House Committee takes great pleasure in giving this expression to its appreciation of the long and loyal service of Mr. Cohen and wishes him many more years of usefulness with the Clearing House.

Resolved: That this minute be spread upon the record and an engrossed copy, signed by the members of the Committee, be presented to Mr. Cohen.

This was signed by all members of the Committee, namely Charles S. McCain, Chairman, Harry E. Ward, George W.

Davison, Herbert P. Howell, Gordon S. Rentschler, and Mortimer N. Buckner, President of the Clearing House Association and an engrossed copy presented to Mr. Cohen by Mr. McCain together with a suitable gift.

Reduction in Savings Bank Interest in Baltimore.

The Savings Bank of Baltimore, largest mutual savings institution in the State, has reduced the interest rate payable on deposits from 4% to 3½%, according to the Baltimore "Sun" of Nov. 21, which added:

The change applies to the six-month interest period ending April 1 1932.

A rapid increase in the bank's deposits, which now total about \$85,000,000, has made it a problem for the management to invest new funds in prime securities profitably in the present market.

Action of this savings bank in lowering its interest rate was in line with the general downward trend of bank rates. The rate now in effect is the same as that paid by the commercial banks of the city holding membership in the Clearing House and their associates.

The Clearing House banks reduced the rate payable on savings accounts from 4 to 3½% last June, and shortly afterward lowered the demand deposit rate from 1½ to 1%, marking the third reduction in a year.

Further Reaction in New York City Bank Stocks.—Average Yield 6.59% on Nov. 21, Compared with 6.10% Nov. 14.

New York City bank and trust company stocks recorded further declines during the week of Nov. 21 as indicated by the Dollar Index figures compiled by Hoit, Rose & Troster. They state:

Sixteen leading issues as of Nov. 21, yield an average of 6.59%, compared with a high yield of 7.82% recorded at the low point touched on Oct. 5, and with a yield of 6.10% on Nov. 14.

The open market value of the 16 issues now aggregates \$2,049,565,000 compared with \$2,214,900,000 on Nov. 14, indicating that the stocks as a group declined 7% during the week, but are still 20% above the low of \$1,714,032,000 on Oct. 5.

Based upon the Nov. 21 figures, the 16 issues are now selling at 14.2 times their known current earnings against 15.3 times on Nov. 14, and 11 times known earnings on Oct. 5, the low point for the year. The current market value of the 16 stocks is 0.98 times known book value against 1.06 on Nov. 14, and 0.81 on Oct. 5.

United States Export Houses Warned to Guard Against Foreign Exchange Loss.

The following from Washington Nov. 17 is from the New York "Evening Post":

American exporters who wish to guard against foreign exchange loss, in future contracts, are being advised by the Commerce Department either to raise the price of the goods sold in terms of the importer's currency or to require payment in American dollars, thus placing upon the importer the burden of exchange depreciation.

The advice is given in response to many inquiries which have been received by the Finance and Investment Division of the department, following the suspension of gold payments by several countries and the institution of measures of foreign exchange control by others.

H. Parker Willis on Central Banking Problems of To-day—Immediate Necessity of Central Banking Is to Rid Itself of False Repossessions and Devote Mechanism to Well-Established Banking Duties.

"Central Banking Problems of To-day" were discussed at length on Nov. 18 by H. Parker Willis, head of the Banking Department of Columbia University, before the New School for Social Research in New York City. According to Dr. Willis "the immediate necessity of central banking everywhere is first of all to get rid of its false prepossessions". Among other suggestions urged upon the Central banks by him was the following:

Lay aside all nebulous theories, all untried schemes, all pseudo reforms, and devote the central banking mechanism solely to well-established banking duties, chief among them the study of credit and the rendering such credit available as direct purchasing power on a convertible basis.

In the course of his lecture before the school Dr. Willis observed:

For some years past, there has been in existence a so-called Central bankers' conference with vague notions of its function, but resulting in agreements on discount rates, international credits among Central banks, and secret understandings of one sort or another. It has culminated in an effort to re-establish an international bank whose first year has witnessed an almost complete collapse of international co-operation and the admission that a wholly unprecedented proportion of Central Bank assets is "frozen."

Dr. Willis cited as "the great problem of central banking—credit study, credit analysis and the admission of sound credit to the status of purchasing power through discount." He went on to say:

Like most great duties it is simple, and when simply followed, provides its own solutions, rendering needless the fictitious operations, the pegging of prices, the giving of "relief" to this or that financial interest. The central banking mechanism holds the ultimate deposit reserves of the great rank and file of the people; it is its duty to safeguard them for the uses of the rank and file. This has been done, at times, and for short periods, by almost every central banking system. It can be done again, and with due attention on the part of the people, can be done constantly, steadily and effectively.

We quote herewith in full what Dr. Willis had to say:

The basic problems of every individual as of every institution are problems of self realization. This is true of the central banking organizations of to-day. Before they can cope at all with the more general issues with which they have to deal in an actual world, they must come to understand what they are themselves; they must acquire a self-realization—a conscious mission or object of existence.

This is conspicuously true of Central banks as they appear to-day. We see before us several types of Central banks, and, while we refer to them vaguely under a single generic name, we admit that they are by no means identical in method, aims or ideals. Before we can fairly speak of them, therefore, as a group, we must try to see what their guiding principle really is—if they have one—and we must then inquire whether they can be induced to accept this unity of idea and management, at however great a distance from their broader ideal.

What then is the "Central" Bank? There is no answer as yet; no indication of what this quality of "centralness" implies. At least three definitions have been given, and all are currently still implied. According to some, a Central Bank is a kind of emergency relief method—a source of sporadic aid for hardpressed institutions which have sown their wild oats, and are feeling the consequences. One banker of my acquaintance likens them to "fire engines" which are drawn hither and thither to put out financial conflagrations. The conceit is possibly pretty, though somewhat obsolete. It does not conform to existing methods of practices. A second description or definition would have it that a Central Bank is a "bankers' bank" to do for bankers what the banks themselves do for individuals. This view is far nearer to the truth of the central banking function as we see it to-day, but it is still far off from the ideas of Central banking that are gaining ground among those who view social needs and requirements with a somewhat clearer vision. To them the Central Bank is neither a fire engine nor a banker's instrumentality, it is a banking mechanism for use in protecting the credit institutions of the community. Perhaps it might best be described as a "peoples bank" rather than as a bankers'.

The distinction between an emergency or wild oats bank designed to help out banks that have been careless or unfortunate, a bank that is operated by, for and in the interest of bankers, and a bank that is operated in the interest of the general public for the purpose of making interest rates reasonable and non-fluctuating, banking accommodation steady and semi-permanent, and prices as nearly stable and reliable as circumstances will permit is fundamental. The problems of the Central Bank under each of these three types of standard are totally different one from another, certainly in most respects. Therefore, at the outset it is quite needful to make up one's mind as to what a Central Bank is. Otherwise discussion of central banking problems has only a blurred and uncertain meaning.

It is needful that Central bankers find out as soon as they can what sort of institution they believe themselves to be operating. This is essential since only on that basis can a consistent policy be adopted by them. They have not, as yet, studied the problem in this form, surely not in most cases, and their notions on the subject are accordingly unsettled. Partly because of this blurred view of their own objects, partly because of uncertainty in their own minds, therefore, as to what the effects of certain courses of action will be, our Central bankers are equally unsettled as to the technique of Central banking. Manifestly then it is essential as a first problem of successful Central banking for the future that our Central bankers not only become "banking-conscious" but that they accustom themselves to the reading of the literature and past experience of Central banking, and in consequence obtain the knowledge that will at least give them a working set of principles for Central Bank operation.

The two problems that have thus been set forth may be regarded as psychological difficulties or problems. They must be cleared up for the sake of those who are engaged in banking and who want to orient themselves better in their field. They must be cleared up for the sake, moreover, of those who expect much of central banking and who want to see the profession exercise the full functions for which it is intended and created. Suppose, however, that we had a group of central banks operated by fully qualified men who know their business and who are themselves entirely conversant with the outstanding elements of banking discussion—what would such banking managers find to deal with; what problems must they face in the immediate future?

I believe that the first of such problems is that of the present condition of the central banks themselves and the means that can be found to restore them to a satisfactory condition of vigor and helpfulness. At present, there are few central banks that have satisfactory portfolios notwithstanding that the holding of such portfolios is, of course, the main canon of central banking soundness. The situation of the Reichsbank in this respect has been discussed with some frankness by a group of bankers sitting at Basle during the past summer. The discussion which ensued and in which Dr. Schacht, formerly President of the Reichsbank, took an important part has thrown still further light upon the entire situation and has shown that the position of Germany's own central bank is far from satisfactory. The Bank of England is viewed by the Macmillan Committee as having become quite deeply involved in "frozen" loans. On this point the Macmillan Committee which reported last June, remarks:

"... Our total position is much less liquid than formerly. . . . We believe the position today to be less liquid than before the war. . . . Our conclusion is that the Bank of England's liquid assets ought to be increased at the first opportunity to a substantially higher figure and maintained thereafter at this higher figure as normal. . . ."

The expressions thus quoted are conservative in a high degree. As to our own situation it is enough to call attention to the growth of storage acceptances, to the fostering of the German acceptance business with the subsequent "freezing" of this large body of paper, to the great advances made to both Germany, and other countries; in short to the holding of great quantities of various assets which do not represent commerce and whose ability to pay out at an early date is at least open to serious discussion. The central banks of the world in general have not been wisely managed since the war, and they have paid but little heed to the dictates of central banking as developed by experience before the war.

But this condition is perhaps the least of the evils by which the central banks stand confronted. They have not only failed to protect their assets but they have failed to insist upon general banking tests among the assets of the member or commercial banks broadly viewed—whichever term may be preferred. During the past 13 years, there has been an amazing movement toward the abolition of convertibility in banking, generally. In fact, the ill-educated banker of to-day, whether in or out of the central bank, is in the habit of scoffing at the desirability of self-conversion regarding it as a mere piece of academic scholasticism. The panic of 1929 has recalled him in some cases, to his senses but he still, in typical cases, feels aggrieved at the collapse of his revolt against established and tested principles—his effort to introduce a "new era" in central banking—and he only reluctantly consents to apply the needful remedies that are called for in the process of working back to a sound and safe basis for operations. This unwillingness to apply essential restraints in banking, and this practical grant of permission to the banking community to proceed in a go-as-you-please way, with assets more and more "tied up" in long term loans, such as real estate

mortgages and less and less in funds available for immediate protection, is the gravest financial danger of the time, the basic challenge to central banking. Much liquidation has taken place as the result of unavoidable necessity and automatic self-regulation during the past two years or so, but much more will be needful if the country, and indeed all countries—for this one is stronger and abler than any other—is to return to a footing of soundness and solvency. How can such a result be accomplished?

The answer to this question brings us to another of the major issues that must be dealt with by the central banker if he is to cope satisfactorily with the current problems of his profession. This is the problem of the control of prices, or his relation to prices and price questions or issues. There is a prevalent impression that what is called "credit control" is a fundamental duty of central banking, and that it is the unmistakable function and privilege of such institutions to keep prices at the "right" level. But what is that level? The query in one sense begs the question we have been struggling with since a "right" level is apparently one that can be maintained. However, let us deal with the subject from a factual standpoint. To the average man, the present level of prices or a higher one is the "right" level. After the war there was a widespread superstition to the effect that prices "ought" to be kept up to their then level, and when prices first fell antecedent to the panic of 1920 it was proposed, as you may remember, by one then in high office to "peg" them at 170% of their pre-war figure—and to do it with banking aid. The scheme fell through largely because of inattention and belief that all was right with the nation, rather than because of any disbelief or rejection of the crude proposal that thus came from political headquarters. Ever since, however, there has been a floating notion that somehow central banks, and our own in particular, may easily enough, by enlarging or cutting the amount of their credit issues bring about a "pegging" of prices with all the benefits and blessings that are supposed to follow therefrom. The "cheap money" experiment of 1927 and various other aberrations have all testified to the belief that nothing was so sovereign a remedy for commercial slowness as rising prices. Central bankers, while crying to high heaven their disbelief in credit control, have none the less confessed their allegiance to the religion of inflation by giving as their reason for low money rates the opinion that they would stimulate business and when asked what is the great business stimulator, they have answered "rising prices."

So we have passed through a period of "Sturm und Drang" during the past decade, and the ghost of credit control has gone unaided—a restless ghost disembodied in reality yet disposed to trouble the slumbers of central bankers by its constant reappearance. Experience has once again shown the world that a continuously rising price level brings us inevitably to the brink of disaster, that it is not true that issues of new credit raise prices all around us evenly, and that since they do not they can only aggravate existing unevenness in the present system of distribution, so that they are quite unable to prevent credit extensions from seeping into speculation, or out of the latter, and into business, though the slowness of movement and lack of effectual competition between the two departments of activity practically prohibits the tracing of any real or close causal connection between central bank issues of credit and price levels. So the decade which opened with the bright dreams of the Genoa Conference, where it was urged that every State open a central bank and begin the control of credit, has ended in disaster, with disturbed prices, unliquid portfolios, bank failures, lack of stabilization, and unsuccessful generally. Shall we, on that account, lay aside the value, impractical, and half-baked plan of credit control, or comfort ourselves with the philosophical thought that "what I aspired to be, and was not, comforts me," or shall we seek further the development of a principle of credit control as a guide to central banking?

The question, if followed consistently through to its end, would necessitate a lengthy and involved inquiry into banking principle and technique. Yet there are some general conclusions that may be laid down with positiveness, and that tend greatly to simplify the whole discussion. They are (1) The central bank has a mission to perform as a bank that is urgent, and with which nothing may be suffered to interfere—that of maintaining liquidity and redeemability in the affairs of the community, that of protecting the basic monetary standard of the community, whatever they may be, and that of guaranteeing a fair and even access to the credit supply of the community. These services are primary and no mirage of possible "stabilization" should be suffered for one moment to interfere with their performance; (2) the central bank has a fundamental duty to maintain equilibrium between the demand for, and use of, long term capital on the one hand and short term borrowing on the other, and thus ensure that no possibilities of speculative gain shall suffer it to tolerate undue enlargement of fixed capital; (3) the central bank has a duty to steer clear of "politics" and to guide itself solely by the necessities of the commercial community; (4) the central bank is called upon to see to, first of all, the satisfaction of national needs and requirements, and to undertake international plans and objects only when and in the degree that it has dealt adequately with the national or home duties imposed upon it. These are the principle commandments of central banking, and until it has lived up to them there is neither opportunity nor right to seek the realization of iridescent dreams of finance.

Indeed it would appear certain that, in thus carrying out the dictates of careful banking, a Central Bank will have done about all that it can in the direction of credit control, and will have contributed most greatly to that automatic credit control which is best of all. Central banks, therefore, will do wisely to lay aside their inept ventures into half-baked monetary theory, meretricious statistical measures of trade, and hasty grinding of the axes of speculative interests, with the suggestion that by so doing they are achieving some vague "stabilization" that will, in the long run, be for the "greater good." They must devote themselves to the careful application of safe banking methods, and will advance toward new applications of them, step by step, as various expedients are tested and found wise. To sum up: the problems of the central banker which have had to do with the control of prices are imaginary and for the present should be laid completely aside until the theoreticians have done. Prices do not afford a field for central bank tinkering, least of all for the tinkering of inept hands like those which control many central institutions.

Suppose, again, that we have a Central Bank that has become conscious of its mission, is officered by qualified men, has accepted the view that its duty is that of sound management, and has by some miracle cleaned up the cluttered and unsatisfactory portfolios of present Central Banks—what then will remain by way of current problems? I think that if our Central Banks were, all of them, in this ideal position to-day there would face them as the chief unsettled issue to be dealt with, the extent and kind of international action in which they should or could safely engage. Here again we have a field of thought in which self interest and false idealism have as so often run away with common sense. For some years past, there has been in existence a so-called central bankers' conference with vague notions of its function, but resulting in agreements on discount rates, international credits among central banks, and secret understandings of one sort or another. It has culminated in an effort to re-establish an international bank whose first year has witnessed an almost complete collapse of international co-operation and the admission that a wholly unprecedented pro-

portion of central bank assets is "frozen." The occurrence causes us to pause for a review of some of the noisy predictions of currency reform that have found space in official documents. We must surrender the vague aspirations of some persons as to possible efforts of such an institution, and inquire carefully and thoughtfully just what the limits of international action for a central bank—a private institution entrusted with the reserve deposits of the Nation—ought to be. It is unquestionably a problem which every central bank must consider with utmost care during the next few months.

If the general principles outlined in these remarks thus far shall be accepted as even partially valid, the inquiring student will stop a long time in face of this question. He will recognize that banking is a method of procedure that differs greatly in its local problems and applications from country to country, and that cannot be subject to absolute, strict rules at every turn. He will see that it is at present an occupation peculiarly subject to political and speculative influences, and that there is no assurance whatever of the presence of non-partisan upright men in charge of central banks in all countries at the same time. He will above all recognize, though he does not approve, the fact that in all countries there are National aspirations and military ambitions that tend to override the dictates of common sense and popular welfare. Admitting, though regretting, these things, and knowing that he is resident in a real world, he will concede that much that has been suggested by way of internationalism in banking is out of harmony with a world organized as is ours, and he will regretfully note the tendency of international undertakings to fall into the hands of self-seeking and office-holding classes which cannot be entrusted with the ultimate reserve of a Nation. He cannot be blamed if, in these circumstances, he may say with the poet, "Let us hush this cry of 'Onward' till ten thousand years have gone." For the present, for the immediate task of the day, let us devote ourselves to taking care of the direct and urgent concerns which affect so vitally the life of the people and let us do with them what we can. There is as yet only a very uncertain and limited field of international activity for central banks and the field, whatever it is, is largely political. What is done in it should be done with the utmost publicity and subject to general consent. There is no place for an international syndicate of central bankers who secretly enter into engagements that may or may not coincide with the interests of the community, and who report nothing to that community.

And now suppose again (and for the last time) that we have a Central Bank or set of Central Banks whose management has accepted all these conditions and has fulfilled all these requirements, what will remain as problems for its consideration?

Why, then, of course, we may begin work—just where our Federal Reserve System started work 15 years ago. We shall have cleared away the mists and fogs of financial greed and imaginary reform that have so densely settled around the whole subject, and we may begin our endeavor in this country, and probably in others, likewise. In such circumstances, the problem of our central bank will be, first and foremost, the recognition of sound and liquid credit. How will it do that? Our first practical problem, from this point of view, is obviously that of establishing theoretically and experimentally the credit needs of the various industries of the United States in such a way as to divide between them the resources of the Nation available for the purpose of commercial financing. This problem is a large one, but the lines of its solution are not especially difficult. It is needful to ascertain by a sort of financial census, if need be, the borrowing necessities of the various industries and establishments throughout the United States, and then to guide ourselves accordingly. If you answer that this is impossible, I reply with a direct denial. The method is already used in various group banking systems of the country which are in many particulars usurping central banking functions.

Our problem is not materially different from that which exists abroad, even though it presents itself in varying forms. It is through the socialization of banking and the direction of its effort to the promotion of the principle of equal opportunity for all that the aims of the idealists of our society will be achieved. This is the true problem of central banking wherever conducted and by whomsoever managed. It is a mechanism for the safe distribution of credit among the different branches of business enterprise in such a way as to avoid speculation or speculative enterprises, ensure immediate liquidation, guarantee direct payment in the monetary standard of the country and so bring about a larger measure of equity in business by rationalizing and simplifying competition. There is no reason whatever why we should not attain this object and thereby dispel many of the imaginary industrial issues which present themselves to-day. This is the great problem of central banking—credit study, credit analysis and the admission of sound credit to the status of purchasing power, through discount. Like most great duties it is simple, and when simply followed, provides its own solutions, rendering needless the fictitious operations, the pegging of prices, the giving of "relief" to this or that financial interest. The central banking mechanism holds the ultimate deposit reserves of the great rank and file of the people; it is its duty to safeguard them for the uses of the rank and file. This has been done, at times and for short periods, by almost every central banking system. It can be done again; and, with due attention on the part of the people, can be done constantly, steadily and effectively.

And now I must bring my discussion to a close. I have merely scratched the surface of the subject, indeed have merely brought its consideration to a beginning. The immediate necessity of central banking everywhere is first of all to get rid of its false prepossessions. That done, its functions become plain and, if followed single-mindedly, easy. The mechanism of the competitive system, freed of abuses and permitted to work undisturbedly, will function harshly but justly and through central banking will work itself out in giving direction to industry. The problems of central banking will then appear as the problems of all sound and careful banking, and will be dealt with most successfully by those who have faith to believe in leaving the community to work out its own salvation assuring it so far as possible of the possession of what it saves, earns and is entitled to through natural growth in values.

In closing, may I briefly restate at the risk of repetition what I believe to be the major current problems of central banks throughout the world. They are:

1. Recognize banking itself as a public service industry and not the servant of special financial interests.
2. Consider central banks as the public's or peoples' representative in the banking field, their mission that of realizing popular wellbeing through promotion of sound and liquid credit.
3. As a corollary of the foregoing change in view, undertake the immediate rectification of the present deteriorated condition of central bank assets.
4. Lay aside all nebulous theories, all untried schemes, all pseudo reforms, and devote the central banking mechanism solely to well-established banking duties, chief among them the study of credit and the rendering such credit available as direct purchasing power on a convertible basis.
5. Maintain an absolute divorce between investment and commercial banking and give the whole effort of central banks not to the regulation

of prices, the maintenance of the "market," or the protection of this or that interest, but to the one task of making credit available, reasonable in price, convertible into money when desired, and accessible to every one who through his labor has produced or is producing goods which are entitled to serve as a basis of bank assets.

John E. Rovensky Contends Banking Machinery of Country Should Include Recognition of Security or Lombard Loans and Real Estate Loans—Remedies Should Be Sought Outside Federal Reserve Act.

Conceding that the banking machinery of the country probably ought to include some recognition of security or Lombard loans and also of real estate loans, John E. Rovensky, Vice-Chairman of The Bank of America, N. A., in a speech delivered before the American Statistical Association at the Aldine Club on Nov. 24, declared that the Federal Reserve Act should be left unchanged and that remedies should be sought outside the banks of issue—the Federal Reserve Banks. Mr. Rovensky said:

Security on Lombard loans and also real estate loans were almost entirely left out of calculation by those who drafted the Federal Reserve Act, and in my judgment they were wise in so doing. We must bear in mind that the Federal Reserve Banks issue money. The soundness of our circulating medium is dependent upon their liquidity; the elasticity of our currency is dependent on their method of operation, and I am opposed to any measure that even remotely affects these two important factors.

It may be true that some slight broadening of the act could be effected without harm, but I believe that enough of this could be done through the regulations of the Federal Reserve Board, without any changes in the act itself. I fear that legislative changes may open the door to future tampering with the act, the harm of which would be far greater than the benefits of present proposals.

Mr. Rovensky said that one of the things which stands out most plainly is the limitations of our machinery for handling real estate loans. He added:

In small country towns the percentage of loans based on real estate runs quite high. In many cases loans apparently in the form of straight notes are in fact real estate loans because a mortgage is taken as additional security usually not cited in the note. These loans perform a useful function in the community and within limits are not improper transactions on the part of the local bank.

Mr. Rovensky contended that these loans, because of their lack of liquidity, should not be given access directly or indirectly to the Federal Reserve Banks. He believed, however, there ought to be some machinery that would enable a country bank to obtain temporary relief in the case of unusual withdrawal of deposits. He believed that President Hoover's proposal for the establishment of twelve regional home loan discount banks had much merit and that these banks would be beneficial, if properly developed and managed. As an alternative plan, he suggested the reorganization and strengthening of the existing Federal Land Bank System, with the extension of their operations to include the rediscount of home loans. He continued:

It would, of course, be absolutely necessary that transactions of the member banks with the Federal Land Banks be restricted to repurchases of a temporary nature. Under no circumstances should the Federal Land Banks become outlets or a dumping ground for the real estate loans of the member banks.

In the field of security loans, Mr. Rovensky said, the National Credit Corporation gives every indication of being the agency that will meet the most important requirements of the present situation. This corporation, he hoped, would develop as a permanent part of the banking structure, a sort of national Clearing House association, which, by pooling the resources of associated banks would in time of special need mobilize this credit which is not and ought not to be eligible for rediscount with the Federal Reserve Banks. There is a field of activity open to the National Credit Corporation in acting as a bank or rediscount in connection with the security operations of member banks, Mr. Rovensky continued. "To do that, of course, it would have to be developed from the present primitive form, necessitated by the hurry of its organization. Whatever permanent form the organization takes, it, too, must not become an outlet for security loans."

If any changes in our banking machinery are to be made, Mr. Rovensky said, he believed that these two were all that are advisable. In conclusion he said:

I wish to emphasize again, that in framing them such restrictions must be adopted so that in times of prosperity there would not be a possibility of their doing more harm than good by adding to the inflationary tendencies that always come into play at such a time.

**New Basis Asked in Computation of Bank "Reserves"—
Plan of Federal Reserve Committee Intended to
Synchronize Banking with Business Conditions—
System Would Base Reserves on Percentage of Net
Deposits Plus Definite Proportion of Average
Daily Turnover.**

The Committee on Bank Reserves of the Federal Reserve System has presented to the Federal Reserve Board and the Federal Reserve Banks a report proposing a new method of computing the reserves which member banks of the system must carry, which would, the Committee maintains, result in large reserves in time of business activity and of speculative booms, and smaller reserves in periods of business inactivity. The report was released for publication as of Nov. 25 it is noted in the "United States Daily" of that date, which in giving a summary of the Committee's report said:

Had the proposed system been in effect during the speculative period in 1928 and 1929, the Committee declares, it would have had a restraining influence on the speculative movement. Conversely, the claim is made that the decrease in reserve requirements when the boom was over would have helped to ease credit conditions throughout the country.

Said to Eliminate Inequalities.

Inequalities in the present system would be eliminated, according to the report, requirements would be uniform, and the method of calculation would be simplified.

The present distinction between demand and time deposits would be eliminated, and average daily turnover of deposits would be added as a definite measuring stick, thus making reserves directly dependent upon activity as well as volume of deposits.

Vault cash could be counted as reserve up to a certain percentage, which is not true at present, all reserves now being carried in the reserve banks.

The report was prepared by a committee of which E. L. Smead, Chief of the Division of Bank Operations of the Federal Reserve Board acted as Chairman.

Other members of the Committee were:

Ira Clerk, Deputy Governor Federal Reserve Bank of San Francisco.
M. J. Fleming, Deputy Governor, Federal Reserve Bank of Cleveland.
E. A. Goldenweiser, Director, Division of Research and Statistics, Federal Reserve Board, and
L. R. Rounds, Deputy Governor, Federal Reserve Bank of New York.
W. W. Reifler, of the Division of Research and Statistics of the Federal Reserve Board, acted as Executive Secretary for the Committee.

From the New York "Herald Tribune" of Nov. 25 we take the following condensation of the Committee's recommendations:

Six Recommendations Made.

The recommendations of the committee include:

1. That the distinction between demand and time deposits, for reserve purposes, be dropped and uniform reserve requirements for each class of deposit be adopted; this would remove also the variation in reserve requirements as between Central Reserve City, Reserve City and country banks.

2. That all member banks carry a reserve of 5% against their net deposits and, in addition, a reserve equal to 50% of the average daily turnover of deposits, with a maximum total of 15% against gross deposits, in order that better control over credit can be obtained when the velocity of deposits is large, as during speculative booms.

3. That member banks located in the vicinity of Federal Reserve Banks or branches maintain not more than one-fifth of their required reserves in vault cash and all other banks not more than three-fifths in vault cash; at present vault cash cannot be included in required reserves.

4. That banks be required to carry the same reserves against United States government deposits that they carry against other deposits, thereby necessitating "the repeal of the 1917 amendment which relieved these deposits from reserves as an inducement to member banks to participate to the fullest extent in war financing."

5. That member banks in the vicinity of a Federal Reserve Bank or branch be permitted to compute their reserves over a period of one week, and other member banks over a period of four weeks, and that member banks be permitted to average their daily holdings of reserves against their daily reserve requirements provided they are not continuously deficient for three or more consecutive business days if located in the vicinity of a Federal Reserve Bank or branch, or for six or more days if they are not so located.

6. That member banks be prohibited from declaring dividends or making new loans while their reserves are deficient only in case the deficiency exists for thirty consecutive calendar days, and that the penalty for deficient reserves be 2% above the discount rate on 90 day commercial paper, but that in no case shall such penalty rate be less than 6%.

Fundamental Changes Suggested.

A summary of the Committee report, released for publication as of Nov. 25, as given in the "United States Daily" follows:

A committee on Bank Reserves consisting of representatives of the Federal Reserve Board and the Federal Reserve Banks, has recently made its report to the Federal Reserve system. The report has been released for publication with the consent of the Federal Reserve Board, pending its consideration by the Board and the Federal Reserve banks.

The Committee recommends a number of fundamental changes in existing requirements for reserves of member banks with the view of eliminating inequalities that have arisen under the existing law, but points out that its proposals would not have changed the total volume of required reserves during the period (May, 1931), which has taken as the basis of the committee's calculations. It suggests a basis for computing the amount of required reserves which would be uniform for all banks. It would also simplify reserve requirements by eliminating the classification of deposits into demand and time deposit and the arbitrary classification of banks according to reserve and nonreserve cities.

At the present time, all member banks must carry a 3% reserve against time deposits and reserves against demand deposits of 13% at central

reserve city banks, 10% at reserve city banks, and 7% at so-called country banks. The new proposal drops these distinctions and recommends that all member banks carry a reserve of 5% against their net deposits and, in addition, a reserve equal to 50% of the average daily turnover of deposits, with a maximum total reserve of 15% of gross deposits. This plan, the Committee states, automatically would make demand deposits carry a higher reserve than time deposits and also would make more active demand deposits such as are likely to be found in financial centers, carry a higher reserve than less active demand deposits, such as are held by a majority of country banks. The problem of properly defining time deposits, which has given rise to a great deal of confusion and difficulty, also would be eliminated, as the difference between demand and time deposits would be taken care of automatically under the committee's proposal.

Would Redefine Reserves.

The Committee proposes to define reserves as balances with the Federal Reserve Banks and cash carried by the banks in their own vaults. Prior to 1917 the cash which member banks held in their vaults was counted as part of their required reserves, but in 1917 the provisions of the Federal Reserve Act with respect to member bank reserves were changed so as to exclude cash held in vault and include only deposit balances with the reserve banks. At the same time reserve requirements were reduced by 5% on demand deposits and 2% on time deposits, on the theory that banks would continue to carry about an equal proportion of cash in vault. According to the committee, actual experience has shown this not to be true, principally because banks located in Federal Reserve Bank and branch cities have ready access to the Federal Reserve Banks and are able to replenish their cash quickly. By allowing vault cash to count as reserves, within certain limitations, the Committee's proposal seeks, as nearly as may be, to put banks that are not located conveniently near a Reserve Bank or branch on an equality with banks that are in Federal Reserve Bank or branch cities. Under the Committee's proposal, member banks located in the vicinity of reserve banks or branches could maintain not more than one-fifth of their required reserves in vault cash and all other banks could maintain not more than three-fifths in vault cash. With these limitations, further reductions in vault cash would not result in decreases in total reserves since corresponding increases in reserve balances with the Federal Reserve Banks would be required.

Under the committee's proposal, net deposits subject to reserve would be calculated by deducting from the total deposit liabilities of the member banks their items in process of collection and their balances with other member banks. This method of determining net deposits differs from the existing requirements in that it would permit deductions, which are more carefully defined, to be made from gross deposits rather than from amounts due to banks. Present requirements, the Committee points out, have operated in favor of banks in financial centers having large amounts of bankers' balances from which deductions are permitted and against banks in country districts and elsewhere that do not have such balances.

More Equitable Distribution.

The Committee's proposal would provide a more equitable distribution or required reserves as between different member banks and groups of member banks, but, as already indicated, would not have changed the total volume of required reserves on the basis of May, 1931, figures. The Committee points out, however, that the volume would change with fluctuations in the volume of the banks' business, as measured not only by the amount of deposits, but by their activity as well. Reserves thus would be larger, it states, in periods of activity and in periods of speculative booms, and, therefore, would work in the direction of sounder credit conditions. Under the method proposed by the committee, the aggregate reserve requirements of member banks would have increased sharply during the speculative period in 1928 and 1929, and would have decreased by approximately an equal amount in the following two years of business depression. The increase according to the committee, would have been concentrated largely at banks whose customers were trading heavily in securities and consequently would have had a restraining influence on the speculative movement. The subsequent decrease in reserve requirements when the boom was over would have helped, the committee states, to ease credit conditions throughout the country.

The Committee's proposal, therefore, would result in increased reserves when and where they would be most desirable. For instance, during the farm real estate boom of 1919-1920, the Committee's proposal would have required considerably increased reserves at banks in the interior of the country. During the speculative boom in Florida real estate, it would have required Florida banks to carry larger reserves, and during the stock market boom of 1928-1929, the required reserves of eastern city banks would have been materially increased.

Sound Credit Structure Is Aim.

In making its proposals, the Committee was guided by the view that the principal purposes of reserve requirements under our present banking structure should be to promote sound credit conditions by exerting an influence on changes in the volume of bank credit, and to provide the Federal Reserve Banks with resources sufficient to enable them adequately to discharge their responsibilities. The application of these principles should be such, the committee states, that reserves would be equitably distributed among the member banks and also simple to calculate and to enforce. A system of averaging, proposed by the committee, would facilitate the determination by member banks of their reserve requirements.

The Committee's report includes recommendations for legislative and administrative changes necessary to carry out its proposals, which, if adopted, would become effective after six months.

The proposed amendment to section 19 of the Federal Reserve Act, to give effect to the Committee suggestion, follows in full text:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled that section 19 of the Federal Reserve Act (United States Code, title 12, sections 461 to 466, inclusive, and section 374) as amended be further amended and re-enacted to read as follows:

Bank Reserves.

Sec. 19 (a) Each member bank shall establish and maintain reserves equal to 5% of the amount of its net deposits, plus 50% of the amount of its average daily debits to deposit accounts; but, in no event, shall the aggregate reserves required to be maintained by any member bank exceed 15% of its gross deposits.

(b) Each member bank located in the vicinity of a Federal Reserve bank or branch thereof shall maintain not less than four-fifths of its total required reserves in the form of a reserve balance on deposit with the Federal Reserve bank, and every other member bank shall maintain not less than two-fifths of its total required reserves in the form of a reserve balance on deposit with the Federal Reserve bank. The remainder of the total required reserves of each member bank, over and above the amount required to be maintained in the form of a reserve balance on deposit with the Federal Reserve bank, may, at the option of such member bank, consist of a reserve balance on deposit with the Federal Reserve bank, or of cash owned by such member bank either in its actual possession or in transit between such member bank and the Federal Reserve bank.

(c) The term "gross deposits," within the meaning of this section, shall include all deposit liabilities of any member bank whether or not immediately available for withdrawal by the depositor, all liabilities for certified checks, cashiers', treasurers', and other officers' checks, cash, letters of credit, travelers' checks, and all other similar liabilities, as further defined and specified by the Federal Reserve Board: Provided, however, that the term "gross deposits" shall not include any liability of a foreign branch.

(d) The term "net deposits," as used in this section, shall mean the amount of the gross deposits of any member bank, as above defined and as further defined by the Federal Reserve Board, minus the sum of (1) all balances due to such member bank from other member banks in the United States and their domestic branches, and (2) checks and other cash items in process of collection which are payable immediately upon presentation in the United States, within the meaning of these terms as further defined by the Federal Reserve Board.

(e) The term "average daily debits to deposit accounts," as used in this section, shall mean the average daily amount of checks, drafts and other items debited or charged by any member bank to any and all accounts included in gross deposits as above defined and as further defined by the Federal Reserve Board, except charges resulting from the payment of certified checks and cashiers', treasurers', and other officers' checks.

(f) The term "cash," within the meaning of this section, shall include all kinds of currency and coin issued or coined under authority of the laws of the United States.

(g) The term "reserve balance," as used in this section, shall mean a member bank's actual net balance on the books of the Federal Reserve bank representing funds available for reserve purposes under regulations prescribed by the Federal Reserve Board.

(h) The term "vicinity of a Federal Reserve bank or branch thereof," as used in this section shall mean the city in which a Federal Reserve bank or branch thereof is located, unless otherwise defined by the Federal Reserve Board.

(i) With respect to each member bank, the term "Federal Reserve bank," as used in this section, shall mean the Federal Reserve bank of the district in which such member bank is located.

(j) The Federal Reserve Board is authorized and empowered to prescribe regulations defining further the various terms used in this Act, fixing periods over which reserve requirements and actual reserves may be averaged, determining the methods by which reserve requirements and actual reserves shall be computed, and prescribing penalties for deficiencies in reserves. Such regulations and all other regulations of the Federal Reserve Board shall have the force and effect of law and the courts shall take judicial note of them.

(k) Subject to such regulations and penalties as may be prescribed by the Federal Reserve Board, any member bank may draw against or otherwise utilize its reserves for the purpose of meeting existing liabilities: Provided, however, that if any member bank shall fail for 30 consecutive calendar days to maintain the reserves required by this section, it shall not declare or pay any dividend or make any new loan or investment until its reserves are restored to the amount required by this section.

(l) All penalties for deficiencies in reserves incurred under regulations prescribed by the Federal Reserve Board pursuant to the provisions of this Act shall be paid to the Federal Reserve Bank by the member bank against which they are assessed.

(m) No member bank shall keep on deposit with any State bank or trust company which is not a member bank a sum in excess of 10% of its own paid-in capital and surplus. No member bank shall act as the medium or agent of a non-member bank in applying for or receiving discounts from a Federal Reserve Bank under the provisions of this Act, except by permission of the Federal Reserve Board.

(n) National banks, or banks organized under local laws, located in Alaska or in a dependency or insular possession or any part of the United States outside of the continental United States may remain non-member banks, and shall in that event maintain the reserves and comply with all the other conditions provided by law regulating them prior to the enactment of the Federal Reserve Act; or said banks may, with the consent of the Federal Reserve Board, become member banks of any one of the Federal Reserve districts, and shall in that event take stock, maintain reserves, and be subject to all the other provisions of this Act.

(o) The provisions of Section 7 of the First Liberty Bond Act, approved April 24 1917, Section 8 of the Second Liberty Bond Act, approved Sept. 24 1917, and Section 8 of the Third Liberty Bond Act, approved April 4 1918 (United States Code, Title 31, Section 771), which exempt deposits of public moneys by the United States in designated depositories from the reserve requirements of this Act and all other Acts or parts of Acts in conflict with this Act are hereby repealed only in so far as they are in conflict with the provisions of this Act.

Sec. 2. This Act shall become effective six months after its approval by the President of the United States.

SUMMARY OF PAST, PRESENT AND PROPOSED RESERVE REQUIREMENTS FOR MEMBER BANKS.

A. National Banks Prior to the Enactment of the Federal Reserve Act.

	Reserve Required Against Total Net Deposits,	Reserve Held in the Form of—	
		In Vault.	In Vault or on Deposit with Designated Correspondent Banks.
Central reserve city banks.....	25%	All	None
Reserve city banks.....	25	One-half	One-half
County banks.....	15	Two-fifths	Three-fifths

B. Member Banks Under Original Federal Reserve Act.

	Reserves Required Against—		Reserve Held in the Form of—		
	Net Demand Deposits.	Time Deposits.	On Deposit with Federal Reserve Bank.	In Vault.	In Vault or on Deposit with Federal Reserve Bank.
Central reserve city banks.....	18%	5%	Seven-eighteenths	Six-eighteenths	Five-eighteenths
Reserve city banks.....	15	5	Six-fifteenths	Five-fifteenths	Four-fifteenths
County banks.....	12	5	Five-twelfths	Four-twelfths	Three-twelfths

C. Member Banks at Present.

	Reserves Required Against—		Reserve Held in the Form of—	
	Net Demand Deposits.	Time Deposits.	On Deposit with Federal Reserve Bank.	
Central reserve city banks.....	13%	3%	All	
Reserve city banks.....	10	3	All	
County banks.....	7	3	All	

D. Proposed by the Committee on Bank Reserves.

	Reserve Required Against—		Reserve Held in the Form of—	
	Total Net Deposits, both Demand and Time.	Daily Average Debits to Deposit Accounts.	On Deposit with Federal Reserve Bank.	In Vault or on Deposit with Federal Reserve Bank.
Member banks in vicinity of Federal Reserve banks or branches.....	6.0	6.0	6.0	6.0
All other member banks.....	5%	50%	Four-fifths	One-fifth
	5	50	Two-fifths	Three-fifths

* This distribution of reserves was to become effective in November 1917.

The calculation of net deposits subject to reserve has varied from time to time. At present net demand deposits include total demand deposits of individuals, corporations, &c., plus the excess, if any, of demand deposits due other banks over items in process of collection and funds held on deposit with other banks.

Under the proposed plan, net deposits subject to reserve would include total deposits, both demand and time, less items in process of collection and deposits with other member banks in the United States.

United States Government deposits, which have been exempted from reserve requirements since 1917, would require reserve under the proposed formula the same as all other deposits.

Vault cash eligible for reserve excluded National bank notes, Federal Reserve notes, and Federal Reserve bank notes prior to 1917. Since 1917 no vault cash has been eligible as reserve. Under the proposed plan all kinds of currency and cash issued or coined under authority of the laws of the United States which are held in the vaults of member banks would be eligible to count as reserve.

Computation of Banking Reserves Said to Ignore Changes in Credit.

In addition to the item above bearing on the new basis sought for the computation of reserves of member banks, we quote the following from the "United States Daily" of Nov. 27:

The present system of reserve requirements for member banks of the Federal Reserve System has failed to reflect fundamental changes in the demand for credit in the years from 1924 to 1930, inclusive, according to the report of the Committee on Bank Reserves, which has just been released for publication.

The report shows by textual explanation and by chart how reserve balances have been closely correlated with the volume of net deposits, but have had little relationship to the activity of those deposits.

Failed to Reflect Credit Changes.

The section of the report dealing with the failure of existing requirements to reflect credit developments follows in full text:

Failure of existing requirements to reflect credit developments. In the accompanying chart [this we omit—Ed.] there is portrayed the extent to which existing legal requirements for reserves have failed to reflect credit developments at member banks in recent years. The upper line reflects movements in the total dollar volume of transactions which pass through deposit accounts of customers of member banks. The middle line shows member bank time and net demand deposits combined and reflects movements in the total volume of member bank deposit liabilities. The bottom line shows the reserve balances which member banks have maintained with the Federal Reserve banks. During the period covered by the chart all the legal reserves have been held in this form. The lines are plotted as index numbers with January 1924 equal to 100.

This chart brings out the failure of member bank reserve balances under our present reserve requirements to reflect fundamental changes in the demand for credit. In the first year shown on the chart, 1924, the total volume of debits or check payments made through member-bank accounts was low, reflecting a relatively inactive business situation. Member-bank requirements for reserves, however, increased in 1924 more rapidly than in any other year shown on the chart because the inactive local demand for funds throughout the country caused banks to redepot funds with their correspondent banks in the larger cities, which were required to hold reserves of 10 or 13% against these funds. As a consequence, an inactive demand for funds from trade and industry in 1924 was reflected in a sharp increase both in member-bank deposits and in member-bank requirements for reserves. During 1925 and 1926, on the contrary, when business became more active, these redepot funds were withdrawn from correspondent banks and loaned directly in the market, with the result that aggregate requirements for reserves remained for two years at about the level of December 1924, failing completely to reflect an increase in the market demand for funds.

Inflationary Trend Unnoticed.

The failure of reserve requirements to reflect fundamental changes in the demand for funds and to operate in such a manner as to bring these changes under control became a major factor in the credit situation in 1928 and 1929 when an extraordinary demand for funds from the stock market was met without an increase in reserve requirements of member banks. In fact, the aggregate legal requirements for reserves were about \$75,000,000 lower in September 1929, at the very peak of the stock market boom than in December 1927, despite a situation in intervening months in which the demand for stock exchange loans was sufficient to require brokers to increase their borrowing by over \$4,000,000,000 at rates which in some months averaged nearly 10%. This situation arose because corporations and other nonbanking lenders, seeking to profit by high rates, drew upon their balances with member banks and loaned funds in huge volume directly to brokers, permitting an extraordinary demand for credit to be met without any increase in the deposits against which member banks were required to maintain reserves.

The activity of these deposits increased rapidly, however, as is shown by the chart. Had reserve requirements reflected the activity of deposits, this sharp increase in turnover of deposit accounts, which helped materially to finance speculative developments in 1928 and 1929, would have caused an equally sharp increase in member-bank requirements for reserves, and this increase in turn would have acted as a powerful restraint against unsound credit developments.

Proposal for New Basis of Computing Reserves of Member Banks of Federal Reserve System Meets Opposition.

From the New York "Journal of Commerce" of Nov. 25 we take the following:

The proposals by a committee of the Federal Reserve System to change methods of computing legal reserves of banks so as to base them upon velocity as well as amount of bank deposits had been presented in advance to a number of bankers here, it was indicated yesterday. Considerable opposition has developed to the proposal among them, it is said.

The chief objection raised, it was indicated, was the uncertainty involved in the new scheme. Whereas bankers now can compute their reserve requirements quite simply, and so can determine surplus funds available for new loans and investments without difficulty, introduction of bank debits as a determinant of reserves will make it very difficult to approximate future reserve requirements in advance.

Another objection raised by bankers, it is indicated, is the vagaries in reserve requirements that would follow any special burst of activity in bank deposits because of some extraneous and temporary factor. This burst of activity may come at times when liberal lending policies may be desirable, thus increasing reserve requirements at the very time that they should be reduced.

Offering of \$100,000,000 or Thereabouts of 93-Day Treasury Bills.

The latest offering of 93-day Treasury bills, announced by Secretary of the Treasury Mellon Nov. 22, calls for the issuance of \$100,000,000 or thereabouts. According to the "United States Daily" of Nov. 23, "maturities amounting to about \$80,000,000 are to be cared for from the proceeds of the current issue, leaving an extra \$20,000,000 for addition to Treasury fund available for running expenses." The new issue will be dated Nov. 30 1931 and will mature Mar. 2 1932. They will be payable at face value, on the maturity date, without interest. Tenders for the bills were received at the Federal Reserve Banks and their branches up to 2 p. m. Eastern Standard Time, yesterday (Nov. 27). The bills, which are sold on a discount basis to the highest bidders, will be issued in bearer form only, and in denominations of \$1,000, \$10,000, \$100,000, \$500,000 and \$1,000,000 (maturity value). Last week (page 3363) we noted the offering of \$60,000,000 or thereabouts of 93-day Treasury bills, which brought tenders totaling \$173,213,000; the total amount of bids accepted was \$60,182,000; the average price of the bills issued is 99.411—an average rate on a bank discount basis of about 2.28%.

In announcing on Nov. 22 the new offering of \$100,000,000 of Treasury bills Secretary Mellon said:

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$100,000,000, or thereabouts. They will be 93-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Friday, Nov. 27 1931. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated Nov. 30 1931, and will mature on Mar. 2 1932, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10% of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on Nov. 27 1931, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on Nov. 30 1931.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

C. F. Childs & Co. Awarded \$12,000,000 of \$60,182,000 Treasury Bills Dated Nov. 23.

Of the recent issue of \$60,182,000 of 93-day Treasury Bills, C. F. Childs & Co., specialists in Government securities, were awarded \$12,000,000, or 20% of the entire issue. High bid for the issue was at an annual yield basis of 1.94%, the low bid on a yield basis of 2.40% with an average of 2.28%. C. F. Childs & Co. have been awarded a total of \$60,000,000 or 28% of three recent issues of Treasury Bills totaling \$210,000,000.

Secretary Mellon announced on Nov. 27 that \$100,490,000 had been sold at an average rate of 2.59% on a bank discount basis. The preceding issue sold at 2.28. The total applied for was \$235,485,000. Except for one bid for \$50,000 at the rate of about 1.78%, the highest bid made was 99.430, equivalent to an interest rate of about 2.21% on an annual basis. The lowest bid accepted was 99.296, equivalent to an interest rate of about 2.73% on an annual basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.332.

Representative McFadden Sees Result Near in Inquiry Into Income Tax Frauds.

Representative Louis T. McFadden (Republican), of Pennsylvania, Chairman of the last House Banking and Currency Committee, stated on Nov. 22 that the Internal Revenue Bureau is investigating income tax frauds which have kept "hundreds of millions of dollars" out of the Federal Treasury. The Washington "Post" of Nov. 23, from which we quote, likewise said.

Mr. McFadden has been co-operating with David A. Olson, of New York, a public accountant. Mr. Olson was for six years connected with a well-known accounting firm in New York. Recently he turned over to the Revenue Bureau evidence which, if proved in the courts, will result in a major round-up of income tax evaders.

Fact that the investigation is being made was exclusively revealed first by The Washington Post in an interview given by Representative Wright Patman (Democrat), of Texas, a week ago.

In his statement last night, Representative McFadden said:

Study Covers Two Years.

"For the last two years, as chairman of the Committee on Banking and Currency of the House of Representatives, I have been trying to procure the necessary authority to proceed with an examination of the banking situation, including consolidations, conversions and centralization of banking power, and what happened in the New York stock market in 1929, affecting this whole situation, particularly the part played by national banks, their affiliates and private banking houses in New York and elsewhere, some of which were doing an international business.

"My efforts in this particular were narrowed down, by the direction of the administration, to a technical discussion of branch, chain and group banking. It was impossible under this latitude to go into the vital things, the operation of which have had much to do with the present unsatisfactory financial, banking and economic situation, which is responsible for the continued period of deflation.

"I have, however, with my limited means and opportunities and with such help as I could procure, been making a study of just what has happened in this respect, and in connection with my examination of the issuance and sale of securities by the heretofore mentioned group of institutions to the banks and individual investors at inflated prices which have now left the country's investors and financial institutions flat, carrying great losses. I think I now know what has been taking place.

Financial Chiefs Interested.

"The bulk of this occurred under observation of the Federal Reserve management and the New York Stock Exchange and their various better business bureaus and committees on ethics and conduct. The trouble was that most all of these observers had their eyes shut and many were interested parties, and the exploitation of the public proceeded without interruption and with much glee.

This exploitation of the innocent public applied to the distribution not only of domestic securities, but also if international securities, under a particular group of international bankers to some of whom I have been paying my respects more or less of late.

"And now I find that some of these same bankers, partnerships, companies and corporations putting together these mergers and supervising the issuance of these securities, had the aid and assistance, to a large extent, of some of the leading public accountants.

"Not only did they prove of great service and value to the promotion of institutions that had for their main purpose the fleecing of the public, but they have carried the matter to the extreme and have fraudulently framed the annual income statements of these clients covering several years back in such a manner as to avoid paying a proper legal tax to the United States Government.

Millions Are Involved.

"They apparently were not satisfied with the profits that they made from the exploitation of the investing public, but they must also fraudulently withhold from the Government its just share of the taxation which these companies legally owed to the United States under the taxing laws.

"When the full information is made known and the Treasury Department has had opportunity thoroughly to examine the extent of these frauds the country will, I believe, be astounded. The Bureau of Internal Revenue has, I am very happy to say, evidenced its keen interest and is co-operating in locating these frauds perpetrated by the individuals and companies I am referring to, and I trust that no pressure will be brought to bear in an attempt to stop the ferreting out of all of these evasions and the people who are responsible for them.

"The prosecution of these cases to the limit will secure the payment to the United States Treasury of, I believe, hundreds of millions of dollars of taxes which have been withheld illegally through the collusion of these large taxpayers with the aid and assistance of the certified public accountant firms.

"Certainly the Congress of the United States and the honest taxpayers are interested in seeing to it that every effort is brought to bear to complete these investigations and secure for the United States justice and honesty in the collection and payment of properly authorized taxes."

United Export Lumber Association Files Papers Under Export Trade Act (Webb-Pomerene Law).

On Nov. 24 the Federal Trade Commission issued the following announcement:

The United Export Lumber Association has filed papers under the Export Trade Act (Webb-Pomerene Law) with the Federal Trade Commission, for exporting lumber and other forest products. The association will maintain offices in the Henry Building, Seattle, Wash.

Members of the executive committee are: L. L. Chipman, W. B. Nettleton, L. E. Force, E. D. Anderson and C. E. Dant, Members of the association are: Douglas Fir Exploitation and Export Co., Seattle, Wash.; Grays Harbor Exportation Co., Aberdeen, Wash., and Dant & Russell Export Co., Portland, Ore.

The Export Trade Act grants exemption from the anti-trust laws to an association entered into and solely engaged in export trade, with the provision that there be no restraint of trade within the United States, or restraint of the export trade of any domestic competitor, and with the further

prohibition of any agreement, understanding, conspiracy or act which shall enhance or depress prices or substantially lessen competition within the United States or otherwise restrain trade therein.

Unit of National Credit Corporation Formed in Westchester (N. Y.) and Adjoining Counties.

Arthur H. Titus, Chairman of the National Credit Corporation in the district comprising Westchester and adjoining counties, announced on Nov. 21 (we quote from a White Plains, N. Y., dispatch to the New York "Times") the committee which would assist him in passing on securities offered by banks in return for the corporation's loans, as follows: Robert R. Rennie, New Rochelle; A. H. Snodgrass, Yonkers; Mark D. Stiles, Mount Vernon; D. M. Williams, Port Chester; A. A. Calkin, Monticello; Frank A. Casey, Suffern; D. E. McKinstry, Newburgh; Frederick M. Morgan, Poughkeepsie, and Herbert Senger, Middletown.

Fort Worth Banks Subscribe to National Credit Corporation Fund.

Subscription of approximately \$775,000 for stock in the National Credit Corporation was announced Nov. 13 by Fort Worth banks to Nathan Adams, President of the First National Bank in Dallas and director of the corporation for the Eleventh (Dallas) Federal Reserve District, following a meeting of Fort Worth bankers. The Dallas "News" of Nov. 14 reporting this, added:

The Fort Worth unit is the second of the corporation to be formed in this district, the First National, Republic National and Mercantile of Dallas having subscribed about \$2,000,000 already to form the first unit in Dallas.

San Antonio bankers will hold a meeting Saturday to discuss details of their participation in the corporation, it was learned from Mr. Adams. Houston is expected to call a meeting next week, with the expectation that the four Southwestern units of the corporation will be organized by the end of the next week.

A group of Fort Worth, Houston and San Antonio bankers conferred with Mr. Adams here a short time ago, pledging their support to the corporation and agreeing to work out details of their subscriptions to stock in the national corporation as proposed by President Hoover. The meetings are the result of the conference.

W. E. Connell, Chairman of the board of the First National Bank in Fort Worth, was elected Chairman and Dan E. Lydick, President of the Union Bank & Trust Co., Secretary-Treasurer of the National Credit Corporation No. 2 of the Eleventh District. Members of the Fort Worth committee were chosen as follows: Mr. Connell, Mr. Lydick, R. E. Harding, President of the Fort Worth National; Ed. H. Winton, Vice-President of the Continental National; W. L. Pier, President of the Stockyards National, and C. E. Gilham, President of the American Bank & Trust Co. The unit will serve the west and northwest parts of Texas, with banks in its territory also eligible for membership and expected to participate.

Federal Reserve Board on Bank Suspensions—512 Banks Closed in October With Deposits of \$566,686,000—Figures for 10 Months.

The number of bank suspensions in October according to the Federal Reserve Board reached a total of 512, with deposits of \$566,686,000. In September the bank suspensions totaled 305, with deposits of \$237,061,000. These figures are made available in the Board's monthly "Bulletin" for November. With reference to the figures presented by the Board, the "United States Daily" of Nov. 19, said:

During October there were 512 bank suspensions in the United States involving deposits of \$566,686,000, according to the monthly Federal Reserve "Bulletin" for November, released by the Federal Reserve Board for publication as of Nov. 19. These are the largest monthly records since the beginning of 1928, figures before that not being included in the current bulletin.

The total number of bank suspensions for the first 10 months of 1931 was 1,753. Deposits involved aggregated \$1,461,852,000. These figures compare with 1,345 bank suspensions holding deposits of \$864,715,000 during the entire year of 1930. Bank suspensions numbered 491 in 1928, and 642 in 1929, with deposits involved of \$138,642,000 and \$234,532,000, respectively.

Pennsylvania had the greatest number of bank suspensions in October, the total being 58. Iowa was second with 48. Nebraska had 39, Texas 33, Illinois 32, Missouri and West Virginia each 30. Maine, Connecticut, Mississippi and Montana had only one each.

Illinois in the Lead.

States having no bank suspensions during October were New Hampshire, Vermont, Rhode Island, Delaware, Louisiana, Wyoming, New Mexico, Arizona, Utah, Nevada, Oregon and the District of Columbia.

For the first 10 months of 1931, Illinois leads with 176 bank failures, Iowa comes next with 173, and Pennsylvania third with 122. No other State reached the 100 mark. Ohio approaching it with 94. Maine, Wyoming and New Mexico had only one failure each during the 10-month period. There were no suspensions in New Hampshire, Vermont, Rhode Island, Delaware and the District of Columbia.

National banks account for 99 of the October failures and 310 of those for the first 10 months of the year. State bank members of the Federal Reserve System failing, numbered 25 in October and 82 for the year to Nov. 1. The remainder numbering 388 for the month, and 1,361 for the 10 months were non-member State banks.

Deposits involved in banks failing in October were as follows: In National banks, \$138,282,000; in State member banks, \$141,188,000; in non-member \$287,216,000. Corresponding figures for the 10-month period were: In National banks, \$367,088,000; in State member banks, \$288,302,000; and in non-members, \$806,462,000.

Eighteen Banks Reopen.

Eighteen banks with deposits of \$4,847,000 were reopened in October. During the 10 months to Nov. 1, 220 banks were reopened, with deposits of \$126,339,000.

Bank suspensions, by Federal Reserve Districts, for the month and for the 10-month period, are shown in the appended chart:

The following tables are taken from the Reserve Board's "Bulletin":

BANK SUSPENSIONS.

[Banks closed to public on account of financial difficulties by order of supervisory authorities or directors of the bank. Figures of suspensions include banks subsequently reopened.]

Table with columns: Month, Number of Banks (1928, 1929, 1930, 1931), Deposits (in thousands of dollars) (1928, 1929, 1930, 1931). Rows list months from Jan. to Dec. and a Year total.

Back figures.—See Annual Report for 1928 (Table 64). r Revised.

BANK SUSPENSIONS BY DISTRICTS.

[Banks closed to public on account of financial difficulties by order of supervisory authorities or directors of the bank. Figures of suspensions include banks subsequently reopened. Figures for latest month are preliminary.]

Table titled 'Banks Suspended.' with columns for Federal Reserve District, Number (All Banks, Members, Non-Members), and Deposits (All Banks, Members, Non-Members). Rows list districts from Boston to San Francisco and a Total.

Banks Reopened.

Table titled 'Banks Reopened.' with columns for Federal Reserve District, Number (All Banks, Mem-bers, Non-Members), and Deposits (All Banks, Members, Non-Members). Rows list districts from Boston to San Francisco and a Total.

x Represents national banks only, except as follows: January-Oct., 1 State member in New York district with deposits of \$18,801,000, and 3 State members in St. Louis district with deposits of \$6,313,000.

Back Figures.—For district figures back to 1921 see "Bulletin" for February 1931; also annual reports for 1930 (Table 117), 1929 (Table 111), 1928 (Table 115), 1927 (Table 111) and 1926 (Table 98).

Subscriptions to National Credit Corporation in Boston Federal Reserve District.

Under date of Nov. 18 the following statement was issued by the Loan Committee of the National Credit Association No. 4 of the First (Boston) Federal Reserve District:

The organization of the National Credit Corporation has progressed rapidly and satisfactorily. From subscriptions already received at headquarters, it is estimated that shortly subscriptions in excess of \$500,000,-

000, the amount asked for by President Hoover, will be obtained. In Massachusetts such subscriptions have totalled in excess of \$22,800,000 out of an available total, based on the required subscription compared to capital and surplus or deposits, of approximately \$28,000,000.

Credit associations have also been organized and already loans have been made when called for by banks meeting the credit requirements of the Corporation.

In Massachusetts applications for membership in the local association, known as the National Credit Association No. 4 of the First Federal Reserve District, have been received from a large number of the banks and trust companies, aggregating \$22,193,060.77. Additional applications are being received and approved daily. This Association has completed its organization and is fully equipped to handle applications for loans which may be made by member banks. No such applications have so far been received in this State.

The National Credit Corporation has not yet made any call for payment on the subscriptions to debentures, as funds sufficient to provide for all loans which have been made have been advanced temporarily by certain banks until the amount of such requirements shall reach a figure sufficiently large to make desirable a call by the National Credit Corporation for a partial payment on the debentures. This will make it possible to invest immediately the funds when called for at a profitable rate of interest. It is believed that this policy should relieve some banks of the burden of immediate subscription and be more satisfactory inasmuch as it will lessen the amount of idle funds in the Federal Reserve Bank which are not producing income for the holders of the debentures.

The formation of the Boston unit of the National Credit Corporation was referred to in these columns Nov. 7, p. 3034.

Banks of Lower Peninsula of Michigan Subscribe Over \$10,000,000 to Stock of National Credit Corp.

Banks of the lower peninsula of Michigan have subscribed \$10,500,000 to the stock of the National Credit Corporation, it is announced by Wilson W. Mills, Chairman of the Loan committee, which met recently in Detroit, with the Credit Advisory committee for the Michigan district. In making the announcement Mr. Mills read the following telegram from George M. Reynolds, of Chicago, Chairman of the Seventh Federal Reserve District, of which Detroit and the lower Michigan peninsula, are parts:

"I have just received the information that the Detroit group of the National Credit Corporation, which includes the lower peninsula of Michigan, has subscribed approximately \$10,500,000. Please accept my most hearty congratulations on this substantial subscription to this very worthy undertaking, evidencing as it does the excellent attitude of the banks in subscribing this amount to the notes of the National Credit Corporation in such short space of time."

The meeting was the first held jointly by the two committees, which are composed of bankers who represent each section of the territory. Measures taken in Michigan toward participation in the National Credit Corporation were referred to in these columns Oct. 24, page 2708.

Mortgage Lenders Anticipate Drop in Rents—Look for Adjustment in View of Lower Building Costs, says Allen E. Beals—Small Contractors Expect Federal Rediscount Bank to Stimulate New Home Construction.

Institutions that ordinarily are big lenders on mortgage in the metropolitan area are of the opinion that rents will probably continue to drop until they reach a point commensurate with the reduced cost of building, Allen E. Beals writes in the current Dow Service Daily Building Reports, says the New York "Times" of Nov. 23, from which the following is also taken:

For that reason, says Mr. Beals, they may be expected to be increasingly careful about making commitments, because they say they cannot foresee to what level building rents will sink.

Concerning a report that large lending institutions have been letting it become known among projectors of big construction work in Manhattan that a more liberal policy with relation to the financing of well-conceived projects would be followed by them after the close of this year, one building loan authority said he thought it likely that by Jan. 1 or shortly thereafter many of the lenders would be ready to accept applications for building loans.

"My belief is that lending institutions have been marking time," he added, "with a view to being sure that no further financial trouble is likely to occur. I know many of them have been buying government bonds, which, of course, are as good as cash. The mortgage guarantee companies are not making loans, giving as a reason the total lack of demand. I believe this experience is universal with all the concerns that sell guaranteed mortgages and I do not believe that these institutions will change their attitude. They are merchants in mortgages, and no merchant in any line will stock up with what he has to sell if there is no demand."

Hope in Hoover Plan.

Small builders, however, see in the Hoover plan a new source of building money supply looming at just the right time to help them proceed with their projects when lenders might be inclined to refuse to consider further loans on home building until such time as the readjustments arising from the effects of the 10-year tax exemption law, which expires next year, can be measured, according to Mr. Beals.

"If there are to be wholesale foreclosures on homes erected under this law in consequence of the mortgage-holding lending institutions requiring present owners to modernize these buildings so as to enable them to compete with new ones for tenants, present-day investors say they could expect nothing else but a curtailment of building loans," the Dow Service writer says.

"Still, during recent months vast numbers of home building plots have been sold at auction and at private sale to prospective home builders. Hundreds of these people are proceeding with their building projects.

Hundreds more are looking to the Hoover plan to make it financially possible for them to do likewise. All of them want to take prompt advantage of the low cost of construction, so the President's home building financing plan cannot be put into operation here too soon to suit them.

Omens of Improvement Seen.

"Certain intangibles are being seized upon by the small building trades of New York City and vicinity as omens of prompt improvement. Some building material prices are stiffening. Linseed oil has actually advanced, and the New York and New Jersey Common Brick Manufacturers' Association cites an instance where a brick manufacturer, in answering a letter asking for blanket protection, replied with a refusal to accede to the request, advising the customer that only definite orders for specified delivery would be considered, and that within a very short time.

Realty Licenses Declined in 1931—New York State Figures Show 3,006 Fewer Brokers Than in 1930—Many Renewals Lapsed.

There were 3,006 fewer real estate brokers and salesmen licensed in this State during 1931 than during 1930, according to figures just received by the New York State Association of Real Estate Boards. The New York "Times" of Nov. 22, from which we quote, continued:

The license year, which ended Oct. 31 1931, showed 39,474 people licensed to sell real estate, as compared to 42,480 for the 1930 period. The number of licenses were divided as follows: Original brokers, 20,012; additional brokers (corporations and co-partnerships), 1,822; non-residents, 75; branch offices, 3,238; salesmen, 14,327. The revenue derived from the licensing of real estate brokers and salesmen was \$460,367 for 1931.

The real estate association has investigated the number of renewals made for the year 1931-32 and has learned from A. C. MacNulty, Deputy Secretary of State, that there are 2,390 fewer renewals up to and including Nov. 6 than on the same date last year.

Mr. MacNulty states that any broker or salesman who has not renewed his license is not entitled to a commission on a real estate transaction. Unrenewed licenses on Nov. 6 were: Original brokers, 5,889; additional brokers, 426; non-resident, 25, and salesmen, 7,077.

Richard T. Childs, Mineola, President of the New York State Association of Real Estate Boards, attributes part of the unrenewed licenses to carelessness and neglect on the part of the brokers. Many people are licensed as brokers and salesmen who do not actively engage in the real estate business, and as long as they do not have a deal pending, delay taking out their renewal. In his opinion the shrinkage in the number of licenses is also partially due to the fact that the real estate market has been slow in many localities, making it unprofitable for some to continue in business.

J. P. Day Reports Increased Activity in Real Estate Auction Sales in Past Quarter.

An increase in auction sales activity during the months of August, September and October as compared with the same period in 1930 was reported on Nov. 21 by Joseph P. Day, said the New York "Times" of Nov. 22, which further stated:

More lots were sold for a higher aggregate figure, and more sales held in the past three months than for the corresponding months last year, Mr. Day said.

Realty auction activity has been centered in Queens and Nassau Counties, where 2,100 lots figured in trading in two tracts. The chief sale was that at Merrick Gables, where 1,603 lots, 20 houses and 15 store properties were purchased by 450 buyers. The total amount involved was \$573,497.

New York Real Estate Securities Exchange Reports Increased Activity—Change in Trading Hours.

The New York Real Estate Securities Exchange, Inc. has, as a result of increased activity following recent removal of its trading floor and executive offices to a downtown location (120 Broadway), changed its trading hours to conform with those of other Exchanges, according to an announcement made on Nov. 21 by Charles G. Edwards, President. Effective Monday, Nov. 23, trading hours are from 10 a. m. to 3 p. m. week days except Saturdays, when trading will take place between 10 a. m. and 12 noon.

Car-Hire Regulation Affecting Railroads Sustained in Part—Settlement Rules Issued by Inter-State Commerce Commission Upheld by Supreme Court Except for Free-Time Provision.

The so-called "car-hire settlement rules" promulgated by the Inter-State Commerce Commission, which affect every railroad operating freight cars over the line of another railroad, were upheld by the Supreme Court of the United States on Nov. 23, with the exception of one provision which would have permitted short-line terminal carriers two days' free time during which they would not be required to pay the daily rate for cars interchanged.

The provision for free time in favor of the short-line roads was held by the majority of the Court, in an opinion by Mr. Justice Sutherland, to discriminate against the trunk line carriers, who were not allowed the free time under the rules, and to be contrary to the finding of the Commission that all carriers were entitled to \$1 per day as compensation for the use and detention of another railroad's cars. In reporting the matter the "United States Daily" of Nov. 24 further stated:

Three Justices Dissent.

Three members of the court dissented to this view regarding the free time provision. Mr. Justice Stone declares in his opinion, concurred in by Mr. Justice Holmes and Mr. Justice Brandeis, that under the circumstances, the mere departure by the Commission from the per diem basis for apportioning car-hire costs between parties to a joint haul cannot of itself constitute either a taking of property of the carrier affected by it, or the taking of property without compensation.

Definition of Terms.

The order of the Commission in question in the case was entered July 15 1930 in a proceeding relating to "the rules for car-hire settlement between common carriers by rail in the United States for the use and detention of freight cars while on the lines of carriers other than their own." All common carriers were named as respondents.

"Car hire," as the term is generally understood, according to briefs filed in the case, means the compensation paid by or due from a railroad having possession of a freight car owned by it, to the railroad owning such car. "Per diem" is a term said to have the same meaning, and is used because the compensation is computed upon a daily or per diem basis.

In 1902, the opinions state, the per diem code containing rules governing the payment of freight cars by roads using but not owning such equipment was promulgated by the American Railway Association. These rules were made effective through voluntary subscription by the railroads. Since that date the code, in which several changes were subsequently made, has been administered by the association.

The issues before the Commission in the proceeding were said to have been shaped largely by the contest between the American Railway Association and the American Short Line Railway Association as to what would constitute just and reasonable rules, regulations and charges in respect to the interchange of freight cars between trunk lines and short lines.

Provisions of Order.

The Commission ordered that subscriber railroads pay the per diem rate of \$1 to nonsubscriber railroads instead of a payment, as provided under the Code, upon a mileage basis, which was shown before the Commission to amount to about \$0.50 per day. This portion of the order was not objected to.

The Code, it was explained, also provided that every subscriber railroad pay per diem to all other subscribers whose cars it handles in terminal switching service. It is then permitted, however, to collect from the line-haul railroad to or from which each car is handled, for each car so handled, an amount representing the average per diem expense per car incurred by it in handling all cars in the switching service. This is known as "switching reclaim."

The Code of the American Railway Association provided that no claims shall be allowed to nonsubscribers. The Commission ordered a change in this situation by requiring that subscribers must allow switching reclaim to nonsubscribers. This provision was upheld by the court.

The language and purpose of the Commission's order, it was stated, clearly indicate that nonsubscribers are required to allow switching reclaim to subscribers. The manifest object of the order in this respect, it was stated, was to establish uniformity and equality of treatment as between subscribers and nonsubscribers.

Short Line Carriers.

Additional portions of the Commission's order provided that the short line railroads, those having less than 100 miles of road, should not be required to account to all the railroads in the country for car hire settlement, but only to their connecting carriers. This portion was also sustained.

In addition, the Commission ordered that the same short lines should be allowed an average of two days free time for each freight car interchanged. This latter provision was declared void by the court, the majority holding it was discriminatory.

The changes made by the Commission in the per diem code discriminated in favor of the short line railroads, according to arguments of counsel for the subscriber roads. The Commission had no authority, it was urged, to order the subscriber roads to stand the expense of accounting and to permit the short roads to use all their cars for two days without charge. "It is obvious," it was stated, "that the only purpose of the Commission in making the changes objected to was to effect a transfer of revenue as between railroads."

On the contrary, Government counsel argued that the effect of the changes was to remove the discrimination existing under the per diem code against the short line railroads. It was admitted that the Commission's order adds something to the revenue of the short-haul carriers but it was urged that this was merely a compensation for the extensive terminal service which the short lines render.

Rail Pool Hearing Ordered by Inter-State Commerce Commission—Arguments Are Set for Nov. 28 on Proposed Changes in Plan to Aid Weak Lines.

The Inter-State Commerce Commission announced Nov. 20 that it would hear arguments on Nov. 28 on suggestions contained in the petition of the Association of Railway Executives for modifications in the Commission's plan for assisting weak railroads through the establishment of a revenue pool, in which practically all rail carriers would participate. The hearing will deal with all the proposed modifications.

The plan of the Inter-State Commerce Commission for increases in freight rates was given in the "Chronicle" Oct. 24, p. 2656-2663. The proposals of the Association of Railway Executives for modification of the Commission's plan was published in the "Chronicle" of Nov. 21, p. 3317-3319.

H. D. Sharpe Before New England Conference Says Proponents of Rhode Island Plan for Solution of New England Transportation Problem Are Encouraged at Reception of Plan.

Speaking before the Rhode Island session of the Seventh New England Conference in Boston, Nov. 19, Henry D. Sharpe, President of Brown & Sharpe Manufacturing Co.,

Providence, R. I., and Rhode Island Vice-President of the New England Council, said:

In seeking to stimulate public opinion throughout New England towards a solution of the problem of the future of New England's transportation by land and sea, Rhode Island interests are impressed that the correct determination involves whether we in New England shall be isolated from the rest of the United States by a system of local or terminal railroads, or whether we in New England shall be more closely connected with the rest of the United States through giving New England the direct service of the long-haul trunk-line system. This system, in our behalf, is destined to form the backbone of an integrated transportation service, operating in the territory east of the Mississippi and north of the Ohio to the Atlantic seaboard.

The Rhode Island plan, in our belief, looks to the future in that it will apply to New England the proposed four-party system which is now before the Inter-State Commerce Commission, and on which hearings will be held beginning Jan. 6 1932.

The recommendations of the majority members of the New England Railroad Committee, in our opinion, look to the past; while that of the minority looks to the future. Real encouragement has been given toward approval of the minority plan. This approval is voiced in the very considerable evidence of interest, following the request of the New England Council that various organizations in New England investigate both the majority report and the minority report of the Railroad Committee, submitting their findings and conclusions to the Council.

At this time, 44 organizations have gone on record in opposition to, or have refused in their reports to concur in, the recommendations of the majority of the New England Railroad Committee with respect to the consolidation of the Boston and Maine and New Haven railroads; 38 organizations have gone on record as approving the recommendations of the majority members of the Committee; 28 organizations have gone on record in favor of some form of trunk-line plan for New England.

It is gratifying to us in Rhode Island to know that a very considerable number of the organizations reporting do not favor the recommendations of the majority members of the Committee.

Maine and New Hampshire seem to divide in their support. Massachusetts, up to the present, appears to have a strong preponderance of opinion in favor of bringing in trunk lines. Commercial organizations, as such, seem pronouncedly in favor of the trunk-line plan, and while industrial bodies, as such, have not yet spoken, there is known to be a very strong sentiment in favor of the minority plan. Vermont has as yet shown little interest in the railroad question. Rhode Island, with the exception of one organization, is practically unanimous in support of the minority plan. In the case of Connecticut, the tendency already declared would seem to favor the majority plan.

On the whole, the proponents of the Rhode Island plan feel that very substantial encouragement has already been given to their views, as enunciated in the minority report.

Erie RR. Cuts Salaries 7½%.

The movement designed to lower operating costs through a reduction in employees' salaries has spread to the Erie Railroad Co., which (said the New York "Evening Post" of Nov. 18) announced that salaries of all unorganized employees have been reduced 7½% regardless of the amount of salary received. This, it is noted, follows similar action by the Baltimore & Ohio, the Pennsylvania, New York Central, and other important railroad systems.

Western Railroads Ask Employees to Consider Voluntary Wage Cut.

From St. Paul, the "Wall Street Journal" of Nov. 19 reported the following:

Great Northern Railway, Northern Pacific Railway, and the Chicago, St. Paul, Minneapolis and Omaha have asked all organized employees to consider a voluntary wage cut of about 10% until business improves.

Shops To Be Reopened by Union Pacific Railroad.

The "Wall Street Journal" Nov. 19 states that "a section of the Union Pacific Railroad shops in Omaha which has been closed several weeks, will reopen Nov. 23 giving employment to 1,000 men."

Reduction in Salaries Made by Great Northern Ry.

According to a St. Paul Associated Press account, dated Nov. 24, the salaries of Great Northern Ry. employees receiving more than \$300 monthly will be reduced 10 to 20%. The cut announced by President Ralph Budd on Nov. 24 will be effective Dec. 1. The cuts apply only to employees not under wage agreements. Salaries of less than \$300 a month will not be changed "for the time being," Mr. Budd said.

Georgia & Florida Trainmen Take 10% Cut in Wages—Reduction First Approved by Unions—Mediation Board Aided.

Through the good offices of the United States Board of Mediation, the train forces of the Georgia & Florida RR., who are members of the "Big-Four" brotherhoods, have taken a 10% wage reduction, effective December 1. While the agreement authorizing the reduction was signed by the local general chairman on the road, it had the approval of the grand officers, who were present at the conferences in Augusta, Ga., and who were also present when the agreement was signed. This is understood to be the first time the grand officers have officially allowed a reduction in wages and the

first approved by the Brotherhoods in recognition of the present difficulties of the roads. The "Wall Street Journal," Nov. 24 had the following regarding the matter:

Prior to instituting negotiations for a wage reduction for train service employees, the Georgia & Florida receivers had reduced the pay of all other employees 10%, effective October 1. Some officers took even larger cuts. The receivers then took the matter up with the trainmen. The local chairmen were willing to take the cut to help out the road in its extreme emergency, but said that they would have to talk the matter over with their grand officers. The receivers then informed the trainmen that they were going to make the cut on November 1 in any event, and were going to ask for an order from the court to this end.

Go to Mediation Board.

The receivers then went to Washington to talk with the Mediation Board, who had been notified of the road's intention by the general officers. On October 26, the brotherhoods filed a formal objection to the proposed reduction and asked that it be submitted to mediation.

H. W. Purvis, General Manager of the road, was dispatched to Cleveland for a conference with the general officers of the Brotherhoods. This was followed by J. H. Arndt, the mediator, going to Augusta to discuss the matter with the general manager, the local chairmen of the unions and the grand officers of the national organizations.

After a series of conferences, and after having talked the whole situation over with Judge William H. Barret, under whose jurisdiction the receivers come, agreement on the 10% wage cut was reached.

Threatened to Stop Operating.

Under the term of the agreement, the road promises not to reduce wages further within 12 months without taking the matter up with the trainmen again. The road had threatened to stop operating unless the trainmen accepted a wage reduction.

Text of Agreement.

1. It is hereby agreed by the representatives of the employees to accept the 10% reduction in wages of engine, train and yard service employees, effective as of December 1 1931.

2. It is hereby agreed by the receiver and general manager of the railroad party hereto, on behalf of the railroad, that, in consideration of the employees' agreement to accept the 10% reduction in their wages, the management will not make any further reduction in rates of pay or wages for a period of one year from this date. It is understood that this does not impose any obligation on the part of the court to continue operations of the railroad for twelve months. It is further understood that should the necessity apparently arise for cessation of operations, unless further adjustments of wages are made, operations will not be ordered stopped without first submitting the facts to the employees and further reduction will not then be made within the period of one year from this date unless agreed to by the employees.

Four Western Roads Seek Wage Cuts.

An Associated Press dispatch from St. Paul Nov. 24 stated: Organized employees of four railroads with headquarters in the Twin Cities to-night had under consideration requests they accept wage reductions of 10%.

The cuts, proposed by executives to be effective until business improves, would affect approximately 90% of the operating employees of the Great Northern, Northern Pacific, Chicago, St. Paul, Minneapolis & Omaha, and Minneapolis, St. Paul & Sault Ste. Marie lines.

The proposals were in the hands of union representatives, who were to determine the attitude of the workers toward the requests. The railway executives expect replies next month. Cuts among unorganized wage earners will not be considered until after word comes from the unions. The four lines already have reduced salaries of executives and other supervisory personnel.

Ralph Budd, Great Northern President, Nov. 24 announced those receiving more than \$300 monthly from his company would receive from 10 to 20% less beginning December 1.

Business Suffers from Regulation, Says Governor Ritchie—Government Interference in Private Enterprise Creating Bureaucracy Near to Tyranny, He Declares—Advises Development of Private Initiative.

The "interference with business by government" is both "amazing and appalling," it was asserted by Governor Albert C. Ritchie, of Maryland, in an address Nov. 8 under the auspices of the Sentinels of the Republic, speaking in Washington over a network of National Broadcasting Co. stations. Government, he said, undertakes to regulate, control, supplement or stifle competition, and attempts to shape the course and spirit of almost every variety of human enterprise. While agreeing that some of this may be necessary, Governor Ritchie declared that "on the whole these things have brought a system of bureaucracy which comes very near to tyranny." This account of Governor Ritchie's speech is taken from the "United States Daily" of Nov. 9. Its further report of what he had to say continues:

"The army of officeholders," he continued, "grows over five times as fast as the population, and our Government becomes steadily the most costly, wasteful and extravagant on the face of the earth."

Places Blame on Business.

Business itself is largely to blame if it suffers from too much government, the Governor said, because "big business particularly" has not realized the importance to it of our State and Federal system, and of preserving the proper equilibrium.

"It should work to leave the States what the States can do better or as well as the central government," he said.

Governor Ritchie's address follows in full text:

We are steadily moving towards the crisis of a conflict in which the issue is very much more fundamental than whether this or that current contention is to prevail or whether this or that party shall dispense the powers of office. Rights and liberties that are guaranteed to us by charter and tradition are being lost and sacrificed in the flux of events, and democracy itself is being put to the test.

This country is still a democracy in the making; a democracy that must fight for its existence. The conflict between Hamilton and Jefferson was not one of theories but of actualities, and in the fullness of time these elemental actualities are confronting us again to-day.

Democracy in Fact.

Shall this nation be a democracy in fact as well as in name? Shall we govern ourselves or shall we be governed? Shall democracy be a vital, working political actuality or shall it be merely an academic theory?

Unquestionably the march of government into the domain of business has been anything but democratic. It has not been academic either. It has been imperial and revolutionary.

In many ways the tariff is the most conspicuous instance of this. In its effect upon the free play of economic forces the tariff may easily become the most harmful of all forms of governmental interference. Illy conceived or directed by special interests it can destroy any country's freedom to trade in the markets of the world, and constitute a double burden on the consumer, by requiring him to pay more in his role of taxpayer, and then more again in the prices he must pay for the commodities he needs. I believe this to be true of our present tariff, but I will not dwell upon this because it is a subject all its own to which only passing references can be made here.

No provision in the United States Constitution even remotely contemplates the Government engaging in business. Nothing of this kind was dreamed of. If any such right or authority were ever to be needed its exercise was reserved for the State and local governments.

Yet to-day government is actually in business to an extent little realized. It engages in at least 100 distinct lines, and in most of them is in competition with its own citizens. Not only are vast sums of the people's money tied up if not lost in these undertakings, but the instances of profitable operation are, I believe, rare.

When government goes into business, too little consideration is given to operating costs. There is not the necessity or the incentive which exists in private enterprise to show a profit. Losses can be and frequently are absorbed or swallowed up in general accounts. The citizen pays only indirectly through taxes, and he is either ignorant of what is going on, or indifferent about it, because the whole thing is removed from his own sphere of life, and there is nothing to impress him with the fact that his tax bill is increased not only by government operating deficits, but also by the tax-exempt feature of the Government's operations.

We should remember that private business has no treasure store whose contents it must not earn. Public business, on the other hand, has the public treasury.

Refers to Habit of Looking to Washington for Aid.

Along with this actual operation of business by government, there has come an interference with business by government which is both amazing and appalling. I do not, of course, refer to instances like the railroads, where growth and development have made governmental regulation inevitable.

I refer rather to the habit of constantly looking to Washington for aid and subsidies and subventions; and to the laws too numerous to enumerate which, on the one hand, over-favor business, and, on the other hand, over-regulate it. And I refer to the army of accountants, agents and spies who inject themselves into business in a way which so often is more harmful than helpful, and who make of themselves a constant business irritant.

The truth is that to-day government not only regulates commerce on land and sea and sky as between the States, but it regulates it intrinsically and within the States. It is itself in business as monopolist, competitor, and adventurer; in manufacturing, banking, forestry, shipping, ship-building, aviation, irrigation, mining, warehousing, oil, power, wheat, coffee, &c.

Competition Is Controlled, Supplemented or Stifled.

It undertakes to regulate, control, supplement or stifle competition. It attempts to shape the course and spirit of almost every variety of human enterprise. It dictates as to private finance and commerce at home and abroad. It directs and influences directly and indirectly, through subsidies and advice and the magic of actual or supposed power, the internal life and processes of every State. It builds roads, supervises industry, regulates or controls rates, factory conditions, hours of labor, vocational and cultural education, the care of our infants and mothers, and our meat and drink.

Some of this may be necessary, but on the whole these things have brought a system of bureaucracy which comes very near to tyranny. The army of officeholders grows over five times as fast as the population, and our Government becomes steadily the most costly, wasteful, and extravagant on the face of the earth. And the end is not yet! There are still unexploited fields—child and adult labor, education, the producer, the merchandiser, the consumer, the farmer, the press. A live bureaucracy will be glad to bring them all under its jurisdiction. It will be glad to have the corn-grower, the cotton-grower, the wheat-grower walk into its trap. It may even be glad to encourage popular impulse for "the nationalization" of this, that, or the other, and for new forms of Government ownership and fields of control, foreign both to our institutions and to business stability.

Teaching and Example of Grover Cleveland.

We are forgetting the example and the teaching of Grover Cleveland, who believed in a maximum of self-government, and held that the true ideals of liberty and democracy can be attained only under a government which grants the utmost autonomy to local political units. This, he thought, would mean cleaner politics, fewer bitter conflicts, less corruption, less bureaucracy, less centralization, less abuse of power and less tyranny. Political progress, he claimed, rests with the individual, and must be self-achieved; "an enlightened people can be trusted to govern themselves." He believed in the supremacy of the law, and in its honest enforcement with equal justice to all, rich and poor; but held that all laws should be kept down to an irreducible minimum, and that both men and nations have the inalienable right "to choose their own ways of life and obedience."

Most of our great reforms and proposed changes in organic law to fit modern needs have been of State origin. If the political mind and ingenuity of one State conceives of this or that possible change, this or that regulation of business, it can put it to the test of experiment and the others can copy. If they do not all copy or cannot all agree, that is their right, and it should be respected. Not to respect it and to force it on them through the medium of a central government is a nullification of this right.

Origin of All Sorts of Unnecessary Conflicts.

It is precisely here that all sorts of unnecessary conflicts arise, like those involved in the Eighteenth Amendment and its attempted enforcement by the Federal Congress. One section or group of States undertakes to impose its views, its ideals, or its will upon other States. The call is

made upon Government to pass and enforce laws which prove unenforceable where they do not have the sanction of "the people's consent."

It is all well enough to charge the people of States which don't want such laws with "nullification," but the truth is that, if such laws prove an inevitable nullity in operation, it is because good people feel that their fundamental and inalienable rights of self-government have been nullified by the States which thus try by force to impose their will on unwilling sisters.

In such cases men feel that violence has been done to the spirit which created the Union, and the natural instinct to exercise the right and liberty to govern themselves in such matters again asserts itself, and the law fails. And every law that fails because good people will not respect it or obey it is a bad law. You don't give it any special sanctity by putting it into the Constitution. People will feel that defiance of such a law is not an evidence of badness or of "nullification," but an assertion of freedom. Where people feel that they are governing themselves they will observe and enforce the laws of their own making.

While I think business should be as free and as unharassed and unhampered by Government as is possible, yet I recognize, of course, that it cannot be entirely free, and that in some respects at least the supervising hand of Government is necessary for the public welfare. For instance, it must always be the obligation of Government to keep open the door of opportunity for all to enter on equal terms, and to use its efforts to prevent the abuse of industrial power. But the fair and even use of industrial power may be a better instrumentality than Government not only to work out its own salvation, but to work out impending social and economic problems too.

Take this question of big business. A generation ago we were strong to keep all railroads competitive; now we would unite them. Anything that spelled monopoly was anathema; now we recognize that sound economy often justifies monopoly. Big business may be more economical than little business.

Enforcing artificial competition may be more costly to the consumer than combination. If big business can produce at less cost; can localize production in the economically best places; can avoid duplication and waste; utilize by-products; cheapen distribution; balance supply and demand; and establish other advantages claimed for it, then obviously big business should be encouraged for the common good.

Let us remember that if business suffers from too much government, it is itself largely to blame. It has not developed self-government as it can and should. In efforts to secure special privileges and what it conceived to be more effective security, it has helped to concentrate power in the Federal Government. I oppose that because I oppose undue concentration and usurpation of power wherever manifest, and because I think Washington cannot frame economic laws that are sure to be sound or self-operating or that can fit the diversified conditions of this diversified country.

The rights of business after all resolve themselves into individual rights; and the Federal Government cannot protect individual liberty or leave the enterprise of men as free and unshackled as it should be if it attempts to deal with all the economic and social problems that are raised by modern business and industry in this huge country. When Government goes beyond its scope, human rights suffer and business suffers. Business becomes the victim not only of foolish and unworkable and economically unsound laws, but the victim of bureaucracy with all its red tape and Paul Pryism.

Business Rights Resolved Into Individual Rights.

All this puts too big a strain on Government. It invites abuse of power. I would relieve this by encouraging more self-government in business and by bringing business into closer touch and harmony with the Government, both State and National, and especially State. Business, and big business particularly, does not realize the importance to it of our State and Federal system, and of preserving the proper equilibrium.

No one will contend that in the distribution of powers and functions between the States and the Federal Government the fathers of the Republic foresaw even dimly the complexity of the great business era that was to come. They were keen to protect the rights of property, but equally keen to see that wealth as such had no political privileges. They left the protection and the regulation of property rights largely to the States. The inter-State operation of business, of course, has made it inevitable and highly desirable that aspects of it be under Federal control. Everybody recognizes that.

But has not business, in an effort to protect its security, looked too much to centralized power? Has it not forgotten that the rights of property are political rights and that therefore it behooves it always to strengthen the political structure? If business ignores the States or is indifferent to the political fibre and vitality of the States, it weakens the political foundations on which its whole structure rests. It should, therefore, work to leave to the States what the States can do better or as well as the central government. The best political and the best economic security business can have to-day is to keep political power diversified. An active and belligerent propaganda might stampede a given Congress into passing laws ruinous to business. I believe you can never stampede all the States into doing so.

Democracy believes that the country which is least governed is best governed, and there is no reason to despair of democracy, or to lose faith in it, if we look upon what it has done. Its record of accomplishment is too impressive. Why not recognize that it has made this great nation what it is; and that it has done more to free the spirit and the energies of men; more to protect religious freedom; more to establish the rights of women, of labor, of the poor; more to prevent social conflicts and stratifications; more to protect the rights of property and the security of acquisitions; and more for education, health, happiness, and the greatest good of the greatest number—than any other political power of all time?

Political Instincts Aroused Only By Localizing Them.

Why not, therefore, concentrate our energies more on its political guidance and on strengthening all those domestic, self-governing possibilities that are inherent in it, instead of concentrating so vehemently on trying to mass power in a central government? In these days, when the individual is lost in the mass, you can rouse his political instincts only by localizing them. He can't be interested in a government too complicated to understand, and he won't be interested in political issues that seem too remote from his local interests.

I refuse to believe that the intelligence of the country cannot see that business prosperity must rest on a sounder basis than political favoritism or inspired guidance or interference from Washington. Business should look to and trust the States and their people, as the sources from which its strength and safety spring, and as the arch and security of our governmental structure, and the central government should not block the way.

So I would keep the democratic units of our Government—State, city and county—strong, and thus keep the spirit of democracy alive.

Reapportionment of New York Congressional Districts by Resolution of State Legislature Held Invalid by Justice Staley of State Supreme Court—Decision To Be Brought Before Higher Court.

An opinion holding invalid reapportionment of the Congressional districts in New York State by concurrent resolution of the two branches of the State Legislature, was handed down at Albany on Nov. 8 by Supreme Court Justice Ellis J. Staley. The decision upholds the conclusions given by State Attorney General John J. Bennett Jr. to Secretary of State Flynn, following the adjournment of the Legislature. An Albany dispatch Nov. 8 to the New York "Times" said in part:

The decision was made in the test case, agreed to by the Democratic and Republican State Committees, in order to have the matter settled before the Presidential election.

The case will be appealed to the State Court of Appeals, and then directly to the Supreme Court of the United States, because of the importance of the subject. Justice Staley's decision upheld the contention of the Democrats that reapportionment could be effected only by a law, signed by the Governor, in place of the joint resolution idea worked out by the Republicans to avoid the veto which in past years has been applied to all Republican reapportionment measures by the Democratic Governor.

The test case was started by Samuel S. Koenig, Republican leader of Manhattan; John J. Knewitz of the Bronx and William L. Ward of Westchester, who sought a mandamus order from Justice Staley to compel the Secretary of State to certify Congressional districts as outlined in the concurrent resolution. This Justice Staley denied.

From the Albany account of Nov. 9 to the New York "Evening Post" we take the following:

Justice Staley, reviewing the provisions of the Federal and State Constitutions regarding reapportionment powers of the Legislature, held the executive branch is an integral part of the legislative authority.

"The nature of the function delegated to the Legislature for performance affects and determines the methods of its actions," he wrote. "Legislative action has been frequently designated as 'legislative authority,' 'legislative power' and 'the law making power.'"

See Clear Distinction.

"A clear distinction existing between action which in the very nature of things must be taken by a vote of the members of the Legislature and action taken by legislative authority, and in this State, the Governor, as well as members of the Legislature, is an essential part of that power."

Justice Staley quoted the recent opinion of Chief Judge Benjamin N. Cardozo of the Court of Appeals on the immunity powers of the Hofstadter Legislative Committee in the New York City investigation. Judge Cardozo ruled:

The Legislature can initiate, but without the action of the Governor it is powerless to complete. It is not the sole custodian of Legislature power. The power is divided between the Legislature and the Governor.

Justice Staley cited also the long established precedent of reapportioning Congressional districts by law. This, he said, "furnishes a practical construction of the method of performing this function which is of persuasive, if not of controlling and conclusive weight."

Practice Must Rule.

"We do not readily overturn the settled practice of the years," he wrote. "The force of custom, practical construction, and usage should not at this late day yield to judicial interpretation of a term (Legislature) declared in relation to the performance of a public function which must in the very nature of things be performed by the individual choice and views of the members of public body to which it is committed, when attempted to be applied to such body in the performance of a task which involves and reflects deliberate action by a State."

The Republican leaders were represented in the test case by Abraham S. Gilbert and Benjamin L. Fairchild. Attorney General Bennett represented the Secretary of State, and John Godfrey Saxe appeared for James J. Farley, Democratic State Chairman.

In the "Times" of Nov. 9 it was stated:

Reapportionment of Congress districts became mandatory on the Legislature at the session last Winter, when the State's allotment of seats in the House Representatives was increased from 43 to 45 on the basis of the 1930 census.

The new districts as laid out by the Republican majority were opposed by the Democrats, who contended that the redistricting plan, sponsored by State Chairman W. Kingsland Macy, was unfair to the Democrats and created districts more solidly Republican than the vote justified.

The scheme, however, had the support of the Democratic members of the Legislature from Queens, that borough gaining under the change, and the resolution was passed on April 9 by a vote of 27 to 22 in the Senate and 83 to 63 in the Assembly.

Republican quarters did not deny that the method of redistricting by resolution was adopted to avoid having Governor Roosevelt pass on the measure, a veto by him being assured. The Democrats attacked the measure chiefly on this point, declaring that the last redistricting, and all previous ones, had been by law rather than by resolution, and that to repeal the old law, a new law, and not merely a resolution, was required.

Under the Republican measure the two new districts were outside New York City, but the County of Richmond is combined with the County of Suffolk in the First Congressional District. The Democrats pointed to the absurdity of having Richmond and Suffolk, separated by miles of land and water, in the same district. Under the old apportionment, Queens, Nassau and Suffolk were in one district, while under the change Queens has four districts of its own.

The text of the decision of Justice Staley was given as follows in the "Times":

SUPREME COURT: ALBANY COUNTY.

In the matter of the application of

Samuel S. Koenig, John J. Knewitz and William L. Ward for a mandamus order,

Against.

Edward J. Flynn, Secretary of State of the State of New York.

(Supreme Court, Albany County, Special Term, October 1931.)

(Justice Ellis J. Staley, presiding.)

Appearances.—Abraham S. Gilbert, Esq., and Benjamin F. Fairchild, Esq., attorneys for petitioners; John Bennett, Esq., Attorney General, attorney for respondent (Henry Epstein, Esq., of counsel).

John Godfrey Saxe, Esq., attorney for James A. Farley, chairman of the Democratic State Committee, respondent-intervener (Robert F. Wagner and John J. O'Connor, Esq., of counsel).

Memorandum.
Staley, J.

This application is made for a mandamus order directing the Secretary of State to certify in election notices that forty-five (45) Representatives in the House of Representatives in the 73rd Congress are to be elected in the Congressional districts as defined in a concurrent resolution of the Senate and Assembly of the State of New York.

Section 4 of Article 1 of the Federal Constitution provides:

"The times, places and manner of holding elections for Senators and Representatives shall be prescribed in each State by the Legislature thereof; but the Congress may at any time by law make or alter such regulations except as to the place of choosing Senators."

An act of Congress approved June 18 1929, provided for the 15th and subsequent decennial censuses and for an apportionment thereunder of Representatives in Congress among the several States. The effect of this census statute and the apportionment made thereunder was an increase in the number of Representatives of the State of New York in the House of Representatives from forty-three (43) to forty-five (45).

Procedure of the Legislature.

On April 10 1931, the Assembly and Senate, composing the Legislature of the State of New York, passed a concurrent resolution subdividing the State into forty-five (45) Congressional Districts, and therein specified and fixed the boundaries of such districts.

This resolution was not in the form of a bill or law. It was not submitted to the Governor of the State for his approval. Subsequent to its passage it was submitted for filing to the Secretary of State.

The Attorney General has rendered an opinion to the Secretary of State, advising him that such resolution is ineffective to accomplish a redistricting of the State into Congressional Districts, and for the purpose of this proceeding it is conceded that the Secretary of State will refuse to follow this resolution in his certificate for the election of 1932.

The substantial question involved is whether the Legislature of the State of New York has the power to divide the State into Congressional Districts by a concurrent resolution not submitted to the Governor of the State for his approval, or whether the Legislature was compelled to make such subdivision by an enactment of law subject to the approval of the Governor.

This question compels a consideration of the meaning of the term "Legislature" as used in Section 4 of Article 1 of the Federal Constitution, of the existence of any enactment by Congress under its reserved power altering the Constitutional regulations, and the extent of executive participation in the lawmaking power of the State of New York to validate legislative action therein.

"The legislative power of this State shall be vested in the Senate and Assembly." (N. Y. Constitution, Article 3, Section 1.)

"Every bill which shall have passed the Senate and Assembly shall before it becomes a law be approved and signed by the Governor, or upon Executive disapproval, approved upon reconsideration by two-thirds of the members elected to each House of the Legislature. Any bill not returned by the Governor within ten (10) days, unless return is prevented by adjournment, shall be a law in like manner as if he had signed it." (N. Y. Constitution, Article 4, Section 9.)

This latter section establishes the necessity of Executive action of an affirmative or negative character to give the force and effect of law to enactments of the Legislature. It makes the Governor of the State an essential part of the lawmaking process and power, and establishes the extent of Executive participation.

Ohio Decision Cited.

After the census of 1910, the 13th census, the Congress in accordance with its custom following every census, passed an act which apportioned the members of the House of Representatives among the several States. This act was approved Aug. 11 1911, and is referred to as the 1911 Apportionment Act. In addition to the numerical apportionment among the States of the members of the House of Representatives, it contained provision for Representatives in certain Territories upon their admission as States before apportionment under the next decennial census; it provided that the districts in each State entitled to more than one Representative shall be composed of a contiguous and compact territory and contain as nearly as practicable an equal number of inhabitants; that in case of increase in the number of Representatives in any State that such additional Representatives shall be elected by the State at large, and the others from the existing districts, "until such State shall be redistricted in the manner provided by the laws thereunder," and if no change in number from the existing districts, "until such State shall be redistricted as herein prescribed."

The case of *Davis vs. Hilderbrant*, 241 U. S. 565, involved these provisions of the 1911 Apportionment Act in relation to provisions of the Constitution of the State of Ohio granting the right of referendum as a part of the Legislative authority of that State. This case held that a redistricting act of Ohio for the purpose of Congressional elections was properly submitted for validity to the referendum test, when such was duly invoked, because the enactment of Congress requiring that the redistricting should be made by a State "in the manner provided by the laws thereof" compels such procedure.

Whatever the inference of this decision may be, it sustained the power of Congress to deal with Congressional elections. It did not define or establish the method of the exercise of the legislative power of that State to regulate Congressional elections under the Federal Constitution in the absence of such Congressional enactment, but accepted the act as sufficient justification for referendum submission.

Respondents herein contend that the *Davis* case is controlling here, for the reason that the provisions of the 1911 Apportionment Act are still in effect; that they have not been repealed expressly or by implication and that their requirement "in the manner provided by law" is fatal to the method of action by the New York State Legislature reviewed in this proceeding.

1911 Act Superseded.

With that contention I am constrained to disagree. The act of 1911 was limited by its title to one for the apportionment of Representatives "under the 13th census." Its provisions are limited by express language to procedure required, "under this apportionment." It was a temporary enactment designed for a specific purpose which has been performed. Its life has expired. It has been superseded by the apportionment under the 1929 act. Its provisions, limited by its language to the apportionment under the 13th census, has no force or application to an apportionment under the 15th census.

The debates in Congress when the 1929 census and apportionment act was considered, in relation to a proposed amendment thereto, which are urged by the Attorney General as a valued guide to justify judicial determination that the general provisions of the 1911 act are still law, cannot be

accorded such force and effect. At best, they are mere expressions of opinion of individual members that the general provisions of the 1911 act would still prevail after the enactment of the 1929 act—a view which was rejected.

Such expressions are not to be accepted by the courts as controlling or competent aids to establish as law a statute which has ceased to exist under its own limitations.

The inclusion of the general provisions of the 1911 act in the code of laws of the United States, adopted in 1926 (code of the laws of the United States, Title 2) does not effect a re-enactment of those provisions.

Legislature's Power Unaltered.

Section 2 (A) of the act of Congress, under which the codification was made (Chapter 712, 44 Stat. 777) provides:

"But nothing in this act shall be construed as repealing or amending any such law, or as enacting as new law any matter contained in the code. In case of an inconsistency arising through omission or otherwise between the provisions of any section of this code and the corresponding portion of legislation heretofore enacted, effect shall be given for all purposes whatsoever to such enactments."

Hence there exists no Congressional regulation which alters the power of the Legislature of each State to prescribe in a proper and legal manner the times, places and manner for holding elections for representatives in Congress. The word "Legislature" as used in Section 4, Article 1, and other sections of the Federal Constitution, has been the subject of judicial construction by the State and Federal courts.

In *Minnesota vs. Holm*, *Minnesota*, a recent case, it was construed as meaning the representative body which makes the laws of the State, not synonymous with the lawmaking power of the State and not including constitutional participation by the Governor of that State. Upon this holding, an act of the Legislature of *Minnesota*, vetoed by the Governor, providing for Congressional redistricting was declared valid.

In *State vs. Polley* (26 S. D. 5) it was given a contrary construction and there held to include the whole constitutional lawmaking power of the State and subject to the referendum vote of the people and not limited simply to the members who compose the Legislature. It was further held in this case that a State in its sovereign capacity possessed the power to regulate elections therein; that Section 4 of Article 1 of the Federal Constitution was not a grant but a recognition of that power, subject, however, to the reservation of a power of Congress to establish regulations in relation to Congressional elections and to that extent circumscribing the legislative authority.

In *Hawke vs. Smith* (253 U. S. 221) the term "Legislature" as used in Article 5 of the Federal Constitution in respect to the ratification of amendments to the Constitution was held to mean the deliberative representative bodies that make the laws of the peoples for the respective States and that the ratification of a proposed amendment to the Federal Constitution by the Legislature of a State is not an act of legislation but is the expression of the assent of the State to the proposed amendment.

Use of Independent Power.

The opinion of Mr. Justice Day, referring to the meaning of "Legislature" as used by the framers of the Constitution in requiring "ratification" of amendments says:

"That was not a term of uncertain meaning when incorporated in the Constitution. What it meant when adopted, it still means for the purpose of interpretation. A Legislature was then the representative body which make the laws of the people. The term is often used in the Constitution with this evident meaning."

These expressions have been seized upon as justification for the exercise by Legislatures of an independent power, unlimited by State constitutional requirements, to establish congressional districts in the State. The decision in this one case and the expressions of the opinion may be regarded as the prompting genesis of the concurrent resolution herein involved. At least they are asserted as authority for its validity.

It is significant that the opinion in this case, in its reference to the portions of the Federal Constitution where the term "Legislature" is used with this evident meaning, does not include Section 4 of Article 1 of the Constitution. That a view was entertained that a different meaning should be ascribed to the term as used in Section 4, Article 1, is plainly indicated by reference in this opinion to the case of *Davis vs. Hilderbrant*, in relation to which it said:

Article 1, Section 4, plainly gives authority to the State to legislate within the limitation therein named. Such legislative action is entirely different from the requirement of the Constitution as to the expression of assent or dissent to a proposed amendment to the Constitution. In such expression no legislative action is authorized or required.

The recognition of the difference in the method of functioning by the Legislature where it exercises or did exercise the power of choosing a United States Senator, of ratifying or rejecting a proposed amendment to the Federal Constitution, of being bound by oath to support the Constitution of the United States and that of "prescribing" the districts in a State from which Representatives in Congress shall be elected, is, I believe, the key to correct interpretation. The nature of the function delegated to the Legislature for performance affects and determines the methods of its action.

Legislature and Governor.

Legislative action has been frequently designated in judicial opinions as "legislative authority," "legislative power" and "the lawmaking power."

A clear distinction exists between action which, in the very nature of things, must be taken by votes of the members of the Legislature and action taken by legislative authority. In the latter case, there must be an exercise of the lawmaking power and in this State, the Governor, as well as the members of the Legislature, is an essential part of that power.

When the Legislature is granted the power to prescribe, it means that the Legislature will do so by the exercise of its legislative power and the exercise of that power to be effective must be in accord with all the law-making essentials.

In the State of New York, the Governor is an essential factor in the process. Judge Cardozo in the recent case of *Doyle vs. Hofstadter* 257 N. Y. 244, said:

"The Legislature can initiate but without the action of the Governor it is powerless to complete. It is not the sole custodian of legislative power. The power is divided between the Legislature and the Governor."

Until this year the settled practice of all the States, so far as research has been able to determine, has been uniform in the method of establishing Congressional districts by law, enacted in the manner required by the amending process of each State. Such action for nearly a century and a half furnishes a practical construction of the method of performing this function of persuasive, if not controlling and conclusive, weight. Common usage and practice indicating a particular interpretation of the Constitution or statute is of great value in determining its real meaning.

Upholds Force of Custom.

"We do not readily overturn the settled practice of the years." (Story vs. Craig, 231 N. Y., 33.)

The following is from a Chicago dispatch Nov. 13 to the New York "Times":

The guaranteed gold note issue, secured by 40% of the gate receipts in the authorized amount of \$10,000,000 was guaranteed as to its payment by \$12,176,000 in individual guarantees," said the statement. "Of the \$10,000,000 gold notes, \$6,525,000 have been subscribed to by the guarantors themselves and the calls for payment as made from time to time have been promptly met. The balance remaining to be paid on the subscriptions amounts to about \$2,000,000. Subscriptions by non-guarantors amounting to \$725,000 have also been received."

The statement said that a total of \$2,538,000 has been subscribed to, but not called for payment, and that \$2,750,000 were unsold.

Industries Warn State on Tax Rise—J. R. Knapp Tells New York Commission Added Burden Would Cause Exodus of Manufacturers—Doubling Gas Levy Fought—Asks Corporation Tax Cut.

Manufacturers in New York State, already laboring under a tax burden which has caused some of them to move their plants elsewhere, will leave the State in far greater numbers if their taxes are increased, James R. Knapp, counsel for the Associated Industries of New York State, on Nov. 23 warned the New York State Commission for Revision of the Tax Laws at the Bar Association Building in New York City. The New York "Times," in indicating this, went on to say:

He pointed out that the taxes imposed upon manufacturers in this State are considerably higher than those in any of the ten chief industrial States east of the Mississippi except Michigan, and urged that, instead of an increase in taxes, the industrialists and corporations receive the benefit of lower levies.

Mr. Knapp was one of a dozen representatives of various industries who argued before the Commission against various tax increases the Commission is known to be considering. Opposition was expressed to an increase in the gasoline tax to 4 cents a gallon, to a tax on cosmetics and toilet articles, to a tobacco tax, to taxes on soft drinks and to various other proposals.

Aims to Equalize Burden.

State Senator Seabury C. Mastick, Chairman of the Commission, explained that it is not the intent of the Commission, named jointly by Governor Roosevelt and the Legislature, to raise the total of taxes levied each year. Its principal aim, he said, is to try to devise a method whereby real estate, which now pays nearly three-quarters of the taxes levied in the State, may be eased of part of its burden.

"There seems to be some misunderstanding of the function of the Commission," he said. "It was appointed before the present emergency had arisen, and it was directed to recommend a permanent system of taxation which should, as far as possible, be fair and equitable for all the citizens of the State and not to recommend additional tax sources to meet present State and local deficits. The latter is purely incidental to the function of the Commission."

"It was directed to equalize the tax burden, not to increase it. This means that the sum total of taxation, as far as the work of the Commission is concerned, is not to be increased but that the present total amount is to be differently distributed. Real estate carries too heavy a local burden and, if this is to be reduced and yet the sum total remains as before, some other sources of taxation must make up the deficiency. This means either that certain sources will have to pay more in the future than they have in the past or that some which have not heretofore paid at all will have to begin to pay."

"There are certain obvious sources which might be increased, such as the personal income tax, the inheritance tax, the gasoline tax, the stock-transfer tax, the automobile and auto-truck license fees, certain forms of corporation taxes, taxes on insurance companies and the like. There are certain forms of new taxes which might be levied, such as the often referred to selective sales taxes, such as taxes on tobacco, cosmetics, soft drinks and patent medicines, taxes on documents such as checks and deeds and taxes on amusements."

Other possible tax sources, he said, are unincorporated businesses and billboards. The personal property tax and the mortgage tax "might well be repealed," he asserted. In connection with the tax on real estate, he declared, "the question of tax exemption must be considered to see if some property may not be returned to the assessment roll and thus serve to equalize this tax over a greater spread of taxable realty."

"The Commission has made an interesting study of all these matters and is trying to devise a system of taxation which will take into consideration the relative burdens the taxpayers will have to carry from the local and State as well as from the Federal standpoint," Mr. Mastick continued. "The subject is too complicated to report on piecemeal and, until the completed report is submitted to the Legislature in January, no announcement will be made of any of its conclusions."

In its series of hearings in various cities of the State the Commission has devoted considerable time to testimony on a general sales tax, a proposal it is said to be considering seriously. Yesterday, however, this subject was not discussed.

"New York at the present time is driving industry out of the State because it is taxing corporations so heavily," Mr. Knapp told the Commission. "If this policy continues, and especially if their taxes are increased, manufacturers can and will move their plants elsewhere."

A survey recently completed by his association, he told the Commission, shows the relative tax burden on industry to be 142% in New York, 178% in Michigan, 132% in Connecticut, 115% in Ohio, 103% in Massachusetts, 76% in New Jersey, 67% in Illinois, 58% in Pennsylvania, 49% in Indiana and 44% in Maryland.

In other words, he declared, New York taxes 222% more heavily than Maryland, 30% more than Massachusetts, 8% more than Connecticut, and 87% more than New Jersey. Michigan, he said, cannot be said to be a competing State. His percentages were based upon goods manufactured

New York collects 42% of the total levied upon corporations within its borders in State and general taxes, he pointed out, as against 35% in Massachusetts, 17% in Connecticut and less than half this percentage in the other seven States covered in the survey.

Asks Corporation Tax Cut.

On behalf of his association, Mr. Knapp urged a substantial reduction in the taxes on industry as necessary if New York is to put itself on a parity with other industrial States.

"These figures I have given you," he said, "are poor advertising for New York State. Unless the Commission and the Legislature make it apparent that they are anxious for new industry, these figures will drive

industry out of the State. We ask that the corporation income tax be reduced at least a point from the present 4½%. Unless industry is aided, the State will receive diminishing returns from this tax because of the migration elsewhere of industry.

"We feel constrained also to ask for more equitable distribution of taxes. Too large a portion is being paid by those corporations making income tax reports. We admit that prosperous corporations should pay more than non-prosperous companies, but we think the share should not be too great."

He contended that the corporation income tax rate should be reduced to 2½ or 3% or as an alternative that the real estate levy be cut a quarter, a move which would have the same general effect. Two other representatives of the association joined in the plea, John F. McCabe and Henry M. Powell, the latter tax counselor of Standard Brands, Inc.

Riggs Fights Gasoline Tax Rise.

Royal E. T. Riggs, on behalf of the Fifth Avenue Coach Co., argued in opposition to the proposed doubling of the gasoline tax. He urged, also, that his company and other enfranchised bus lines should be exempted from the gasoline tax on the ground that they operate only in cities and not "on the highways of the State."

His company, he pointed out, pays a \$300,000 annual franchise tax to New York City and considers that the gasoline tax is in effect double taxation, since this tax is collected to pay for maintenance of State highways, which the company's buses never use. If all franchise bus lines should be exempted from the tax, he said, the State's revenue would shrink by about \$250,000.

Another who opposed an increased gasoline tax was Harry G. Bragg, general manager of the Automobile Merchants' Association. He feared, he said, one increase might lead to another, and added his opposition to a suggestion that the license fees of motor trucks should be increased, insisting that the trucks now pay their fair share of taxes.

It was pointed out to him, however, by members of the Commission that whereas the total estimated expenditure for road building in the State next year will be \$262,000,000, the estimated revenue from license and gasoline taxes will be only \$76,000,000. It appeared to be the belief of the Commission that trucks, because of which the cost of road construction has increased materially, should be made to bear a larger percentage of the increase. Heavy trucks now pay about 20% of the total registration fees collected in the State.

Tobacco Tax Plan Assailed.

Opposition to a tobacco tax was expressed by manufacturers, wholesalers and retailers, who united in warning the Commission that the result would be lessened business for the 100,000 retail tobacco dealers of the State, together with an influx of "tobacco bootleggers."

Charles A. Roberts, special counsel for the Tobacco Merchants' Association, declared the tax would cause shrinkage in sales, shipment of tax-free tobacco products into the State by mail-order houses and "bootlegging," the "growth of a brand-new racket." This had been the experience of other States with tobacco taxes, he said.

"There is grimness without humor," said Mr. Roberts, "in the prospect that the New York tobacco taxes would add to the army of unemployed by bringing ruin upon tobacconists and tobacco workers in New York City and elsewhere, who must compete with those in neighboring States where taxes may not be imposed. In ten years of legislative experimenting and tinkering in various States, no scientific or workable tobacco tax law has yet been devised."

"This sort of tax would lead to bootlegging and a new crime wave, with racketeering and hijacking. Bootlegging is already an accepted American industry and Americans will bootleg even to avoid a very low tax. You may, in fact you surely will, have to expend a fourth of that tax in collecting it from the 100,000 retail dealers in this State."

Emory R. Buckner, on behalf of the Associated Cigar Manufacturers and Leaf Tobacco Dealers, also opposed the tax, pointing out that the cigar business had shown a steady decline in recent years. A State tax, he contended, would eliminate the "nickel cigar." Others who opposed the tax proposal were P. J. Kennedy of Glens Falls and William E. Mathias of Buffalo.

Cosmetic Industry Gives Warnings.

Toilet articles and cosmetic manufacturers would move out of the State if forced to keep separate books for figuring a State tax, Ahel J. Smith informed the Commission on behalf of the American Manufacturers of Toilet Articles. It is difficult enough now for the manufacturers, due to the exhaustive records they must keep, if they are to obtain alcohol for their products from the Federal Government, he said.

Alfred Schnier, representing the soft drink industry, opposed as "ruinous" a proposal that a 20% tax be levied upon the beverages the industry produces.

Members of the Commission present, in addition to Mr. Mastick, were Dr. Charles R. White, Vice-Chairman; J. Frank Zoller, G. William Magly, Assemblyman Walter L. Pratt, John P. Hennessy, State Tax Commissioner, and Seth Cole, counsel of the Commission.

Biennial Conference of Assessing Officials at Albany Not to Be Called Coming Year for Reasons of Economy—Expenses Are County Charges Required to Be Borne by Local Holders of Realty.

The biennial conference of assessing officials held at Albany will not be called during the coming year for reasons of economy, according to announcement made at Albany on Nov. 24 at the offices of Thomas M. Lynch, Commissioner of Taxation and Finance, following unanimous vote of the State Tax Commission not to hold the meeting. Assessors and other officials are assured, however, that there will be absolutely no retrenchment in service to them by the Tax Department. The members of the Commission, Commissioner Lynch, John J. Merrill and John P. Hennessy, decided that it would be for the best interests of all concerned to call off the gathering inasmuch as every endeavor is being made at the present time to cut down taxes on realty and the expenses of the local assessors and supervisors at such a conference are county charges which must be borne by the local holders of real property. The Commission or its representatives are required to make official visits to each county every two years, and at these visits virtually

the same purpose is served—that of instructing and aiding local officials to assess real property for taxation. Thus, by the latter method of visitations, service is furnished to local officials at a great deal less cost to taxpayers. It was felt that in all probability the cities and tax districts near Albany would not feel the effect of this additional expense on real estate, but in the rural sections and those counties in the northern, northwestern and southwestern parts of the state the expense of sending a large number of officials to Albany for from three to four days comprises a considerable item in the county tax budget at a most unpropitious time. The Commission's announcement also says:

The authority to call the conference is vested in the Commission by a section of the tax law which states in part that we may request the local assessors and supervisors of the state to meet with us once in two years. It is noted that this is not mandatory. Traveling and other expenses incurred by these local officials in attending such a meeting shall be a charge against the county. In other words it will be another item going to make up the county tax, which is a levy on real estate.

In contradistinction to this is another section which requires the Commission to cause an official visit to be made to every county in the state at least once in two years and inquire into the methods of assessment and taxation. Insofar as the work of the assessors is concerned these assemblages serve virtually the same purpose.

The expenses of local officials attending the conference at Albany constitute a county charge which must be borne by the holders of real property. Every effort is being made at this time to reduce the tax levy on realty. Present economic conditions, accentuated by much unemployment, have resulted in many property owners experiencing unusual difficulties in meeting their tax bills. Therefore anything that can be contributed as a means of reducing county tax budgets will be helpful to local taxpayers.

The importance of our biennial tax conference cannot be overlooked for it has been of untold value. It may be contended that we cannot afford to omit it for a single year. The Commission would not consider deferring it if the same service and instructions were not furnished to local officials by another method and at less cost to the taxpayers. This service will be carried into 30 counties in 1932 by our representatives and local officials will find that the designated places will be much nearer to reach and at considerably less expense. Assessors and other officials are assured that none of the service available to them will be curtailed.

A. B. A. Bank Management Commission Bulletin Covering Clearing House Round Table Conference at Annual Convention in Atlantic City.

The Bank Management Commission of the American Bankers Association has issued a bulletin covering the proceedings of the Clearing House round table conference at the annual convention of the association held recently in Atlantic City, New Jersey. The conference, with C. A. Chapman as Chairman Committee on Clearing House and Interbank Relations presiding and attended by those interested in Clearing House activities, afforded a timely opportunity for Clearing-House officers and officers of Clearing House banks from all parts of the country to meet and fully discuss many problems of common interest. Those topics discussed, which appear in the bulletin are as follows:

"Deposit Interest Rates," Richard R. Hunter, Vice-President Chase National Bank, New York City.

"Co-operative Bank Advertising," Virgil Allen, Jr., Assistant Vice-President First Citizens Bank & Trust Company, Utica, New York.

"Calculation of Reserves," O. Howard Wolfe, Cashier Philadelphia National Bank, Philadelphia.

"Installation and Operation of Measured Service Charges," Leo D. Kelly, Vice-President Mercantile-Commerce Bank & Trust Company, St. Louis, Mo.

"Simplified Bank Statements," C. B. Axford, Editor American Banker, New York City; Craig B. Hazlewood, Vice-President First National Bank, Chicago.

Copies of the bulletin may be obtained for ten cents from the Bank Management Commission, American Bankers Association, 22 East 40th Street, New York City.

ITEMS ABOUT BANKS, TRUST COMPANIES, &c.

On Nov. 23 Samuel D. Post, Second Vice-President of the Guaranty Trust Company of New York, discussed the foreign exchange situation throughout the world before the Foreign Trade Committee of the Chamber of Commerce of Worcester, Massachusetts.

Gilbert T. Stephenson, past President of the Trust Division of the American Bankers Association, was a speaker on Nov. 24 at a lecture given at the New York Junior League under the auspices of the Bank of Manhattan Trust Company. Mr. Stephenson discussed "The Management of Money." Miss Lillian D. Wald, founder and President of the Henry Street Settlement, presided at the lecture.

The Bank of Manhattan Trust Company of New York announced on Nov. 24 that it would mail this week checks amounting to \$3,546,550 to the 86,529 members of its 1931

Christmas Club. This it is claimed is the largest Christmas Club in the United States having been founded fourteen years ago in the Borough of Queens by the Bank of Manhattan Trust Company. The bank's records show that over 38% of the money accumulated in Christmas Clubs goes for Christmas purchases and over 37% goes into permanent savings. The balance is used in paying mortgage interest, taxes, life insurance premiums and other commitments.

At the regular meeting of the executive committee of The National City Bank of New York, on Nov. 24, George A. Guerdan was appointed an Assistant Vice President and George F. Nolte was appointed an Assistant Comptroller.

At a special meeting of the shareholders of The National City Bank of New York held Monday, Nov. 23, at which 75% of the shares were represented, it was voted to assume the assets and liabilities of The Bank of America N. A. on the terms previously approved by the Board of Directors. The shareholders recommended that the capital stock of the bank be increased in the sum of \$14,000,000, making the total capital \$124,000,000. It was announced that a total of 39,000 separate proxies was turned in in an answer to the call for the special meeting. On the following day, Nov. 24, shareholders of The Bank of America N. A. approved the union of the institution with The National City Bank of New York, under the terms agreed to by their respective Boards of Directors. In reporting the meeting of the National City Bank's shareholders in its issue of Tuesday, Nov. 24, the New York "Times" said in part:

On the basis of the September reports of the two banks, the combined institutions will have total resources of \$2,103,186,852 and total deposits of \$1,569,838,966. This compares with deposits of \$1,670,441,906 and resources of \$2,215,112,472 reported by the Chase National Bank, the largest bank in the world, on the same date.

Capital Increase for Stock Trade.

The increase of \$14,000,000 in the capital of the National City Bank will provide only 700,000 shares of the 882,607 shares of National City required to put through the merger on the basis of an exchange of six-tenths of a share of National City for one of Bank of America. The remaining 182,607 shares of National City Bank stock will be supplied out of the holdings of the National City Company.

In this way the National City will be able to absorb the Bank of America with a comparatively small increase of its capitalization.

Capital funds of the Bank of America, according to last Saturday's report to the Clearing House, amounted to \$69,764,600, consisting of capital of \$36,775,300 and surplus and undivided profits of \$32,989,300. Although the National City will acquire all of these capital funds, except for \$588,404.80 to be paid out to Bank of America shareholders as a cash distribution of 40 cents a share and such amounts as may be required to write off slow or doubtful assets, it will increase its capital only \$14,000,000. The remaining funds, it is assumed, will be transferred to surplus and undivided profits.

In answer to an inquiry from a stockholder as to dividends in connection with the merger and the increase in stock, Charles E. Mitchell, Chairman of the National City, said it seemed to him unwise to discuss the matter before the Board of Directors had had an opportunity to consider it for the year-end.

Earnings Equal to Last Year's.

"I will say," he remarked, "that the earnings of the bank itself are for the first ten months just about what they were last year, and I should say for the year will likely be fully as large as they were last year."

"The earnings of the National City Co. are naturally off with the investment market's inactivity. The business of the trust company is on the line of dullness. This is not the time when people are creating new trusts. That means smaller income."

"When I speak of the earnings of the bank I am talking about the current earnings. Of course, revaluation of securities accounts and a complete restudy of every item that is on our books is a thing that takes place with the year-end and what those adjustments will be, and how they may operate in the minds of the directors is something that I cannot say at this time. Current earnings, I think, are very satisfactory."

At a meeting of the Board of Directors of the National City Bank of New York held yesterday, Nov. 27, final action was taken in connection with the acquisition of The Bank of America N. A. At this meeting John E. Rovensky and Elmore F. Higgins were appointed Vice-Presidents. Subsequent to the meeting, it was announced that when the newly created Bank of America Trust Co. is acquired by the City Bank Farmers Trust Co., Edward C. Delafield, since 1920 President of the Bank of America N. A., will join the City Bank Farmers Trust Co., as Vice-President, director and member of the executive committee. Other appointments having to do with the present official personnel of the Bank of America N. A. will be announced at a later date. The following outline of the banking careers of Mr. Rovensky and Mr. Higgins is furnished:

Mr. Rovensky began his banking career as a messenger with the First National Bank of Pittsburgh, later becoming Assistant Cashier. He joined the National Bank of Commerce in New York as Assistant Cashier in 1913, was elected a Vice-President in 1915, continuing in that capacity until 1926 when he became a Vice-President of the Bank of America N. A., later being made Vice-Chairman.

Mr. Higgins started with the First National Bank of Birmingham, Alabama, became a national bank examiner and later chief national bank examiner in the Atlanta Federal Reserve District. He served in a similar capacity in the Chicago district. He came to the National Bank of Commerce in New York about 10 years ago as an Assistant Cashier and rose to be an Assistant Vice-President and later Vice-President. In 1926 he joined the Bank of America N. A. as a Vice-President.

Announcement was made on Nov. 25 of a plan for the consolidation of the American Express Bank and Trust Company of New York with the Chase National Bank and its affiliates. It is proposed that the banking business of the American Express Bank and Trust Company be consolidated with that of the Chase National Bank, effective about Dec. 19, and its trust business be consolidated with that of the Equitable Trust Company of New York, a Chase affiliate organized in 1930 to preserve the name and to carry on a general trust business. The announcement in the matter says:

The American Express Bank and Trust Company began business in April, 1930, with opening deposits of approximately \$6,000,000, and developed rapidly, reporting deposits one year ago on Sept. 24 1930 of \$19,000,000, and on Sept. 30 1931, its last published statement date, of \$25,032,000. It reported on its last statement date total resources of \$46,919,000, with a capital of \$10,000,000 and surplus and undivided profits of \$5,531,000.

Although the banking activities of the American Express Bank and Trust Company have been devoted to the development of business in the domestic banking and trust fields, it was originally organized to become active in the foreign field, and to supplement the financial services of the American Express Company. The subsequent merger of the Chase National Bank with the Equitable Trust Company and the acquisition thereby of established foreign facilities in Europe and the Far East have made unessential the development of the American Express Bank and Trust Company in the foreign field.

The present move is in line with previous steps taken by the Chase National Bank interests toward concentration under one corporate organization of business activities of the same general nature. In July of this year, the securities distributing business of Chase Securities Corporation and of Harris Forbes & Co., which was acquired by the Chase interests in Aug. 1930, were consolidated under the name of Chase Harris Forbes Corporation, and more recently the foreign banking business of Equitable Eastern Banking Corporation, one of the Chase affiliates acquired in connection with the merger with the Equitable Trust Company, was combined with that of the Chase Bank, another of the Chase affiliates operating in the foreign banking field. The proposed change does not in any way affect the activities or organization of the American Express Company, which will continue its operations as heretofore in the travel cheque, foreign remittance, travel and foreign shipping fields.

The general banking business now conducted by the American Express Bank and Trust Company at 65 Broadway will be continued as the American Express Branch of The Chase National Bank under the direction of a personnel composed of its present officers and staff, who will join the Chase National Bank organization. The members of the present board of directors of the American Express Bank and Trust Company will continue as an advisory board of the branch.

Medley G. B. Whelpley, now President of the bank, has been admitted to partnership in the firm of Guggenheim Brothers, but is continuing his interest in the business of the branch in the capacity of chairman of the advisory board.

Acquisition of the banking business of the American Express Bank and Trust Company will not be accompanied by any increase in capital stock of the Chase, as the merger will be effected on a cash basis, the stockholders of the American Express Bank and Trust Company receiving \$160 per share. The consolidation will be effected through a merger of the American Express Bank and Trust Company with the Equitable Trust Company for the purpose of preserving under a trust charter the trust business of the American Express Bank and Trust Company.

The general banking assets of the American Express Bank and Trust Company will be subsequently transferred to the Chase National Bank. A meeting of the stockholders of the American Express Bank and Trust Company and of the Equitable Trust Company has been called to be held on Dec. 14 1931 to vote on the proposed consolidation.

The New York State Banking Department on Nov. 17 approved the application filed by the Manufacturers Trust Company, 55 Broad St., to open a branch office at 1429 First Ave., this city. The Manufacturers Safe Deposit Company also filed on Nov. 16 an application to open a branch office at the First Ave. address.

An application, dated Nov. 12 1931, filed by the Chemical Safe Deposit Company, 165 Broadway, N. Y., for permission to open a branch office at 44th Street and Broadway, was approved by the New York State Banking Department on Nov. 13.

Application was made to the Comptroller of the Currency on Nov. 21 to organize the National Bank of Mechanicville, N. Y., with capital of \$100,000.

The Marine Midland Corp. (head office, Buffalo, N. Y.) announces the resignation of Ernest Stauffen Jr. as Chairman of its Board, as well as Chairman of the Board of Directors of the Marine Midland Trust Co. of New York. Mr. Stauffen, who has been on leave of absence for some months owing to ill health, felt it necessary for the time being to resign from active business until his health is fully re-

covered. He remains a director of both the Marine Midland Corp. and the Marine Midland Trust Co. of New York.

Consolidation of two Derry, N. H., banks, the Derry National Bank and the First National Bank, was affected on Nov. 23, according to a press dispatch from that place on Nov. 24 printed in the Boston "Transcript". The enlarged institution, which continues the title of the First National Bank, has deposits of approximately \$900,000 and total assets of more than \$1,000,000. The officers and directors of both banks will be associated with the new organization. The officers, as named in the dispatch, are: Ernest L. Davis, Chairman of the Board and President; Allen B. Shepard, First Vice-President; Harold J. Curtis, Second Vice-President; Wilbur E. Tewksbury, Cashier; J. B. Bartlett, Assistant Cashier, and Herbert L. Grinnell, Jr., Attorney.

The respective stockholders of the Chelsea National Bank, the Second National Bank and the Atlantic City Trust Co., all of Atlantic City, N. J., on Nov. 21 approved the proposed consolidation of the institution recently agreed upon by their directors, according to a dispatch from Atlantic City on Nov. 21 to the Philadelphia "Ledger", from which we quote furthermore as follows:

The ratification definitely establishes the creation of four major banks as the result of mergers involving fourteen of the sixteen shore institutions.

The details were agreed upon at prolonged conferences participated in by some 150 financial leaders of the resort. Following the announcement on Oct. 13, it remained for the details to be worked out. The three other combinations are already effected.

The principal bank will be known as the Chelsea-Second National Bank & Trust Co. and maintained at the present home of the Chelsea National Bank, at South Caroline and Atlantic Avenues. The two other buildings will be continued as branches.

The consolidated bank will function as soon as final approval of the papers can be obtained from the Comptroller of Currency of the United States.

The proposed merger of these banks was noted in the "Chronicle" of Oct. 17 last, page 2556.

Charged with applying funds of the Bank of Philadelphia & Trust Co. of Philadelphia (an institution which merged with the Bankers' Trust Co. of Philadelphia prior to the closing of the latter in December 1930), three former officials of the institution were held on Nov. 21 in \$5,000 bail each for Court by Magistrate Roberts in the Central Police Court. The men are: Leon A. Lewis, of Jenkintown, Pa., former President, who was also formerly President of the Oak Lane Trust Co. of Philadelphia; John H. Hibberd of Elkins Park, Pa., former Title Officer, and Miles B. Munn, former Vice-President and Secretary, and also former Treasurer of the Oak Lane Trust Co. All three surrendered to the police authorities before the hearing. The Philadelphia "Ledger," from which the above information is obtained, continuing, said:

Warrants charging the officials with applying to their own use \$13,000 of the bank's funds were based on affidavits sworn to by William R. Smith, special deputy of the Department of Banking, who has been in charge of the affairs of the Bankers Trust Co. Lewis and Munn were under \$10,000 bail following their arrest in November, charged with making false statements in connection with the merger, but it was the first appearance of Hibberd as a defendant in the case.

The defendants were allowed to sign their own bail bonds for \$5,000 on the new charges. Munn, charged in a new affidavit with another false and untrue report of the condition of the Oak Lane Trust Company, of which he was treasurer, on October 2 1928, posted additional bail of \$500.

William A. Gray, representing Lewis and Munn, and James A. Walker, former Secretary of the Commonwealth, representing Hibberd, appeared with the defendants at the hearing.

The business of the Manheim Trust Co. and the Jefferson Title & Trust Co., two Philadelphia banks which closed their doors recently, have been ordered liquidated by Dr. William D. Gordon, State Secretary of Banking for Pennsylvania, according to the Philadelphia "Ledger" of Nov. 14, which added:

Depositors in both companies are requested to present their passbooks for audit as soon as possible at the respective offices of the institutions, otherwise the balance appearing on the bank's books will be held conclusive as the depositors claim. In the case of the Manheim Trust Co. presentation of passbooks expires Dec. 7 1931, while the Jefferson Title depositors have until Dec. 14.

At a conference of officials of the First National Bank of Pittsburgh, C. O. Thomas, receiver for the closed Bank of Pittsburgh, N. A., and representatives of the Comptroller of the Currency, a deal was commanded late Saturday night, Nov. 21, under which the First National Bank purchased approximately \$14,000,000 of the assets of the Bank

of Pittsburgh, N. A., making available to the depositors of that institution 50% of their claims. The assets were sold to the First National Bank on a "dollar for dollar" basis, which will provide no profit to the First National. A dividend order will be available for depositors by Dec. 10 1931. The foregoing is learned from the Pittsburgh "Post Gazette" of Nov. 23, which continuing said in part:

The dividend orders will be drawn on the First National Bank and this institution will open accounts in the names of the 17,000 depositors of the Bank of Pittsburgh. The credits on the books of the First National Bank will be subject to immediate check.

As the remaining assets of the Bank of Pittsburgh are liquidated, additional credits will be made to its depositors through the First National Bank.

Frank F. Brooks, President, and Clyde C. Taylor, Vice-President, of the First National Bank, in a statement said their bank was actuated by a desire to further the interests of the community by making funds available quickly to the depositors of the Bank of Pittsburgh.

The plan was formally approved by Federal Judge F. P. Schoonmaker. The agreement was drawn up by George P. Barse, attorney for Comptroller Pole; John Frazier, attorney for the Bank of Pittsburgh receiver, and A. J. Barron of the law firm of Walker, Wright & Barron, attorneys for the First National Bank.

Statement by Comptroller.

Comptroller Pole issued the following statement on the agreement between the Bank of Pittsburgh receiver and the First National Bank.

"The Comptroller of the Currency is glad to be able to announce that a sale has been made to the First National Bank at Pittsburgh of a portion of the assets of the Bank of Pittsburgh, National Association, sufficient in amount to pay the creditors of the Bank of Pittsburgh, National Association, 50% of their claims. It is expected that this dividend will become available to the creditors on or before Dec. 10 1931. The assets so sold aggregate approximately \$14,000,000.

"The payment of this dividend at this early date has been made possible solely by reason of the co-operation of the First National Bank of Pittsburgh, as otherwise it would have been necessary to defer the payment of such dividend until the liquidation of the assets through the receivership had produced sufficient funds.

"It is desired to emphasize further the fact that the First National Bank at Pittsburgh is not making any profit by this sale in that the bills receivable are being sold at face value with accrued interest adjusted to the date of delivery of said assets, and the stocks, bonds and securities are being sold at current market value. In other words, the assets are being sold on a 'dollar for dollar' basis.

"Subject to the provisions of the contract, the remaining assets of the Bank of Pittsburgh, National Association, will be retained and liquidated by the receiver, and as additional funds are from time to time derived from such liquidation further dividends are expected to be paid."

Our last reference to the Bank of Pittsburgh, N. A. (which was closed by its directors on Sept. 21) appeared in the "Chronicle" of Oct. 31, page 1931.

Scranton advices by the Associated Press on Nov. 21 stated that three banks, all of them closed, on that day filed an involuntary petition in bankruptcy in the Federal Court in that city against Michael Bosak, President of the Bosak State Bank of Scranton and a prominent business man. The dispatch went on to say:

The petitioning creditors and the amounts of their claims are: Bosak State Bank, Scranton, \$10,000; Pennsylvania West Liberty Bank & Trust Co., Wilkes-Barre, \$15,000, and the Miners Saving Bank and Trust Co., Olyphant, \$5,000.

Federal Judge Watson also issued an injunction to-day on petition of Bosak's creditors restraining the Sheriff of Lackawanna County from conducting a sale of Bosak's personal property to satisfy the judgment of a New York Banker for \$84,000.

A plan has been approved by the State Superintendent of Banks for Ohio for the re-opening of the City Trust & Savings Bank of Youngstown, which was closed Oct. 15 of this year. The capital will be increased to a minimum of \$1,500,000, and more than \$500,000 has already been subscribed to the new capital. The New York "Herald Tribune" of Nov. 22, in reporting this, said in part:

Stockholders will not be asked to buy stock in the institution from their savings balances, but they will be requested to join in the formation of a holding company which will be created upon authorization of depositors of the bank permitting 35% of their deposits to be placed in the holding company. The 35% of deposits will be invested in the less liquid assets of the bank, and depositors will receive certificates of participation in these remaining assets representing 35% of their total deposits now in the bank. The City Trust & Savings Bank of Youngstown closed Oct. 15, having assets of \$18,260,493 and total deposits of \$14,629,609 as of Sept. 29 1931.

The City & State National Bank & Trust Co. of Logansport, Ind., was placed in voluntary liquidation effective Oct. 27 1931. The institution, which was capitalized at \$200,000, was absorbed by the First National Bank of Logansport.

A charter was issued by the Comptroller of the Currency on Nov. 18 for the First National Bank in Tremont, Tremont, Ill. The new bank is capitalized at \$25,000. J. E. McIntyre is President and L. E. Bennett, Cashier.

The State-National Bank of Peru, Ill., capitalized at \$150,000, was chartered by the Comptroller of the Currency on Nov. 10. Otto J. Leekle heads the new bank with S. J. Marshall as Cashier.

From the Detroit "Free Press" of Nov. 22 it is learned that a consolidation of the Peoples Wayne County Bank of Detroit and the First National Bank in Detroit to form a new institution to be known as the First Wayne National Bank, will be effected about Dec. 31. The step, recommended by the directors of the Detroit Bankers Co. (the holding company of which the Peoples Wayne County Bank and the First National Bank are the principal units), was voted on Nov. 21 by the respective directors of the banks and announced by John Ballantyne, President of the Detroit Bankers Co. and Chairman of the Board of the First National Bank. The new bank will be capitalized at \$25,000,000 with surplus of like amount and undivided profits of more than \$7,000,000. It will have total deposits of approximately \$500,000,000 and total resources of about \$600,000,000. "This bulwark of the depositors has been further strengthened as the directors have taken this occasion to make all indicated charge-offs in both institutions and to set up adequate reserves. More than 775,000 customers in the metropolitan area will do business in the new bank's 185 branches in Detroit and through the Detroit Bankers Co. It will have 6,000 stockholders in the city. All branches of each present institution will be maintained."

Mr. Ballantyne, acting as spokesman for the institutions, said in part:

"This consolidation has been considered advisable by the directors of the Detroit Bankers Co., and the directors of each of the banks because they believe that it will result in improved service to our customers as well as in increased operating efficiency.

"The changes to be brought about through the consolidation will not affect the present organizations, both of which have, practically speaking, been under the same management. The change is principally one in name and charter—the new bank to operate under a national charter and under the name of First Wayne National Bank. The main offices and branches will be maintained.

"On the basis of either deposits or resources the new bank will occupy tenth position in size among the banks in the country, according to the last call, which was made on Sept. 29 1931; at that time of the 10 largest banks, six were located in New York, two in Chicago, one in San Francisco and one in Boston. Detroit, the fourth largest city in the United States, is now afforded a financial organization commensurate with its importance."

We quote furthermore in part from the paper mentioned, as follows:

Officers of the First Wayne National Bank will be elected after the consolidation is effected.

Wilson W. Mills is Chairman of the Board and of the executive committee of the Peoples Wayne County Bank. T. W. P. Livingstone is Vice-Chairman of the Board; John R. Bodde is President and Donald N. Sweeney Executive Vice-President. The latest statement, as of Sept. 29, showed resources of \$433,133,687; capital stock, \$15,000,000; surplus, \$30,000,000, and undivided profits, \$5,827,318.

Mr. Ballantyne is Chairman of the Board of the First National Bank of Detroit; William J. Gray is Vice-Chairman of the Board, and Herbert L. Chittenden is President. The latest statement of Sept. 29, showed resources of \$190,260,103; capital stock, \$7,500,000; surplus, \$9,500,000 and undivided profits of \$1,280,844.

The First Wayne National Bank will be the fourth largest bank outside New York.

Detroit Bankers Co., which is holding company, owning the stock of both banks to be consolidated, was formed in Sept., 1929, and incorporated Jan. 8 1930. At the time of its incorporation its principal banking units were: Peoples Wayne County Bank, First National Bank in Detroit, Detroit Trust Co., Bank of Michigan and the Peninsular State Bank.

The Bank of Michigan and the Peninsular State Bank were consolidated with the Peoples Wayne County Bank on May 1 1930.

In addition to the above, Detroit Bankers Co. owns the Peoples Wayne County Bank of Hamtramck, Highland Park, Dearborn, River Rouge, Wyandotte, Ecorse, and the Grosse Pointe Savings Bank.

It is learned from the Michigan "Investor" of Nov. 21 that the following changes have been made in the personnel of the Peoples Wayne County Bank of Wyandotte, Mich.: Archie C. Milne, formerly Cashier of the institution, and Guy Pooley, heretofore in charge of the mortgage department of the down-river branches, have been named Vice-Presidents, while John Reichenbach, former Manager of the branch bank at Grand River Ave., and Fourteenth St., has been advanced to the Cashiership to succeed Mr. Milne. Mr. Milne will continue in active charge of the institution. Mr. Pooley will maintain his headquarters in the Ecorse branch at Ecorse, Mich.

The Shelby State Bank, Shelby, Mich., opened for business on Nov. 14, according to the Michigan "Investor" of Nov. 21. The new institution replaces the Churchill & Webber private bank which closed its doors on Apr. 27 of this year.

Advices from Mondovi, on Nov. 20 to the Minneapolis "Journal" stated that the First National Bank of Mondovi, which had closed its doors Oct. 3 following a "run", had been reopened on the previous day, Nov. 19. The reorganization was accomplished without loss to the depositors. The reorganized institution is capitalized at \$50,000 with surplus of \$10,000. At the reopening D. A. Whelan, heretofore Cashier, was advanced to Third Vice-President, succeeding W. H. Church, and Joseph Silverness, formerly an Assistant Cashier, was promoted to the Cashiership. Other officers of the bank, headed by C. M. Gilman, President, are: James Blum, First Vice-President; George Schaettle, Second Vice-President, and Reuel Fuller and Oscar Tanz, Assistant Cashiers.

The resignation of Donald Symington as Vice-Chairman of the executive committee of the Baltimore Trust Co., Baltimore, effective Jan. 1 next, was accepted by the Board of Directors at the usual monthly meeting on Nov. 20, according to an announcement by Howard Bruce, Chairman of the Board and Chief Executive Officer. Mr. Symington will remain a member of the executive committee and a director of the trust company. The Baltimore "Sun" of Nov. 21 in reporting the matter went on to say:

As Chairman of the Board of the Symington Co., Gould Coupler Co. and Locke Insulator Co., Mr. Symington desires to give his entire time to these various business interests, and finds it necessary to relinquish his executive duties at the trust company, it was stated.

Mr. Symington first became identified with the Baltimore Trust Co. in an executive position in Nov. 1926, when he was elected President to succeed Eugene L. Norton. Last spring he was advanced to the post of Chairman of the Governing Board on assumption of the Presidency by James Bruce, formerly a Vice-President of the Chase National Bank of New York. Several months ago Mr. Symington was made Vice-Chairman of the executive committee.

In addition to his executive positions with the Symington Co. and its affiliates, Mr. Symington is President of the Baltimore Mail Steamship Co., a director of the Glenn L. Martin Co., the Western Electric Co. and the International Mercantile Marine Co.

After deliberating for more than four hours, a jury in the Federal Court at Raleigh, N. C., on Nov. 18 returned a verdict of "not guilty" in the cases of M. T. Britt and W. H. Slocumb, former President and Cashier, respectively, of the defunct First National Bank of Benson, N. C., who were charged on several counts with misapplication of the bank's funds. The Raleigh "News & Observer", from which we have quoted above, went on to say:

The two bankers were previously tried on the same indictment last May, but the Court ordered a mistrial in that action when the jury became deadlocked after over six hours of deliberation.

Before charging the jury yesterday morning, Judge Isaac M. Meekins directed a not guilty verdict on two counts in the bill of indictment against Slocumb and on one count against Britt.

Testimony in the trial was concluded late Tuesday afternoon, and counsel for both sides agreed to forego arguments to the jury. Before the Court's charge yesterday a member of defense counsel read to the jury a contract which was introduced as evidence on the previous day.

While the Government based its case on alleged irregular dealings with the First National Mortgage Co., a subsidiary of the First National Bank of Benson, and false reports to the Government the defense contended that the accused bankers were guilty of no crime, presenting evidence to show that they were the victims of careless and slipshod banking methods rather than violators of the National banking laws.

Rudolph S. Hecht, President of the Hibernia Bank & Trust Co. of New Orleans, rounded out 25 years of service with the institution the present month. The occasion was marked by the presentation to Mr. Hecht of a silver tea service by the directors and executive staff of the trust company. Following the presentation, which was made by Abraham Brittin, dean of the directors, Mr. Hecht was initiated into the "Quarter-Century Club" which consists of all directors, officers and employes of the Hibernia Bank who have completed twenty-five or more years with the institution.

Mr. Hecht entered the Hibernia Bank on Nov. 2 1906 as a clerk in the Foreign Department and rose through various official positions to that of President of one of the country's largest banks in 1918 at the age of thirty-three.

Notwithstanding the widespread business depression in Canada and the world at large which has prevailed during the past year, the 57th annual statement of the Imperial Bank of Canada (head office Toronto) issued this week, makes a satisfactory showing. As the Imperial Bank is the first of the larger banks to issue its annual statement, says the Toronto "Globe" of Nov. 23, it is of more than usual interest this year under present business conditions as indicating the possible trend of the statements of other char-

tered Canadian banks. "The year has been one of decreasing values; but, notwithstanding this, the total assets of the bank have shrunk only about \$9,000,000, and now stand at \$139,176,621. Deposits by the public are down \$4,500,000, although in more recent months these deposits, and more particularly the interest-bearing or savings deposits, have been increasing, indicating that the public is again beginning to save. These deposits now stand at the substantial amount of \$108,840,280."

The report, which covers the fiscal year ended Oct. 31 1931, shows net profits for the period (after deducting charges of management, auditors' fees and interest due depositors, and after making full provision for bad and doubtful debts and for rebate of bills under discount) of \$1,328,863, making with \$740,545, the balance to credit of profit and loss brought forward from the preceding year, \$2,069,408 available for distribution. This amount, the report tells us, was allocated as follows: \$840,000 to pay four quarterly dividends at the rate of 12% per annum; \$47,500 representing contributions to officers' guarantee and pension funds; \$250,000 to provide for depreciation of securities and \$170,000 to take care of Dominion Government and other taxes, leaving a balance of \$761,908 to be carried forward to the current year's profit and loss account, as compared with \$740,545 the previous year. Total assets are shown in the statement as \$139,176,621, of which liquid assets amount to \$66,108,986, or 53.7 of liabilities to the public, while total depositors are given at \$108,840,280. The paid-up capital of the Imperial Bank of Canada is \$7,000,000 and its reserve fund \$8,000,000. Frank A. Rolph is President and A. E. Phipps, General Manager.

THE WEEK ON THE NEW YORK STOCK EXCHANGE.

Price movements on the New York Stock Exchange have been decidedly reactionary the present week, and while there have been occasional rallies that held the market in check, the general trend has been toward lower levels. United States Steel has been down to the lowest level reached in many years. Railroad stocks have been extremely weak. New lows for the year and longer have been recorded among all of the active speculative stocks. One of the interesting features of the week was the announcement on Monday of the merger of the Bank of America with the National City Bank, the combined institutions starting business on Monday, Nov. 30 with total resources of \$2,103,186,852. The weekly statement of the Federal Reserve Bank of New York issued after the close of business on Friday shows a further decrease of \$24,000,000 in brokers' loans in this district. Call money renewed at 2½% on Monday, remained unchanged at that rate during the balance of the week.

The trend of the market was unchanged during the short session on Saturday, and while there was a rally during the early part of the session that boosted prices up a point or two, it was a short-lived affair and stocks again dropped downward, many active issues slipping back to new lows for the year. United States Steel opened a point higher and moved up about a point, but lost its gain and dipped under 60, thereby establishing the lowest level in 16 years. Consolidated Gas moved around a lot between 68 to 70 and finally closed at 68¼, with a loss of 1¼ points. American Tel. & Tel. receded to a new low for the movement, and Auburn Auto, after fluctuating back and forth, closed at 106½ with a loss of 1¼ points. The volume of business was not particularly heavy at any time, and the changes were not sufficiently large to make any noticeable difference in the final prices. The outstanding changes on the side of the decline included National Lead, 6 points; Remington-Rand, 2 points; Continental Motors, 2 points; J. I. Case, 1¼ points, and Worthington Pump pref., 3 points to 37. Trading quieted down during the final hour and the market closed with the leaders only fractionally above the bottom for the day.

Stocks generally were under pressure on Monday, and while selling was not particularly aggressive there were a number of sizable declines as the market closed. Weakness was most pronounced in the railway shares, and a number of the more prominent of the speculative favorites broke into new low ground, the list including, among others, Union Pacific, Atlantic Coast Line, New Haven, New York Central, Erie, Baltimore & Ohio and Delaware & Hudson. In the industrial group United States Steel again moved sharply downward to the lowest level in 16 years, and substantial losses were recorded by such stocks as American

according to the Federal Reserve Districts in which they are located, and from this it appears that in the New York Reserve District, including this city, there is a contraction of 28.3%, in the Boston Reserve District of 25.2% and in the Philadelphia Reserve District of 29.9%. In the Cleveland Reserve District the totals show a diminution of 39.9%, in the Richmond Reserve District of 29.3% and in the Atlanta Reserve District of 20.0%. In the Chicago Reserve District the loss is 38.9%, in the St. Louis Reserve District 22.7% and in the Minneapolis Reserve District 19.5%. The Kansas City Reserve District shows a decrease of 27.3%, the Dallas Reserve District of 5.9% and the San Francisco Reserve District of 27.0%.

In the following we furnish a summary of Federal Reserve districts:

SUMMARY OF BANK CLEARINGS.

Table with columns: Week Ended Nov. 21 1931, 1931, 1930, Inc. or Dec., 1929, 1928. Rows include Federal Reserve Districts: 1st Boston, 2nd New York, 3rd Philadelphia, 4th Cleveland, 5th Richmond, 6th Atlanta, 7th Chicago, 8th St. Louis, 9th Minneapolis, 10th Kansas City, 11th Dallas, 12th San Fran., Total, and Canada.

We now add our detailed statement, showing last week's figures for each city separately, for the four years:

Large table with columns: Clearings at—, Week Ended Nov. 21, 1931, 1930, Inc. or Dec., 1929, 1928. Rows list various cities and their Federal Reserve Districts, such as First Federal Reserve District (Maine, Portland, Mass., Fall River, Lowell, New Bedford, Springfield, Worcester, Conn., New Haven, R. I., Providence, N. H., Manchester), Second Federal Reserve District (N. Y., Albany, Binghamton, Buffalo, Elmira, Jamestown, New York, Rochester, Syracuse, Conn., Stamford, N. J., Montclair, Newark, Northern N. J.), Third Federal Reserve District (Pa., Altoona, Bethlehem, Chester, Lancaster, Philadelphia, Reading, Scranton, Wilkes-Barre, York, N. J., Trenton), Fourth Federal Reserve District (Ohio, Akron, Canton, Cincinnati, Cleveland, Columbus, Mansfield, Youngstown, Pa., Pittsburgh), Fifth Federal Reserve District (W. Va., Hunt'on, Va., Norfolk, Richmond, S. C., Charleston, Md., Baltimore, D. C., Wash'ton), Sixth Federal Reserve District (Tenn., Knoxville, Nashville, Ga., Atlanta, Augusta, Macon, Fla., Jacksonville, Ala., Birmingham, Mobile, Miss., Jackson, Vicksburg, La., New Orleans).

Table with columns: Clearings at—, Week Ended Nov. 21, 1931, 1930, Inc. or Dec., 1929, 1928. Rows list various cities and their Federal Reserve Districts, such as Seventh Federal Reserve District (Mich., Adrian, Ann Arbor, Detroit, Grand Rapids, Lansing, Ind.—Ft. Wayne, Indianapolis, South Bend, Terre Haute, Wis.—Milwaukee, Iowa.—Ced. Rap., Des Moines, Sioux City, Waterloo, Ill.—Bloomington, Chicago, Decatur, Peoria, Rockford, Springfield), Eighth Federal Reserve District (Ind.—Evansville, Mo.—St. Louis, Ky.—Louisville, Owensboro, Tenn.—Memphis, Ill.—Jacksonville, Quincy), Ninth Federal Reserve District (Minn.—Duluth, Minneapolis, St. Paul, N. Dak.—Fargo, S. D.—Aberdeen, Mont.—Billings, Helena), Tenth Federal Reserve District (Neb.—Fremont, Hastings, Lincoln, Omaha, Kan.—Topeka, Wichita, Mo.—Kan. City, St. Joseph, Col.—Col. Sprs., Denver, Pueblo), Eleventh Federal Reserve District (Texas—Austin, Dallas, Fort Worth, Galveston, La.—Shreveport), Twelfth Federal Reserve District (Wash.—Seattle, Spokane, Yakima, Ore.—Portland, Utah.—S. L. City, Calif.—La. Beach, Los Angeles, Pasadena, Sacramento, San Diego, San Francisco, San Jose, Santa Barbara, Santa Monica, Stockton).

Table with columns: Clearings at—, Week Ended Nov. 19, 1931, 1930, Inc. or Dec., 1929, 1928. Rows list various cities and their Federal Reserve Districts, such as Canada (Montreal, Toronto, Winnipeg, Vancouver, Ottawa, Quebec, Halifax, Hamilton, Victoria, St. John, London, Edmonton, Regina, Brandon, Lethbridge, Saskatoon, Moose Jaw, Brantford, Fort William, New Westminster, Medicine Hat, Peterborough, Sherbrooke, Kitchener, Windsor, Prince Albert, Moncton, Kingston, Chatham, Sarnia, Sudbury), Total (32 cities).

a No longer reports weekly clearings. b Remaining banks exchanging checks direct; no clearings figures available. c Three large banks closed; Clearing House not functioning. d Figures smaller due to merger of two largest banks. e Clearing House discontinued.

THE ENGLISH GOLD AND SILVER MARKETS.

We reprint the following from the weekly circular of Samuel Monatgu & Co. of London, written under date of Nov. 11 1931:

GOLD.

The Bank of England gold reserve against notes amounted to £120,689,749 on the 4th inst., as compared with £135,677,482 on the previous Wednesday. The decrease is explained by the sale of bar gold in part re-payment of the £50,000,000 credits granted to the Bank of England by the Bank of France and the Federal Reserve Bank, to which reference was made in our last letter.

Offerings of gold in the open market have been only on a small scale. Yesterday about £30,000 of West African gold was available and was disposed of to the Continent and the trade at 108s. 9d. per fine ounce.

Quotations during the week:

Table with columns: Date, Per Fine Ounce, Equivalent Value of £ Sterling.

The following were the United Kingdom imports and exports of gold registered from mid-day on the 2d inst. to mid-day on the 9th inst.:

Table with columns: Imports, Exports, Country, Amount.

The Transvaal gold output for the month of October last amounted to 945,113 fine ounces, as compared with 916,024 fine ounces for September 1931 and 926,561 fine ounces for October 1930.

SILVER.

The week saw a further rapid advance in prices, which rose from 19 9-16d. for cash and 19 7-16d. for two months' delivery on the 5th inst., to 21 9-16d. and 21 3/4d. for the respective deliveries quoted yesterday; these were the highest quotations since Jan. 2 1930. There was, however, a sharp reaction to-day, advices from China being considerably weaker, and, with buyers hesitating, prices were fixed 13-16d. and 3/4d. lower for cash and forward deliveries respectively, at 20 3/4d. and 20 3/4d.

The market again felt the paucity of offerings, sales being confined to profit-taking by bulls and moderate offerings by China. The Indian Bazaars have bought, but the strength has been mainly due to speculative buying, the firmness caused by such operations in New York reacting on this market. American operators have sent buying orders, being willing on occasion to pay over the fixed price in the afternoon. The serious development in the situation in Manchuria has also been considered as a contributory cause of the present strength.

Whilst the undertone of the market appears to be firm at the moment, the rise has been very rapid and the nature of the predominant factors make for a great deal of uncertainty.

On the 9th inst., the report was issued of the Committee of Experts on the Silver Question appointed by the International Chamber of Commerce, Paris. The members of this Committee were our partner, Ernest L. Franklin, Chairman, E. D. Van Walree, banker (present liquidator of the Amstelbank, former director of the Nederlandsche Handel-Maatschappij and of the Twentsche Bank, former Netherlands Consul in China), and Marshall W. Tuthill of Tuthill & Co., New York (member of the Copper Exporters' Board, member of the Advisory Committee on Metals of the United States Department of Commerce and former chief of the Division of Metals of the Department of Commerce).

The possibilities of giving effect to the Committee's suggestions are now being explored by the International Chamber of Commerce.

The following were the United Kingdom imports and exports registered from mid-day on the 2d inst. to mid-day on the 9th inst.:

Table with columns: Imports, Exports, Country, Amount.

No fresh Indian currency returns have come to hand. The stocks in Shanghai on the 7th inst. consisted of about 61,400,000 ounces in sycee, 175,000,000 dollars and 100 silver bars, as compared with about 63,500,000 ounces in sycee, 173,000,000 dollars and 60 silver bars on the 31st ult.

Quotations during the week:

Table with columns: IN LONDON, IN NEW YORK, Date, Price.

Rate of Exchange on New York—Nov. 5 to Nov. 11. Highest, 3.84. Lowest, 3.74 1/4.

ENGLISH FINANCIAL MARKET—PER CABLE.

The daily closing quotations for securities, &c., at London, as reported by cable, have been as follows the past week:

Table with columns: Security, Date, Price.

The price of silver in New York on the same days has been:

Table with columns: Silver in N. Y., per oz. (cts.), 30 1/4, 29 3/4, 29 1/4, 29 1/4.

PRICES ON PARIS BOURSE.

Quotations of representative stocks on the Paris Bourse as received by cable each day of the past week have been as follows:

Table with columns: Date, Stock Name, Price.

PRICES ON BERLIN STOCK EXCHANGE.

The Berlin Stock Exchange is closed.

New York quotations for German and other foreign unlisted dollar bonds as of Nov. 27:

Table with columns: Bond Name, Bid, Asked.

Commercial and Miscellaneous News

Breadstuffs figures brought from page 3653.—All the statements below regarding the movement of grain—receipts, exports, visible supply, &c.—are prepared by us from figures collected by the New York Produce Exchange. First we give the receipts at Western lake and river ports for the week ending last Saturday and since Aug. 1 for each of the last three years:

Table with columns: Receipts at, Flour, Wheat, Corn, Oats, Barley, Rye.

Total receipts of flour and grain at the seaboard ports for the week ending Saturday, Nov. 21 follows:

Table with columns: Receipts at—, Flour, Wheat, Corn, Oats, Barley, Rye. Rows include New York, Portland, Me., Philadelphia, Baltimore, Norfolk, New Orleans, Galveston, Montreal, Houston, Boston, Sorel, Quebec, Total wk. '31, and Since Jan. 1 '31.

* Receipts do not include grain passing through New Orleans for foreign ports on through bills of lading.

Bank Notes—Changes in Totals of, and in Deposited Bonds, &c.

We give below tables which show all the monthly changes in National bank notes and in bonds and legal tenders on deposit therefor:

Main table showing monthly changes in National Bank Circulation Afloat on Bonds, Legal Tenders, and Total from Oct. 31 1931 to Dec 31 1927.

\$2,921,272 Federal Reserve bank notes outstanding Nov. 1931, secured by lawful money, against \$3,184,042 on Nov. 1930.

* The total bonds reported held for circulation by the U. S. Treasury were \$605,000 less, due to not having received this amount until July 1 1930.

The following shows the amount of each class of United States bonds and certificates on deposit to secure Federal Reserve bank notes and National bank notes Oct. 31 1931:

Table showing U. S. Bonds Held Oct. 31 1931 to Secure— with columns: Bonds on Deposit, On Deposit to Secure Federal Reserve Bank Notes, On Deposit to Secure National Bank Notes, Total Held.

The following shows the amount of National bank notes afloat and the amount of legal tender deposits Oct. 1 1931 and Nov. 2 1931 and their increase or decrease during the month of October.

Table showing National Bank Notes—Total Afloat— Amount afloat Oct. 1 1931, Net increase during October, Amount of bank notes afloat Nov. 2, Legal-Tender Notes— Amount on deposit to redeem National bank notes Oct. 1, Net amount of bank notes issued in October, Amount on deposit to redeem National bank notes Nov. 2 1931.

National Banks.—The following information regarding national banks is from the office of the Comptroller of the Currency, Treasury Department:

APPLICATION TO ORGANIZE RECEIVED WITH TITLE REQUESTED.

Nov. 21—The National Bank of Mechanicsville, N. Y. Capital. \$100,000 Correspondent, Anson B. Collins, Mechanicsville, N. Y.

VOLUNTARY LIQUIDATIONS.

Nov. 16—City and State National Bank & Trust Co. of Logansport, Ind. Effective Oct. 27 1931. Liq. Agents: Wm. H. Porter and John F. Breckmeyer, care of the liquidating bank. Absorbed by the First National Bank of Logansport, No. 3084.

Auction Sales.—Among other securities, the following, not actually dealt in at the Stock Exchange, were sold at auction in New York, Boston, Philadelphia and Buffalo on Wednesday of this week:

By Adrian H. Muller & Son, New York:

Table listing securities and their values, including 185 Buffalo Gayety Theatre Co., 10 Fiduciary Corp., 31 Colonia Country Club of N. J., etc.

By Wise, Hobbs & Arnold, Boston:

Table listing securities and their values, including 10 Bay State Nat. Bank, Lawrence, 12 Federal Nat. Bank, par \$20, 5 Federal Nat. Bank, par \$20, etc.

By R. L. Day & Co., Boston:

Table listing securities and their values, including 10-20 Federal Nat. Bank, par \$20, 24 Federal Nat. Bank, par \$20, 15 Federal Nat. Bank, par \$20, etc.

By Barnes & Lofland, Philadelphia:

Table listing various stocks and bonds with columns for Shares, Stocks, \$ per Sh., and Per Cent.

By A. J. Wright & Co., Buffalo:

Table listing various stocks and bonds with columns for Shares, Stocks, \$ per Sh., and Per Cent.

By Welepp-Bruton & Co., Baltimore:

Table listing various stocks and bonds with columns for Shares, Stocks, \$ per Sh., and Per Cent.

DIVIDENDS.

Dividends are grouped in two separate tables. In the first we bring together all the dividends announced the current week. Then we follow with a second table, in which we show the dividends previously announced, but which have not yet been paid.

The dividends announced this week are:

Main table of dividends with columns: Name of Company, Per Cent., When Payable, Books Closed, Days Inclusive.

Table of company dividends with columns: Name of Company, Per Cent., When Payable, Books Closed, Days Inclusive.

Table with 4 main columns: Name of Company, Per Cent, When Payable, and Books Closed, Days Inclusive. The table is divided into two sections: Miscellaneous (Continued) on the left and another Miscellaneous (Continued) on the right.

Table listing companies with columns: Name of Company, Per Cent., When Payable, Books Closed. Days Inclusive. Includes entries like Valvoline Oil, Preferred (quar.), Viking Pump, etc.

* From unofficial sources. † The New York Stock Exchange has ruled that stock will not be quoted ex-dividend on this date and not until further notice.

‡ The New York Curb Exchange Association has ruled that stock will not be quoted ex-dividend on this date and not until further notice.

a Transfer books not closed for this dividend. b Correction. c Payable in stock. f Payable in common stock. g Payable in scrip. h On account of accumulated dividends. j Payable in preferred stock.

- Blue Ridge Corp. dividend is 1-32d share com. stock for each share pref. I. J. Lyons & Co. dividend is one shilling, eight pence less British income tax and expenses of depository. m Electric Shareholdings dividend is payable in common stock at rate of 44-100ths of a share. Holders desiring cash \$1.50 must notify company by Nov. 15 1931. n General Gas & Elec. common A and B dividends are 3-200ths of a share, class A stock. o Central Public Service Corp. class A dividend is 1-80th share class A stock. p Commercial Investment Trust conv. pref. dividend is optional either 1-52d share common stock or \$1.50 cash. r Goldblatt Bros. Co. dividend payable either in cash or 1 1/2% in stock. s Transfers received in London up to Nov. 21 will be in time to enable transferees to receive dividends. t Payable in Canadian funds. u Western Continental Utilities class A dividend will be paid in cash unless holder notifies company of his desire to take class A stock—1-40th share—prior to Nov. 20 1931. v Midland United dividend payable either in cash or 1-40th share common stock. w Less deduction for expenses of depository. z Ontario Tobaco Plantations Oct. 1931 and Jan. 1932 divs. were both rescinded.

Weekly Return of New York City Clearing House.—Beginning with March 31 1928, the New York City Clearing House Association discontinued giving out all statements previously issued and now makes only the barest kind of a report. The new returns show nothing but the deposits, along with the capital and surplus. The Public National Bank & Trust Co. and Manufacturers Trust Co. are now members of the New York Clearing House Association, having been admitted on Dec. 11 1930. See "Financial Chronicle" of Dec. 31 1930, page 3812-13. The figures given below therefore now include returns from these two new members, which together add \$35,750,000 to the capital, \$38,555,900 to surplus and undivided profits, \$202,557,000 to the net demand deposits and \$97,314,000 to the time deposits. We give the statement below in full:

STATEMENT OF MEMBERS OF THE NEW YORK CLEARING HOUSE ASSOCIATION FOR THE WEEK ENDED SATURDAY, NOV. 21 1931.

Table with 5 columns: Clearing House Members, Capital, Surplus and Undivided Profits, Net Demand Deposits, Average, Time Deposits, Average. Lists members like Bank of N Y & Trust Co., Manhattan Tr Co., National City Bank, etc.

* As per official reports: National, Sept. 29 1931; State, Sept. 30 1931; trust companies, Sept. 30 1931. Includes deposits in foreign branches as follows: (a) \$234,003,000; (b) \$62,614,000; (c) \$47,868,000; (d) \$25,200,000.

The New York "Times" publishes regularly each week returns of a number of banks and trust companies which are not members of the New York Clearing House. The Public National Bank & Trust Co. and Manufacturers Trust Co., having been admitted to membership in the New York Clearing House Association on Dec. 11 1930, now report weekly to the Association and the returns of these two banks are therefore no longer shown below. The following are the figures for the week ending Nov. 20:

INSTITUTIONS NOT IN THE CLEARING HOUSE, WITH THE CLOSING OF BUSINESS FOR THE WEEK ENDED FRIDAY, NOV. 20 1931. NATIONAL BANKS—AVERAGE FIGURES.

Table with 6 columns: Institution, Loans, Disc. and Investments, Gold, Other Cash Including Bank Notes, Res. Dep. N. Y. and Elsewhere, Dep. Other Banks and Trust Cos., Gross Deposits. Lists Manhattan—Grace National, Brooklyn—Peoples Nat'l., etc.

TRUST COMPANIES—AVERAGE FIGURES.

Table with 6 columns: Institution, Loans, Disc. and Invest., Cash, Res. Dep. N. Y. and Elsewhere, Dep. Other Banks and Trust Cos., Gross Deposits. Lists Manhattan—Empire, Fulton, United States, Brooklyn—Brooklyn, Kings County, Bayonne, N. J.—Mechanics, etc.

* Includes amount with Federal Reserve as follows: Empire, \$2,092,000; Fulton, \$2,418,500.

Boston Clearing House Weekly Returns.—In the following we furnish a summary of all the items in the Boston Clearing House weekly statement for a series of weeks:

BOSTON CLEARING HOUSE MEMBERS.

Table with 5 columns: Item, Week Ended Nov. 25 1931, Changes from Previous Week, Week Ended Nov. 18 1931, Week Ended Nov. 11 1931. Lists Capital, Surplus and profits, Loans, disc'ts & invest'ns, etc.

Philadelphia Banks.—Beginning with the return for the week ended Oct. 11 1930, the Philadelphia Clearing House Association began issuing its weekly statement in a new form. The trust companies that are not members of the Federal Reserve System are no longer shown separately, but are included with the rest. In addition, the companies recently admitted to membership in the Association are included. One other change has been made. Instead of showing "Reserve with Federal Reserve Bank" and "Cash in Vault" as separate items, the two are combined under designation "Legal Reserve and Cash."

Reserve requirements for members of the Federal Reserve System are 10% on demand deposits and 3% on time deposits, all to be kept with the Federal Reserve Bank. "Cash in Vaults" is not a part of legal reserve. For trust companies not members of the Federal Reserve System the reserve required is 10% on demand deposits and includes "Reserve with Legal Depositaries" and "Cash in Vaults."

Beginning with the return for the week ended May 14 1928, the Philadelphia Clearing House Association discontinued showing the reserve required and whether reserves held are above or below requirements. This practice is continued.

Table with 5 columns: Item, Week Ended Nov. 21 1931, Changes from Previous Week, Week Ended Nov. 14 1931, Week Ended Nov. 7 1931. Lists Capital, Surplus and profits, Loans, disc'ts and invest'ns, etc.

Weekly Return of the Federal Reserve Board.

The following is the return issued by the Federal Reserve Board Thursday afternoon, Nov. 26, and showing the condition of the twelve Reserve banks at the close of business on Wednesday. In the first table we present the results for the System as a whole in comparison with the figures for the seven preceding weeks and with those of the corresponding week last year. The second table shows the resources and liabilities separately for each of the twelve banks. The Federal Reserve Agents' Accounts (third table following) gives details regarding transactions in Federal Reserve notes between the Comptroller and Reserve Agents and between the latter and Federal Reserve banks. The Reserve Board's comment upon the returns for the latest week appears on page 3538, being the first item in our department of "Current Events and Discussions."

COMBINED RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT THE CLOSE OF BUSINESS NOV. 25 1931.

Table with 10 columns representing dates from Nov. 25 1931 to Nov. 26 1930. Rows include RESOURCES (Gold with Federal Reserve Agents, Gold held exclusively agst. F. R. notes, Total reserves, etc.) and LIABILITIES (F. R. notes in actual circulation, Deposits, Total deposits, etc.).

WEEKLY STATEMENT OF RESOURCES AND LIABILITIES OF EACH OF THE 12 FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS NOV. 25 1931

Table with 13 columns representing different Federal Reserve banks (Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, San Fran.) and a Total column. Rows include RESOURCES (Gold with Federal Reserve Agents, Gold held excl. agst. F. R. notes, etc.) and LIABILITIES (F. R. notes in actual circulation, Collateral Held by Agent as Security for Notes Issued to Bank, etc.).

Bankers' Gazette.

Wall Street Friday Night, Nov. 27 1931.

Railroad and Miscellaneous Stocks.—The review of the Stock Market is given this week on page 3578.

The following are sales made at the Stock Exchange this week of shares not represented in our detailed list on the pages which follow:

Table with columns: STOCKS, Sales for Week, Range for Week (Lowest, Highest), Range Since Jan. 1. (Lowest, Highest). Rows include Railroads, Indus. & Miscell., and various stock categories.

* No par value.

CURRENT NOTICES.

Formation of Poor's Management Corp., with offices at 400 Madison Avenue, New York, is announced by Poor's Publishing Co. "to provide personal counsel and management for the investment funds of individuals and financial institutions."

Laswell & Co., members of the Los Angeles Stock Exchange, have recently opened a Pasadena branch office, under the management of William M. Cahoon, formerly Manager of the Pasadena office of Chase, Harris Forbes and was previously connected with Dean Witter & Co. for six years.

Hoit, Rose & Troster, New York, have prepared a special list showing the par value of all New York City bank and trust companies and the amount of Federal and State tax to be paid on each 100 shares transferred.

Doremus & Co. announce that Artreus von Schrader and Francis C. Coulter are now associated with them in the capacity of account executives.

Leslie C. Bruce Jr., Thos. V. Corson and Vernon E. Lohr, have formed the firm of Bruce, Corson & Lohr, Inc., to transact a general investment securities business, with offices at 115 Broadway, N. Y.

Theodore Prince & Co., members New York Stock Exchange, 120 Broadway, New York, announce the opening of a department to specialize in bank stocks under the management of Raymond Schloss.

John W. Forney, formerly with Critchfield & Co. in Philadelphia, is now associated with the Philadelphia office of the Rudolph Guenther-Russell Law Advertising Agency.

Utility Securities Corp. announces the removal of its Philadelphia offices to 1500 Walnut Street, and the appointment of Donald M. McLeod as Manager.

Percy N. Moore, formerly of Ames, Emerich & Co., has become associated with Bond & Goodwin, Inc., as Westchester and suburban representative.

A. R. Rood and Henry E. Wells, Jr. have joined the sales organization of Lord, Westerfield & Co., Inc.

Quotations for U. S. Treas. Cfts. of Indebtedness, &c.

Table with columns: Maturity, Int. Rate, Bid, Asked, Maturity, Int. Rate, Bid, Asked. Rows include Dec. 15 1931, Sept. 15 1932, Mar. 15 1932, Dec 15 1931-32.

United States Liberty Loan Bonds and Treasury Certificates on the New York Stock Exchange.

Below we furnish a daily record of the transactions in Liberty Loan and Treasury certificates on the New York Stock Exchange. The transactions in registered bonds are given in a footnote at the end of the tabulation.

Table with columns: Daily Record of U. S. Bond Prices, Nov. 21, Nov. 23, Nov. 24, Nov. 25, Nov. 26, Nov. 27. Rows include First Liberty Loan, Second converted 4 1/2% bonds, Fourth Liberty Loan, Treasury 4 1/2%, 1947-52, 4s, 1944-1954, 3 1/2s, 1946-1956, 3 1/2s, 1943-1947, 2s, 1951-1955, 3 1/2s, 1940-1943, 3 1/2s, 1941-43, 3 1/2s, 1946-1949.

Note.—The above table includes only sales of coupon bonds. Transactions in registered bonds were:

Table with columns: 1st 4 1/2s, 4th 4 1/2s, 100 1/2s to 100 1/4s, 100 3/4s to 101.

Foreign Exchange.

To-day's (Friday's) actual rates for sterling exchange were 3.51 1/4 @ 3.56 for checks and 3.52 @ 3.56 1/4 for cables. Commercial on banks, sight, 3.53; sixty days, 3.47; ninety days, 3.45; and documents for payment, 3.52 1/2 @ 3.53. Cotton for payment, 3.51 1/2; and grain, 3.51 1/2.

To-day's (Friday's) actual rates for Paris bankers' francs were 3.90 15-16 @ 3.91 for short. Amsterdam bankers' guilders were 40.12 @ 40.15.

Exchange for Paris on London, 90.00; week's range, 95.30 francs high and 90.00 francs low.

Table with columns: Sterling, Actual, Checks, Cables, Paris Bankers' Francs, Germany Bankers' Marks, Amsterdam Bankers' Guilders. Rows include High for the week, Low for the week.

The Curb Exchange.—The review of the Curb Exchange is given this week on page 3579.

A complete record of Curb Exchange transactions for the week will be found on page 3609.

CURRENT NOTICES.

Following the death of Herbert Coppel, who was their Stock Exchange member, and pending acquisition of another membership on the Exchange, Maitland, Coppel & Co. have announced, by the filing of a Certificate of Continuance of Conduct of Business and Use of Firm Name, that they are continuing their business under the same firm name.

Arthur V. Fry, formerly of Colton, Morrell & Co., and for 10 years a member of Carlisle, Mellich & Co., members New York Stock Exchange, and Anthony A. Becker, formerly with Colton, Morrell & Co., and A. C. Allyn & Co., Inc., have formed the firm of Fry & Becker to deal in unlisted securities. Their offices are located at 60 Broad St., New York.

Announcement is made of the organization of Madden & Co., Inc., 105 West Madison St., Chicago, for the purpose of transacting a general investment securities business.

Morrison & Townsend announce that Douglas C. MacCallum, formerly with Adams & Peck, is now associated with them as Manager of their Guaranteed Stock Department.

James Talcott, Inc., has been appointed factor for Filmac Silk, Inc., of New York City, converters of silks.

HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT

Table with columns for days of the week (Saturday Nov. 21 to Friday Nov. 27) and rows for various stock prices per share.

Sales for the Week.

STOCKS NEW YORK STOCK EXCHANGE

Table listing various stocks and their sales for the week, including companies like Allied Chemical & Dye, American Brake Shoe & Fdy, etc.

PER SHARE Range Since Jan. 1. On basis of 100-share lots.

Table showing the range of share prices since January 1st for various stocks, with columns for lowest and highest prices.

PER SHARE Range for Previous Year 1930.

Table showing the range of share prices for the previous year (1930) for various stocks, with columns for lowest and highest prices.

FOR SALES DURING THE WEEK OF STOCKS NOT RECORDED IN THIS LIST, SEE SECOND PAGE PRECEDING.

Stock

Exchange

Closed

Thanks-

giving

Day.

* Bid and asked prices; no sales on this day. * Ex-dividend, * Ex-rights.

HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT

Sales for the Week.

STOCKS NEW YORK STOCK EXCHANGE

PER SHARE Range Since Jan. 1. On basis of 100-share lots.

PER SHARE Range for Previous Year 1930.

Main table with columns for dates (Saturday Nov. 21 to Friday Nov. 27), sales for the week, stock names, and price ranges. Includes sub-sections for Stock, Exchange, Closed, Thanksgiving, and Day.

FOR SALES DURING THE WEEK OF STOCKS NOT RECORDED IN THIS LIST, SEE THIRD PAGE PRECEDING.

* Bid and asked prices; no sales on this day. z Ex-dividend. y Ex-dividend and ex-rights.

HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT

Table with columns for days of the week (Saturday to Friday) and 'Sales for the Week'. It lists various stock prices per share.

STOCKS NEW YORK STOCK EXCHANGE.

Main table of stock listings including company names (e.g., Indus. & Miscell., Dome Mines Ltd.), share counts, and prices per share. Includes sub-sections like 'Stock', 'Exchange', 'Closed', 'Thanks-giving', and 'Day'.

FOR SALES DURING THE WEEK OF STOCKS NOT RECORDED IN THIS LIST, SEE FOURTH PAGE PRECEDING.

* Bid and asked prices; no sales on this day. Ex-dividend, y Ex-rights, d Ex-dividends.

HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT

Sales for the Week.

STOCKS NEW YORK STOCK EXCHANGE.

PER SHARE Range Since Jan. 1. On basis of 100-share lots.

PER SHARE Range for Previous Year 1930.

FOR SALES DURING THE WEEK OF STOCKS NOT RECORDED IN THIS LIST, SEE FIFTH PAGE PRECEDING.

Main data table with columns for days of the week (Saturday Nov. 21 to Friday Nov. 27), Sales for the Week (Shares), Stock descriptions (Indus. & Miscell. (Com.) Par, Hamilton Watch pref., etc.), and Price ranges (Lowest, Highest) for both current and previous year.

* Bid and asked prices; no sales on this day. # Ex-dividend. y Ex-rights.

Table with columns: HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT; STOCKS NEW YORK STOCK EXCHANGE; PER SHARE Range Since Jan. 1; PER SHARE Range for Previous Year 1930. Rows include various stock symbols and prices.

FOR SALES DURING THE WEEK OF STOCKS NOT RECORDED IN THIS LIST, SEE SIXTH PAGE PRECEDING.

* Bid and asked prices; no sales on said day. d Eq-dividend and ex-rights. z Ex-dividend. y Ex-rights.

Main table with columns: HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT; Sales for the Week; STOCKS NEW YORK STOCK EXCHANGE; PER SHARE Range Since Jan. 1, On basis of 100-share lots.; PER SHARE Range for Previous Year 1930. Rows include various stocks like Indus. & Miscell., Transac. & Williams, etc.

FOR SALES DURING THE WEEK OF STOCKS NOT RECORDED IN THIS LIST. SEE EIGHTH PAGE PRECEDING.

* Bid and asked prices; no sales on this day. # Ex-dividend. % Ex-rights.

On Jan. 1 1909 the Exchange method of quoting bonds was changed and prices are now "and interest"—except for income and defaulted bonds.

Main table with columns: BONDS, N. Y. STOCK EXCHANGE, Week Ended Nov. 27, Price Friday Nov. 27, Range or Last Sale, Bonds Sold, Range Since Jan. 1, and similar columns for the second section.

On the basis of \$5 to \$ starting, \$ Option sale.

Main table containing bond listings with columns for Bond Description, Price, Week's Range or Last Sale, Range Since Jan. 1, and various other details. Includes sections for Foreign Govt. & Municipals, Railroad, and N. Y. STOCK EXCHANGE.

c Cash sale. s Option sale.

Table with columns for Bonds, Price, Week's Range, Range Since, and various bond descriptions. Includes sections for N.Y. Stock Exchange and various bond types like Debentures, Municipal, and Corporate.

• Cash sale. • Option sale.

Main table containing bond listings for 'BONDS N. Y. STOCK EXCHANGE' and 'BONDS N. Y. STOCK EXCHANGE'. Columns include Bond Description, Price (Bid, Ask, Low, High), Week's Range, Range Since Jan. 1, and other market data.

• Cash sale. • Due May. • Due August. • Option sale.

Main table containing bond listings with columns for Bond Description, Price, Week's Range, Range Since, and various other details. Includes sub-sections for 'N. Y. STOCK EXCHANGE' and 'BONDS'.

☐ Cash sale. ☐ Option sale.

Main table containing bond listings with columns for Bond Description, Interest Period, Price, Week's Range, Range Since, and various bid/ask/low/high values.

Cash sales. Option sales.

Outside Stock Exchanges

Boston Stock Exchange.—Record of transactions at the Boston Stock Exchange, Nov. 21 to Nov. 27, both inclusive, compiled from official sales lists:

Table with columns: Stocks, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), Range Since Jan. 1. (Low, High). Includes sections for Railroad, Miscellaneous, Mining, and Bonds.

Chicago Stock Exchange.—Record of transactions at Chicago Stock Exchange, Nov. 21 to Nov. 27, both inclusive, compiled from official sales lists:

Table with columns: Stocks, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), Range Since Jan. 1. (Low, High). Includes sections for Abbott Laboratories, Acme Steel Co., Adams (J. D.) Mfg. com., Allied Motor Ind com., American Equities Co com., Amer Pub Serv pref., Appalachian Gas Corp com., Art Metal Works com., Assoc Tel & Tel, 7% preferred, Class A, Assoc Tel Util Co com., \$6 conv pref A, Bastian-Blessing com., Bendix Aviation com., Binks Mfg Co conv A pfd., Blum's Inc conv pref., Borg-Warner Corp com., 7% preferred, Branch & Sons (B J) com., Bruce Co (E L) common, Bucyrus Monaghan of A., Burnham Trading com., Convertible pref A., Butler Brothers, CeCo Mfg Co Inc com., Central Cold Stor com., Cent Illinois Sec Co com., Convertible preferred, Central Ill P pref., Cent Ind Power pref., Cent Pub Ser Corp A., Cent S W Util com new, Preferred, Chic C & Con Ry part pf., Chicago Flex Shaft com., Chic Investors Corp, Convertible preferred.

Table with columns: Stocks (Continued), Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), Range Since Jan. 1. (Low, High). Includes sections for Chicago Nor Sh & Mill, Chic Yellow Cab Co, Cities Service Co com., Commonwealth Edison, Consumers Co com., Cont Chicago Corp, Common, Preferred, Cord Corp, Corp Sec of Chic allot etf., Common, Crane Co common, Preferred, Curtis Lighting Inc com., De Mets Inc., pref. w. w., Dexter Co. (The) com., Elec Household Util Corp, Emp Gas & Fuel, 6% preferred, 6 1/2% preferred, Fitz Simons & Connell, D & D common, Foote Bros G & M Co., Goldblatt Bros Inc com., Great Lakes Aircraft A., Great Lakes D & D., Greyhound Corp com., Grigsby Grunow Co com., Hall Printing Co com., Harnischfeger Corp com., Hart-Carter conv pref., Hormel & Co com A., Houdaille-Hershey Corp, Class A, Class B, Illinois Brick Co cap., Illinois Nor Util pref., Inall Util Invest Inc., 2d preferred, Inv Co of Amer com., Iron Fireman Mfg Co v t c, Jefferson Elec Co com., Kalamazoo Stove com., Kats Drug Co com., Kellogg Sw'bd&sup, Common, Ky Util Jr com pref., Keystone J & Wire, Common, Kimberly Clark Corp com., La Salle Ext Univ com., Libby McNeill & Libby, Lincoln Printing com., 7% preferred, Lindsay Light com., Preferred, Lindsay Nunn Pub \$2 pf., Lion Oil Ref Co com., Lynch Corp common, McGraw Elec common, McQuay-Norris Mfg., Manhart-Dearb Corp com., Marshall Field & Co com., Meadows Mfg Co com., Meroh & Mfrs See A com., Mickelberry's Food Prod, Common, Middle West Util new, \$6 conv pref A, Warrants, Midland United Co com., Convertible preferred, Warrants, Midland Util, 6% prior lien, 7% prior lien pref., Miller & Hart Inc conv pf, 7% pref A, Miss Vall Util \$7 pref., Prior lien pref, Mo-Kan Pipe Line com., 5, Monroe Chemical, Common, Morgan Lithog com., Muncie Gear Co, Common, National Battery Co pref., Nat Elec Pow A conv, National Leather com., Nat'l Repub Invest Trust, Allotment cts., Nat Secur Inv Co com., 6% pref, Nat-Standard com., Nat Union Radio Corp., Noblitt-Sparks Ind com., North Amer Car com., North Amer Gas & El A., No & So Amer Corp A com., Northwest Bancorp com, Northwest Util, 7% preferred, 7% prior lien pref., Oshkosh Overall Co, Conv preferred, Penn Cent L & Pow pref., Penn Gas & El A com., Peoples Gas L & Coke, Rights, Perfect Circle (The) Co., Pipes Waterfront com., Polymet Mfr Corp com., Potter Co (The) com., Process Corp common, Pub Serv of Nor Ill, Common, 6% preferred, Q R S De Vry Corp com., Quaker Oats Co, Common, Preferred, Railroad Shares Corp com., Reliance Mfg Co, Common, Ryerson & Son Inc com., Sally Froeks Inc com., Seaboard Pub Serv conv pf, Seaboard Util Shares Corp.

Table of stock prices for Toronto Stock Exchange, including columns for Stock Name, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), and Range Since Jan. 1 (Low, High).

Toronto Stock Exchange.—Record of transactions at the Toronto Stock Exchange, Nov. 21 to Nov. 27, both inclusive, compiled from official sales lists:

Table of stock prices for Toronto Stock Exchange, including columns for Stock Name, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), and Range Since Jan. 1 (Low, High).

Toronto Curb.—Record of transactions at the Toronto Curb, Nov. 21 to Nov. 27; both inclusive, compiled from official sales lists:

Table of stock prices for Philadelphia Stock Exchange, including columns for Stock Name, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), and Range Since Jan. 1 (Low, High).

Philadelphia Stock Exchange.—Record of transactions at Philadelphia Stock Exchange, Nov. 21 to Nov. 27, both inclusive, compiled from official sales lists:

Table of stock prices for Philadelphia Stock Exchange, including columns for Stock Name, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), and Range Since Jan. 1 (Low, High).

Baltimore Stock Exchange.—Record of transactions at Baltimore Stock Exchange, Nov. 21 to Nov. 27, both inclusive, compiled from official sales lists:

Table of stock prices for Baltimore Stock Exchange, including columns for Stock Name, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), and Range Since Jan. 1 (Low, High).

Table with columns: Stocks (Continued), Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range Since Jan. 1. Lists various stocks like Calamba Sugar, Callf Ore, etc.

Table with columns: Stocks (Continued), Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range Since Jan. 1. Lists various stocks like Union Oil Associates, Union Oil Co of Calif., etc.

New York Produce Exchange Securities Market. Following is the record of transactions at the New York Produce Exchange Securities Market, Nov. 21 to Nov. 27, both inclusive, compiled from sales lists:

Table with columns: Stocks, Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range Since Jan. 1. Lists various stocks like Admiralty Alaska Gold, Am Sealco, etc.

New York Curb Exchange—Weekly and Yearly Record

In the following extensive list we furnish a complete record of the transactions on the New York Curb Exchange for the week beginning on Saturday last (Nov. 21) and ending the present Friday (Nov. 27). It is compiled entirely from the daily reports of the Curb Exchange itself, and is intended to include every security, whether stock or bonds, in which any dealings occurred during the week covered.

Table with columns: Week Ended Nov. 27, Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range Since Jan. 1. Lists various stocks under 'Indus. & Miscellaneous'.

Table with columns: Stocks (Continued), Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range Since Jan. 1. Lists various stocks like Brillo Mfg com, Brit-Amer Tobacco, etc.

Table of financial data under 'Bonds (Continued)' with columns for Last Sale Price, Week's Range of Prices, Sales for Week, and Range Since Jan. 1.

Table of financial data under 'Bonds (Concluded)' with columns for Last Sale Price, Week's Range of Prices, Sales for Week, and Range Since Jan. 1, including a 'Foreign Government' sub-section.

* No par value. † Correction. ‡ Sold under the rule. § Sold for cash. ¶ Option sales. † Ex-rights and bonus. ‡ When issued. x Ex-dividend. y Ex-rights.

e See alphabetical list below for "Under the Rule" sales affecting the range for the year.

American Fork & Hoe, common, Nov. 11, 5 at 25.
Chicago District Electric, gen. deb. 5 1/2%, 1935, May 18, \$2,000 at 103 1/4.
Consol. Automate Merchandising, com. v. t. e., March 9, 100 at 5-16.

z See Alphabetical list below for "Option" sales affecting the range for the year.

Amer. Brit. & Cont. Corp. com. July 17, 100 at 1.
Assoc. Gas & El. 5% regis. 1968, Oct. 28, \$2,000 at 44 1/4.
Atlas Plywood deb. 5 1/2%, 1943, Jan. 2, \$1,000 at 62.

Quotations for Unlisted Securities

Public Utility Bonds.

Table of Public Utility Bonds with columns for Bid, Ask, and various bond descriptions like Am Comth P 5 1/4 '53 M&N, Amer S P 5 1/4 1948 M&N, etc.

Investment Trusts (Concluded).

Table of Investment Trusts with columns for Par, Bid, Ask, and descriptions like Public Service Trust Shares, Representative Trust Shares, etc.

Public Utility Stocks.

Table of Public Utility Stocks with columns for Bid, Ask, and descriptions like Alabama Power \$7 pref., Arizona Power 7% pref., etc.

Industrial Stocks.

Table of Industrial Stocks with columns for Bid, Ask, and descriptions like Adams Mills \$7 pref., Aeolian Co \$7 pref., etc.

Investment Trusts.

Table of Investment Trusts with columns for Bid, Ask, and descriptions like ABC Trust Shares ser D, Series E, etc.

Telephone and Telegraph Stocks.

Table of Telephone and Telegraph Stocks with columns for Bid, Ask, and descriptions like Am Dist Tel of N J \$4, etc.

Chain Store Stocks.

Table of Chain Store Stocks with columns for Bid, Ask, and descriptions like Bohnack (H C) Inc, etc.

* No par value. d Last reported market. f New stock. z Ex-dividend. y Ex-rights.

Quotations for Unlisted Securities—Concluded—Page 2

Sugar Stocks.

Table with 4 columns: Stock Name, Bid, Ask, and other details. Includes Fajardo Sugar, Haytlan Corp Amer, Savannah Sugar, etc.

New York Bank Stocks.

Table with 6 columns: Stock Name, Bid, Ask, Par, Bid, Ask. Includes Bank of Yorktown, Chase, Chatham-Ph Nat Bk & Tr, etc.

Trust Companies.

Table with 6 columns: Stock Name, Bid, Ask, Par, Bid, Ask. Includes American Express, Banca Comm Italiana Tr, Bank of Stolly Trust, etc.

Chicago Bank Stocks.

Table with 6 columns: Stock Name, Bid, Ask, Par, Bid, Ask. Includes Central Republic, Chic Bk of Commerce, Continental Ill Bk, etc.

Industrial and Railroad Bonds.

Table with 6 columns: Bond Name, Bid, Ask, Par, Bid, Ask. Includes Adams Express 4s, 1947 & D, American Motor 6s, 1946, etc.

Insurance Companies.

Large table with 6 columns: Company Name, Par, Bid, Ask, Par, Bid, Ask. Includes Aetna Casualty & Surety, Aetna Fire, Aetna Life, etc.

Realty, Surety and Mortgage Companies.

Table with 6 columns: Company Name, Bid, Ask, Par, Bid, Ask. Includes Bond & Mortgage Guar, Empire Title & Guar, etc.

Aeronautical Stocks.

Table with 6 columns: Stock Name, Bid, Ask, Par, Bid, Ask. Includes Alexander Indus 8% pref, American Alropus Corp, etc.

Quotations for Other Over-the-Counter Securities

Short Term Securities.

Table with 6 columns: Security Name, Bid, Ask, Bid, Ask. Includes Allis-Chal Mfg 6s, Alum Co of Amer 5s, etc.

Railroad Equipments.

Table with 6 columns: Equipment Name, Bid, Ask, Par, Bid, Ask. Includes Atlantic Coast Line 6s, Equipment 6 1/2s, etc.

Water Bonds.

Table with 6 columns: Bond Name, Bid, Ask, Bid, Ask. Includes Alton Water 5s, Ark Wat 1st 5s, etc.

Investment Trust Stocks and Bonds.

Table with 6 columns: Investment Name, Bid, Ask, Bid, Ask. Includes Amer Bank Stk Tr Shares, American & Continental, etc.

*No Par value. a And dividend. d Last reported market price. x Ex-dividend. y Ex-right's.

Latest Gross Earnings by Weeks.—We give below the latest weekly returns of earnings for all roads making such reports:

Table with columns: Name, Period Covered, Current Year, Previous Year, Inc. (+) or Dec. (-) \$

We also give the following comparisons of the monthly totals of railroad earnings, both gross and net (the net before the deduction of taxes), both being very comprehensive. They include all the Class 1 roads in the ry.

Table with columns: Month, Gross Earnings (1930, 1929, Inc. (+) or Dec. (-)), Len. of Road (1930, 1929)

Table with columns: Month, Net Earnings (1930, 1929, Inc. (+) or Dec. (-)), Amount, Per Cent.

Net Earnings Monthly to Latest Dates.

Large table listing net earnings for various railroads including Akron Canton & Youngstown, Ann Arbor, Atchison Topeka & Santa Fe, Baltimore & Ohio, Boston & Maine, Chicago Great Western, etc.

Large table listing net earnings for various railroads including Burlington-Rock Island, Chicago Burlington & Quincy, Chicago & Eastern Illinois, Chicago Milwaukee St Paul & Pac, Chicago & North Western, Chicago St Paul Minn & Omaha, Conemaugh & Black Lick, Delaware Lackawanna & Western, Erie RR, Grand Trunk Western, Great Northern Railway, Illinois Central System, International Great Northern, Lehigh Valley, etc.

Maine Central RR.

Table with 5 columns: Year (1931, 1930, 1929, 1928), and 4 rows of financial data including revenues, expenses, and net income.

New York New Haven & Hartford RR.

Table with 5 columns: Year (1931, 1930, 1929, 1928), and 10 rows of financial data including revenues, expenses, and net income.

New York Ontario & Western Ry.

Table with 5 columns: Year (1931, 1930, 1929, 1928), and 10 rows of financial data including revenues, expenses, and net income.

Pennsylvania RR. Regional System.

Table with 5 columns: Year (1931, 1930, 1929, 1928), and 15 rows of financial data including revenues, expenses, and net income.

St. Louis-San Francisco Railway Co.

Table with 5 columns: Year (1931, 1930, 1929, 1928), and 15 rows of financial data including revenues, expenses, and net income.

Texas & Pacific Ry.

Table with 5 columns: Year (1931, 1930, 1929, 1928), and 6 rows of financial data including revenues, expenses, and net income.

St. Louis Southwestern Railway Lines.

Table with 5 columns: Year (1931, 1930, 1929, 1928), and 10 rows of financial data including revenues, expenses, and net income.

Soo Line System.

Table with 5 columns: Year (1931, 1930, 1929, 1928), and 10 rows of financial data including revenues, expenses, and net income.

Southern Pacific Lines.

Table with 5 columns: Year (1931, 1930, 1929, 1928), and 15 rows of financial data including revenues, expenses, and net income.

Virginian Ry.

Table with 5 columns: Year (1931, 1930, 1929, 1928), and 10 rows of financial data including revenues, expenses, and net income.

Wabash Railway.

Table with 5 columns: Year (1931, 1930, 1929, 1928), and 6 rows of financial data including revenues, expenses, and net income.

Note.—There was a deficit for the System (including subsidiary lines) for the month of October 1931 of \$80,059.63, a decrease of \$1,022,418.61 and for the period Jan. 1 to Oct. 31 1931 of \$1,439,613.19, a decrease of \$6,642,207.90.

Last complete annual report in Financial Chronicle Mar. 14 '31, p. 1975

Last complete annual report in Financial Chronicle Apr. 18 '31, p. 2954

Last complete annual report in Financial Chronicle Apr. 18 '31, p. 2953

Michigan Electric Power Co.

Table with 4 columns: Period End, 1931-3 Mos., 1930, 1931-12 Mos., 1930. Rows include Gross oper. revenues, Avail. for int., Int. on long term debt, Other deductions, and Net for retire. & divs.

National Department Stores, Inc.

Table with 4 columns: 6 Months Ended July 31, x1931, 1930, 1929. Rows include Net profit after interest, depreciation, Federal taxes, &c., and Unaudited report.

(The) Nevada-California Electric Corp.

Table with 4 columns: Month of October, 1931, 1930, -12 Mos. End. Oct. 31-1931, 1930. Rows include Gross oper. earnings, Maintenance, Taxes, Other oper. & gen. exp., Total oper. & general expenses, Operating profits, Non-oper. earnings, Total income, Interest, Balance, Depreciation, Balance, Disc. & exp. on sec. sold, Misc. add'ns & deductions, Surplus avail. for red. of bonds, divs., &c.

New Jersey Power & Light Co.

Table with 4 columns: 12 Months Ended Sept. 30, 1931, 1930. Rows include Operating revenue—Electric department, Gas department, Total operating revenue, Operating expenses and maintenance, Provision for retirement of fixed capital, Taxes, Operating income, Other income, Gross income, Interest on unfunded debt, Interest on unfunded debt to public, Amortization of debt discount and expense, Interest on advances by stockholders, Net income.

New York Telephone Co.

Table with 4 columns: Month of October, 1931, 1930, -10 Mos. End. Oct. 31-1931, 1930. Rows include Telephone oper. revenues, Telephone oper. expenses, Net tel. oper. revs., Uncollectible oper. rev., Taxes assignable to oper., Operating income.

New York Water Service Corp.

Table with 4 columns: 12 Months Ended Sept. 30, 1931, 1930. Rows include Operating revenues, Operation expenses, Maintenance expenses, General taxes, Net earnings from operation, Other income, Gross corporate income, Interest on mortgage debt, Interest on gold notes, Interest on unfunded debt, Interest received from affiliated companies, Reserved for retirements, replacements & Federal income tax and miscellaneous deductions, Net income, Earnings accruing to common stock holdings of subsidiaries not consolidated, Balance, Dividends on preferred stock.

New York Westchester & Boston Ry. Co.

Table with 4 columns: Month of October, 1931, 1930, -10 Mos. End. Oct. 31-1931, 1930. Rows include Railway oper. revenue, Railway oper. expenses, Net operating revenue, Taxes, Operating income, Non-operating income, Gross income, Deductions, Rents, Bond, note, equip. trust cf. int. (all int. on advances), Other deductions, Total deductions, Net income (deficit).

Ohio Edison Co.

Table with 4 columns: Month of September, 1931, 1930, -12 Mos. Ended Sept. 31-1931, 1930. Rows include Gross earnings, Operating expenses, incl. taxes and maintenance, Gross income, Fixed charges, Net income, Provision for retirement reserve, Dividends on preferred stock, Balance.

(The) Orange & Rockland Electric Co.

Table with 4 columns: Month of October, 1931, 1930, -12 Mos. Ended Oct. 31-1931, 1930. Rows include Operating revenues, Oper. exps., incl. taxes, but excl. depreciation, Balance, Depreciation, Operating income, Other income, Gross income, Interest on funded debt, Balance, Other interest, Balance, Amortization deductions, Balance, Other deductions, Balance, Divs. accrued on pf. stk., Balance, Fed. income taxes, incl. in operating expenses.

Pacific Northwest Public Service Co.

Table with 4 columns: 9 Months Ended Sept. 30, 1931, 1930. Rows include Consolidated Income Account for Year Ended June 30 1931, (Irrespective of Dates of Acquisition of Subsidiaries.), Gross earnings and other income, Operating expenses, maintenance and general taxes, Net earnings, Annual int. and pref. dividend requirements on securities of subs., Annual int. requirements of Pacific Northwest Public Service Co. 6% convertible gold debentures, Balance, Prior preference dividend, First preferred dividend, Second preferred dividend, Net income avail. for retire. provision, misc. charges & surplus.

Parker Rust Proof Co.

Table with 4 columns: 9 Months Ended Sept. 30, 1931, 1930. Rows include Net profit after deprec., &c. but before Fed. taxes.

Penn Central Light & Power Co.

Table with 4 columns: Period End, Sept. 30, 1931-3 Mos., 1930, 1931-12 Mos., 1930. Rows include Gross oper. revenue, Avail. for interest, &c., Int. on long-term debt, Other deductions, Net for retire. & divs.

Pennsylvania Gas & Electric Co.

Table with 4 columns: Month of October, 1931, 1930, -12 Mos. End. Oct. 31-1931, 1930. Rows include Gross earnings, Oper. expenses & taxes, Net earnings, Subsidiary company charges and pref. dividends, Bond interest, Other deductions, Balance, Preferred dividends, Balance*.

Perfect Circle Co.

Table with 4 columns: 10 Mos. End. Oct. 31, 1931, 1930, 1929. Rows include Net prof. after chgs. & taxes, Earnings per share on 162,500 shares capital stock (no par).

Puget Sound Power & Light Co.

Table with 4 columns: Month of October, 1931, 1930, -12 Mos. End. Oct. 31-1931, 1930. Rows include Gross earnings, Net oper. revenue, Surplus after charges.

Ritter Dental Manufacturing Co., Inc.

Table with 4 columns: Period End, Sept. 30, 1931-3 Mos., 1930, 1931-9 Mos., 1930. Rows include Net profit after charges & taxes, Earnings per sh. on 160,000 shs. com. stk. (no par).

Rochester Gas & Electric Corp.

Table with financial data for Rochester Gas & Electric Corp. for 1931 and 1930, including operating revenue, expenses, and net income.

Note.—Above figures for the year 1930 exclude interest during construction (credit) in amount of \$106,435 and include amortization of debt discount and expense amounting to \$52,810 which accounts for the difference as compared with figures published last year.

Last complete annual report in Financial Chronicle June 6 '31, p. 4243

Rochester & Lake Ontario Water Service Corp.

Table with financial data for Rochester & Lake Ontario Water Service Corp. for 1931 and 1930, including operating revenues, expenses, and net income.

Last complete annual report in Financial Chronicle Apr. 11 '31, p. 2767

Scranton-Spring Brook Water Service Co.

Table with financial data for Scranton-Spring Brook Water Service Co. for 1931 and 1930, including operating revenues, expenses, and net income.

Last complete annual report in Financial Chronicle Apr. 11 '31, p. 2767

Seattle Gas Co.

Table with financial data for Seattle Gas Co. for 1931-3 Mos., 1930, and 1931-12 Mos., 1930, including operating revenues and net earnings.

Skelly Oil Company.

Table with financial data for Skelly Oil Company for 1931-3 Mos., 1930, and 1931-9 Mos., 1930, including gross earnings and net income.

Last complete annual report in Financial Chronicle April 4 '31, p. 2603 and March 28 '31, p. 2408.

Southern Bell Telephone & Telegraph Co., Inc.

Table with financial data for Southern Bell Telephone & Telegraph Co., Inc. for 1931 and 1930, including telephone operating revenues and expenses.

Last complete annual report in Financial Chronicle March 7 '31, p. 1800

Southern Bond & Share Corp.

Table with financial data for Southern Bond & Share Corp. for 1931 and 1930, including net loss after charges.

Securities costing \$2,593,429, had a market value on Sept. 30 1931, of \$1,056,407.

Southern California Edison Co., Ltd.

Table with financial data for Southern California Edison Co., Ltd. for 1931 and 1930, including gross earnings and net income.

Last complete annual report in Financial Chronicle May 21 '31, p. 2178

Southern Cities Public Service Co.

Table with financial data for Southern Cities Public Service Co. for 1931, including consolidated net income and operating expenses.

Last complete annual report in Financial Chronicle May 9 '31, p. 3527

Southwest Dairy Products Co.

Table with financial data for Southwest Dairy Products Co. for 1931, including earnings before depreciation and deficit after depreciation.

Superior Oil Corp.

Table with financial data for Superior Oil Corp. for 1931-3 Mos., 1930, and 1931-9 Mos., 1930, including gross earnings and net income.

Last complete annual report in Financial Chronicle May 29 '31, p. 4079

Tampa Electric Co.

Table with financial data for Tampa Electric Co. for 1931 and 1930, including gross earnings and net income.

Last complete annual report in Financial Chronicle Feb. 21 '31, p. 1414

(The) Tennessee Electric Power Co.

Table with financial data for (The) Tennessee Electric Power Co. for 1931 and 1930, including gross earnings and net income.

Last complete annual report in Financial Chronicle Mar. 21 '31, p. 2197

Third Avenue Ry. System.

Table with financial data for Third Avenue Ry. System for 1931 and 1930, including operating revenue and net income.

Last complete annual report in Financial Chronicle Oct. 10 '31, p. 2430

Thompson-Starrett Co., Inc.

Table with financial data for Thompson-Starrett Co., Inc. for 1931 and 1930, including net profit after depreciation and shares of common stock.

Last complete annual report in Financial Chronicle June 13 '31, p. 4431

Tide Water Power Co.

Table with financial data for Tide Water Power Co. for 1931-3 Mos., 1930, and 1931-12 Mos., 1930, including gross operating revenue and net income.

Last complete annual report in Financial Chronicle Oct. 10 '31, p. 2430

California Oregon Power Co.—New President, &c.—
C. M. Brewer has been elected President of this company and of the Mountain States Power Co. He has been Vice-President and General Manager of the latter company since 1919 and of the California Oregon Power Co. since 1929.

Central Gas & Electric Co.—Earnings.—
For income statement for 12 months ended June 30 see "Earnings Department" on a preceding page.

Balance Sheet Sept. 30.
Assets—
Plant and franchises— \$95,064,230
Investments— 21,564,791
Sink, funds & spec. deposits— 1,426,080
Cash— 972,369
Accts. receivable, consumers— 2,043,038

Cities Service Co.—Sales of Refined Products Increase.—
An authoritative statement says:
The trend of this company's earnings is continuing upward with net earnings for the month of October exceeding those for September by more than \$226,000.

Commonwealth Edison Co.—Stock Approved.—
The Illinois Commerce Commission has authorized the company to issue and sell 156,942 additional shares of capital stock at not less than \$100 a share, the proceeds to reimburse the treasury for past capital expenditures and future extension of facilities. See also V. 133, p. 3253.

Continental Gas & Electric Corp.—Extra Dividends.—
The directors have declared an extra cash dividend of \$3.60 per share and a special dividend of 1-5 of a share of common stock in addition to the regular quarterly cash dividend of \$1.10 per share all payable Jan. 2 to holders of record Dec. 12. Fractional stock dividends will be paid in cash at the rate of \$100 a full share. An extra cash distribution of \$7 per share was made on this issue on Jan. 2 1929.

Dry Dock East Broadway & Battery RR.—To Default.—
The Third Avenue Ry. Co., Nov. 24, notified holders of the Dry Dock East Broadway & Battery RR., 5% bonds, due on Dec. 1 1932, that the interest due on Dec. 1 will not be paid. Bonds of a face value of \$950,000 are outstanding.

Electric Power & Light Corp.—Earnings.—
For income statement for 12 months ended Sept. 30 see "Earnings Department" on a preceding page.

Balance Sheet Sept. 30.
Assets—
Investments— 158,905,623
Cash & call loans— 4,714,066
Time dep.in bks. — 3,725,000
Notes & loans receivable, subs.— 1,546,500

El Paso Electric Co. (Del.)—Rates Reduced.—
Agreement was reached on Oct. 26 between the El Paso (Tex.) City Council and officials of the above Electric company on a rate adjustment which will result in a total annual saving of \$177,600, or approximately 15%, to the domestic consumers. The company has agreed to reduce present rates so as to save its customers \$85,000 immediately and to make

a further reduction of \$56,500 when the company's revenues return to the 1930 level. The figure of \$177,600 includes \$8,500, the cost of a study of the city's electric rates by the Burns & McDonnell Engineering Co., Kansas City, and \$27,600, the amount by which the electric company reduced its rates to large commercial consumers on July 1. ("Electrical World.")—V. 132, p. 1796.

Federal Water Service Corp.—Earnings.—
For income statement for 12 months ended Sept. 30 see "Earnings Department" on a preceding page.

Balance Sheet Sept. 30.
Assets—
Plant, property, equipment, &c.— \$172,823,729
Investment in affiliated and other companies— 9,939,004
Miscellaneous special deposits— 348,187

Green Mountain Power Corp.—Sale of Stock.—
The Chase National Bank, New York, announces that on Nov. 30, at 11 o'clock a. m., 28,347 shares of common stock (no par value) will be offered for sale at public auction at the auction block of Adrian H. Muller & Son, in the Exchange Salesroom, at 18 Vesey Street, to the highest bidder.

Indianapolis Power & Light Corp.—New 100,000 Horsepower Electric Generating Station Opened.—
The company's new Harding Street plant with a generating capacity of 73,500 kilowatts (100,000 electrical horsepower) was opened on Nov. 23 for the inspection of the public and stockholders. It will later be placed in regular operation serving the electrical needs of the city of Indianapolis and Marion County, Ind. At the same time a new 50 mile, 132,000 volt transmission line which makes a complete circuit around the city tying in all the main feed lines into the city and surrounding territory, will also be placed in operation.

Interborough Rapid Transit Co.—Company's Debt to City Held Tax Exempt.—
Payments by the company to the city under Contract 3, amounting to \$15,596,583 since June 30 1930, are exempt from Federal income tax charges under a settlement announced Nov. 22 by the Transit Commission after long negotiation with the Federal authorities. The settlement was based only upon the initial payment of \$6,291,118 made by the company to Controller Charles W. Berry in 1929, but the principle applies to all subsequent payments, the most recent of which was made on July 30.

Indianapolis Street Ry.—Deposits to End Dec. 1.—
The various protective committees for the securities of Indianapolis Street Ry. are notifying holders that Dec. 1 is the last day for depositing under the new reorganization plan. The committees also state that proceedings for the reorganizing of the property have been undertaken and they expect the reorganization plan to be completed after the sale of the property some time in January.—V. 133, p. 1925.

Interborough Rapid Transit Co.—Company's Debt to City Held Tax Exempt.—
Payments by the company to the city under Contract 3, amounting to \$15,596,583 since June 30 1930, are exempt from Federal income tax charges under a settlement announced Nov. 22 by the Transit Commission after long negotiation with the Federal authorities. The settlement was based only upon the initial payment of \$6,291,118 made by the company to Controller Charles W. Berry in 1929, but the principle applies to all subsequent payments, the most recent of which was made on July 30. The settlement will effect a saving of about \$2,000,000 to the city on the \$15,596,583 item. The specific settlement on the initial payment means a saving of about \$800,000 for the fiscal year ended June 30 1930.

Pacific Northwest Public Service Co.—Earnings.—
For income statement for 12 months ended Sept. 30 see "Earnings Department" on a preceding page.

Consolidated Balance Sheet.
Table with columns for Assets and Liabilities, and rows for various financial items like Plants & franch., Investments, Cash, etc., with values for Sept. 30 '31 and Dec. 31 '30.

Old Colony Gas Co.—Sells Bonds.—
The company sold, through competitive bidding, Nov. 24, to F. S. Moseley & Co. and Brown Bros., Harriman & Co., \$950,000 30-year 5% 1st mtge. bonds, dated Dec. 1 1931.—V. 133, p. 3464, 2929.

Penn Central Light & Power Co.—Earnings.—
For income statement for 3 and 12 months ended Sept. 30 see "Earnings Department" on a preceding page.—V. 133, p. 1289.

Peoples Light & Power Corp.—Offer to Holders of 5% Gold Notes Series of Dec. 1 1931.—

The reorganization committee under the Tri-Utilities Corp. plan of reorganization, dated Sept. 1 1931 (Richard C. Hunt, Chairman) offers to the holders of 5% gold notes, series of Dec. 1 1931 an opportunity to participate in and become parties to the plan, subject to the terms and provisions of this offer and of the plan. A circular letter states:
In order to obtain the benefits of this offer, holders of notes are required to deposit their notes with Chase National Bank, as depository, 11 Broad St., N. Y. City, or with Central Republic Bank & Trust Co., as sub-depository, at its principal office, 208 South La Salle St., Chicago, or with Pennsylvania Co. for Insurances on Lives & Granting Annuities, as sub-depository, at its principal office, 15th and Chestnut Sts., Philadelphia, Pa., or with Old Colony Trust Co., as sub-depository, at its principal office, 17 Court St., Boston, Mass., before the close of business on Dec. 17 1931, and shall receive therefor certificates of deposit of the depository, in such forms as the reorganization committee may prescribe, for the notes deposited.

All notes deposited must be in negotiable form and must be accompanied by all appurtenant coupons maturing on Dec. 1 1931.
The holders of certificates of deposit issued upon the deposit of notes shall be entitled, on the consummation of the plan and the surrender to the aforesaid depository of their certificates of deposit in negotiable form, bearing such stamps and accompanied by such certificates, if any, as may be required under Federal and State tax laws, to receive, when issued and ready for delivery, per \$1,000 principal amount of notes:
10 shares prior preference stock, \$6 series of the new corporation designated in the plan.

Warrants of the character set forth in the plan to subscribe for 10 shares of common stock of the new company.
Certificates of deposit of the depository will be issued under the plan and will be subject to all the provisions thereof and of this offer. The plan is hereby made a part of this offer as fully and with like effect as if herein set forth in full and the rights and obligations of the holders of certificates of deposit for notes shall in all respects be the same as if the plan had conferred upon the holders of notes the right to deposit thereunder and had specified the right of the holders of certificates of deposit therefor to receive new securities upon the consummation of the plan as in this offer set forth. The reorganization committee shall have and may exercise all of the powers, authorities and privileges which have been or may be conferred upon it by the plan or any modification thereof. The reorganization committee and the depository may for all purposes deem and treat the person in whose name any certificate of deposit is issued as the owner thereof for all purposes.

The reorganization plan and (or) this offer as part of the reorganization plan may be modified, amended or abandoned in accordance with the provisions of the plan in that respect, and in such event the rights and obligations of the holders of certificates of deposit for notes shall in all respects similar to those conferred or imposed by the plan upon holders of certificates of deposit for 5% convertible gold debentures of Peoples Light & Power Corp. issued thereunder.

A digest of the reorganization plan of Tri-Utilities Corp. was published in our issue of Oct. 10, p. 2434.—V. 133, p. 3464.

Philadelphia Electric Co.—Acquisitions Denied.—

Applications of this company for the acquisition of the properties of the Chester Valley Electric Co., an operating company, and the Coatesville Electric Light, Heat & Power Co., and the Chester Valley Electric Light, Heat & Power Co., both nonoperating, were refused on Nov. 20 by the Pennsylvania P. S. Commission.

The applications were dismissed because the Commission can see no justification for their approval "which would maintain a disparity with the Philadelphia Electric's rates to the disadvantage of consumers in territory now served by the Chester Valley company." The Commission was not satisfied in view of the earnings and dividends recently declared on common stock of the Philadelphia Electric Co., with information in the record concerning the value of \$15 a share assigned the 180,000 Philadelphia Electric Co. shares, which is proposed to be issued as consideration for these three properties, or a total of \$2,700,000.

The three companies sought by the Philadelphia Electric represent one operating unit furnishing service to 7,700 consumers in Coatesville, Downingtown, Parkersburg, South Coatesville, Modena and adjacent townships in Chester County. The Philadelphia Electric supplies gas to Coatesville and the boroughs of Downingtown and South Coatesville, where the companies operate, and it also supplies gas and electricity in the suburban territory contiguous on the east to the territory of the three Chester County companies.

All four companies are controlled by the United Gas Improvement Co. through stock ownership, the Philadelphia Electric directly and the other three companies through the Commonwealth Utilities Co., an intermediary of U. G. I. Co., which acquired control of the Chester Valley Electric on the last day of 1930 from Central Eastern Power Co. and control of the two nonoperating companies last March from the Chester Valley Securities, Inc.—(Phil "Ledger.")—V. 133, p. 2929.

Public Service Co. of Colo.—Bonds Offered.—Halsey, Stuart & Co., Inc., are offering \$11,000,000 1st mtge. and refunding 6% gold bonds, series C at 91 and int. to yield about 6.70%.

Dated Nov. 1 1931, due Nov. 1 1961. Red. all or part, at any time upon 30 days' notice at the following prices and accrued interest: on or before Nov. 1 1936 at 105½; thereafter on or before Nov. 1 1941 at 104½; thereafter on or before Nov. 1 1946 at 103½; thereafter on or before Nov. 1 1951 at 102½; thereafter on or before Nov. 1 1956 at 101½; thereafter on or before Nov. 1 1960 at 101; and thereafter to maturity thereof. Interest (M. and N.), will be payable at the office of Halsey, Stuart & Co., Inc., Chicago, or at the office of the company in New York, without deduction for any Federal income tax which may now or hereafter be deductible at the source, not in excess of 2% per annum. Company will agree to reimburse individual resident holders of the series C bonds, upon proper request within 60 days after payment, for the personal property taxes in the States of Penna.

and Conn. not exceeding 4 mills per dollar per annum, and for the Mass. income tax on the interest, not exceeding 6% of such interest per annum.

Data from Letter of Pres. H. L. Doherty, New York, Nov. 20.

Company.—Is the largest electric and gas company in Colorado. Supplies, without competition, electric power and light to Denver, and furnishes electric service to 100 additional communities at retail and 40 communities at wholesale. In addition, natural gas and steam heating service are supplied to Denver, the bus system is operated in Boulder, Colo., and a subsidiary company furnishes electric, natural gas and steam heating services to Cheyenne, Wyo. Company recently acquired the Colorado-Wyoming Gas Co., which operates an inter-State pipe line extending from Denver to Cheyenne and serves 20 communities with natural gas, together with a 15% stock interest in the Colorado-Interstate Gas Co., which owns the important pipe line transporting natural gas from the Amarillo field in Texas to Denver.

The company has a total installed generating capacity of 124,500 kw. of which 33,500 kw. is hydro-electric. The territory served has had a steady and substantial growth, the total population served directly or indirectly being estimated at 465,000. During the calendar year 1930 the company did over 64% of the entire electric light and power business in the State of Colorado.

Capitalization Outstanding as of Sept. 30 1931 (Reflecting Present Financing)
Table with columns for 1st mtge. & ref. gold bonds, Divisional bonds, 6% gold debentures, etc., with values for Sept. 30 '31 and Dec. 31 '30.

A consisting of \$3,541,900 series A, 6%, due 1953; \$12,037,100 series B, 5½%, due 1954, and \$11,000,000, series C, 6%, due 1961. b Excluding \$3,589,000 of divisional bonds pledged under the 1st mtge. & ref. indenture and \$1,770,800 alive in sinking fund.

Security.—Series C bonds will be secured equally with other series issued under the indenture, by a first mortgage upon the steam generating plant at Valmont (45,000 kw. capacity) and the transmission lines connecting this station with other stations of the system, and by a direct mortgage lien on substantially all of the remainder of the company's properties, now owned or hereafter acquired, except property expressly excepted, subject to \$17,070,950 principal amount of divisional bonds now outstanding with the public and to divisional bonds, if any, on property hereafter acquired. \$3,589,000 additional principal amount of divisional bonds are pledged as further security for the 1st mtge. & ref. gold bonds and any divisional bonds hereafter issued also must be so pledged.

Earnings (Consolidated Earnings of the Company as Now Constituted)
Table with columns for 12 Months Ended Sept. 30—1930, 1931, Gross earnings, Oper. expenses, etc., with values for 1930 and 1931.

Net earnings before interest, depreciation, &c.—\$6,685,999 \$7,217,827
Annual interest on divisional bonds 853,548
Annual int. on 1st mtge. & ref. gold bonds, incl. this issue 1,534,555

Of the above net earnings for the 12 months period ended Sept. 30 1931, approximately 99% was derived from the sale of electric power and light and gas.

Purpose.—Series C bonds will be issued to refund a like principal amount of series B bonds and to reduce short term indebtedness.

Growth.—The growth and stability of the business of the company, as now constituted, is illustrated by the following table:

Gross Earnings, Net Before Int. Paid or Cal. Year, K. W. H. M. Cu. Ft. Incl. Other Income, & Fed. Tax, Fire & Debt
Table with columns for Year, Sales, Gas Sold, etc., with values for 1931, 1930, 1929, 1928, 1927, 1926, 1925, 1924, 1923, 1922, 1921.

Maintenance & Renewals.—Indenture provides that no cash dividends will be paid on the company's common stock unless there has been expended or reserved annually (cumulative) for maintenance and (or) depreciation, at least 12% of the gross operating revenue from electric operations, 10% of that from gas operations, 7½% of that from heating operations and 20% of that from transportation operations. These percentages are subject to arbitration and adjustment at five-year intervals.

Improvement Fund.—Indenture provides for either (a) the annual expenditure or reservation of an amount equal to 2% of the principal amount of first mortgage & ref. gold bonds outstanding on Sept. 1, which amount shall be used for permanent improvements, additions or betterments to its properties (against which no bonds may be issued), or (b) the annual expenditure of an amount equal to 1% of the principal amount of such bonds, for the purchase and retirement thereof. This provision shall not operate as a duplication of equal sinking funds operating on bonds pledged under the indenture.

Management.—All the common stock of company except directors' qualifying shares, is owned by Cities Service Power & Light Co.

Bonds Listed.—There have been placed on the Boston Stock Exchange list \$11,000,000 1st mtge. and refunding 6% gold bonds, series C.—V. 132, p. 2195.

Public Service Co. of No. Illinois.—Stock Approved.—

The Illinois Commerce Commission has authorized the company to issue and sell 97,737 additional shares of no par common stock at not less than \$100 a share. Of the proceeds, \$5,233,829 are to be used for reimbursing the treasury for capital expenditures and the balance to be applied toward the purchase at par of 18,100 additional shares and \$6,639,000 1st mtge. 6% bonds of the Waukegan Generating Co., a subsidiary. See also V. 133, p. 3257.

Public Utility Holding Corp. of America.—Defers Div.

The directors on Nov. 24 decided to defer payment of the regular quarterly dividend on the \$3 cum. pref. stock, no par value, which would normally be payable Jan. 1 1932. The last regular quarterly distribution of 75c. per share was made on this issue on Oct. 1, 1931.—V. 133, p. 1126.

Radio Corp. of America.—Suits Dismissed.—

Three more of the suits brought against the corporation by independent radio tube manufacturers alleging monopoly of the radio tube market have been dismissed in the U. S. District Court at Wilmington in an order signed by Judge Fields. The suits were those brought by the De Forest Radio Co., the Gold Seal Electrical Co., and the Poughkeepsie Gold Seal Electrical Co. The suits were dismissed upon stipulation of all the parties after settlement was effected recently in New York.—V. 133, p. 3257.

Rochester & Lake Ontario Water Service Corp.—Earnings.—

For income statement for 12 months ended Sept. 30 see "Earnings Department" on a preceding page.

Comparative Balance Sheet.
Table with columns for Assets and Liabilities, and rows for Plant, property, equipment, Miscell. investm't & special depos., Cash, Notes & accts. rec., Misc. curr. assets, De. chrs and prepaid accounts, 1st mtge. 5% gold bonds, Consumers' dep., Misc. def. liab. & unad. credit., Due affiliated cos., Notes & accts. pay, Accr. liabilities, Reserves, Common stock & surplus, with values for Sept. 30 '31 and Dec. 31 '30.

Total —————\$5,316,153 \$5,238,879 Total —————\$5,316,153 \$5,238,879
x Represented by 2,000 shares (no par). y Of which \$341,000 is for construction advances to affiliated companies.—V. 133, p. 2603.

Rochester Gas & Electric Corp.—Earnings.—
For income statement for 12 months ended Sept. 30 see "Earnings Department" on a preceding page.—V. 133, p. 2268.

Scranton-Spring Brook Water Service Co.—Earnings.—
For income statement for 12 months ended Sept. 30 see "Earnings Department" on a preceding page.

Comparative Balance Sheet.
Assets— Sept. 30 '31 Dec. 31 '30
Plant, property, equipment, &c. \$5,952,454 56,585,738
Misc. investment 965,742 163,648
and special dep. 223,145 210,789
Cash 2,009,574 1,727,540
Notes & accts. rec. 503 3,184
Due from affil. cos. 3,184 3,813
Int. & divs. rec. 320,513 342,485
Materials & supp. Def. charges & prepaid accounts x1,306,145 805,728
Total 61,781,259 59,839,741

x Including unamortized debt discount and expense and commission on capital stock. y Represented by 70,700 shares (no par). z Represented by 100,000 shares (no par).—V. 133, p. 2434.

Seattle Gas Co.—Earnings.—
For income statement for 3 and 12 months ended Sept. 30 see "Earnings Department" on a preceding page.

Southern Cities Public Service Co.—Earnings.—
For income statement for 12 months ended June 30 see "Earnings Department" on a preceding page.

Consolidated Balance Sheet Dec. 31.
June 30 '31. Dec. 31 '30.
Assets— June 30 '31. Dec. 31 '30.
Plant & franchises 53,434,726 54,878,804
Investments 6,067,742 10,989,607
Sinking funds & special deposits 84,155 521,092
Cash 2,404,414 2,570,997
Merch. mat'ls & supplies 822,211 892,286
Prepay'm'ts—ins., taxes, &c. 76,395 86,397
Other curr. assets 68,405 7,482,232
Miscel. assets 60,210
Unamort. disc. & exp. on funded debt 237,009
Improvements to leased prop. 166,931
Def. debit items 143,557 467,834
Total 71,440,467 70,849,200

—V. 133, p. 1454.

Southern Natural Gas Corp.—Creditors to File Claims.—
All creditors are notified that all claims and demands against the corporation are required to be presented to the receivers on or before Jan. 1 1932, by a decree entered Oct. 1 1931, by the U. S. District Court for the Southern Division of the Northern District of Alabama.

All such claims and demands should be presented in writing to Hugh M. Morris and James H. White, receivers, Watts Building, Birmingham, Alabama.
It is provided by the decree that persons failing to present their claims and demands as provided by the decree shall be barred from sharing in the benefits of the distribution of the money and proceeds of the properties of the corporation in the hands of the receivers or the proceeds arising from any sale thereof.—V. 133, p. 2434.

Tide Water Power Co.—Earnings.—
For income statement for three and 12 months ended Sept. 30 see "Earnings Department" on a preceding page.—V. 133, p. 2603.

Tri-Utilities Corp.—Time for Deposits Under Reorganization Plan Extended.—
The reorganization committee announces that the time within which debentures and stock dealt with under the plan of reorganization, dated Sept. 1 1931 (V. 133, p. 2434) may be deposited thereunder has been extended until the close of business on Dec. 17 1931. The committee further states:

"There have already been deposited under the reorganization plan in excess of \$11,000,000 of debentures and 180,000 shares of stock, but additional deposits are required in order to justify the reorganization committee in proceeding with the plan.
"The reorganization committee is glad to announce that, with its approval, there have been made available to various of the companies embraced in the Tri-Utilities system the services of E. L. West, an experienced utility operator, in an effort to effect economies and to secure co-ordination of effort.
On Nov. 17 1931, former Federal Judge Hugh M. Morris and Harold S. Schutt, both of Wilmington, Del., were appointed receivers of the properties of Peoples Light & Power Corp. by the District Court of the U. S. for the District of Delaware.

The reorganization committee hereby calls for the deposit before the close of business on Dec. 17 1931, under the plan of reorganization of the 5% convertible gold debentures of Peoples Light & Power Corp. The holders of certificates of deposit which will be issued upon the deposit of the debentures will become parties to the plan and entitled to the benefits thereof and to the treatment thereunder as therein specified.
In the exercise of the authority conferred by the reorganization plan, the reorganization committee has made an offer, dated Nov. 20 1931, to the holders of 5% gold notes, series of Dec. 1 1931, of Peoples Light & Power Corp. An original counterpart of the offer has been filed with Chase National Bank, New York, as depository, and copies may be obtained from the secretary of the reorganization committee, from the depository, or from any of the sub-depositaries. Notes are called for deposit before the close of business on Dec. 17 1931, and the holders of certificates of deposit which will be issued upon the deposit of the notes will become parties to the plan and entitled to the benefits thereof and to the treatment thereunder as therein and in said offer specified.
The debentures, accompanied by the appurtenant coupons maturing on and after Jan. 1 1932, and the notes, accompanied by the appurtenant coupons maturing on Dec. 1 1931, must be deposited in negotiable form, with Chase National Bank, New York, as depository, 11 Broad St., N. Y. City, or with Central Republic Bank & Trust Co., as sub-depository, 208 South La Salle Street, Chicago, Ill., or with the Pennsylvania Co. for Insurances on Lives and Granting Annuities, as sub-depository, 15th and Chestnut Streets, Philadelphia, Pa., or with Old Colony Trust Co., as sub-depository, 17 Court St., Boston, Mass.—V. 133, p. 3094.

United Electric Rys., Providence, R. I.—Proposed Sale of Power Plant for \$2,150,000.—
The Rhode Island Hospital Trust Co., trustee, in a notice to holders of gen. & ref. mtge. bonds, dated Jan. 1 1921, says:

"A request in accordance with the terms of the indenture securing the above bonds has been received, asking that this company, as trustee under the indenture of mortgage, release from the lien of said mortgage the Manchester Street power station and appurtenant property of the Railways Co. for a consideration of \$2,150,000, in cash, to be paid to the trustee under the prior lien mortgage in accordance with the provisions of the said mortgage.
Having been informed of the intention of the Railways company to make such request, the Industrial Trust Co., trustee under the prior lien mortgage, and this company, as trustee as aforesaid, retained Sanderson & Porter, of New York, engineers, who, after their investigation, have

advised both trustees that such release upon the terms stated would be in the interest of the mortgage bond holders, provided that a contract for power in form approved by them shall be in effect for the supply of power by the Narragansett Electric Co. until the maturity of the bonds issued under both mortgages. A contract in such form providing for such supply of power has been executed, to become operative upon the release of the power station. It is accordingly proposed, subject to compliance with all legal requirements, to release the said power station and appurtenant property, from the lien of the mortgage on Dec. 8 1931.

We are informed that the proceeds of this sale, together with other funds, will be used to call the outstanding prior lien series A and series B bonds.
See also New England Power Association above.—V. 133, p. 1290.

Union Water Service Co.—Earnings.—
For income statement for 12 months ended Sept. 30 see "Earnings Department" on a preceding page.

Comparative Balance Sheet.
Assets— Sept. 30 '31. Dec. 31 '30.
Plant, property, equipment, &c. \$5,006,552 \$4,875,719
Misc. special dep. 2,069 44,973
Cash 135,526 36,682
Notes & accts. rec. 120,407 93,909
Due from affil. cos. 18,583 18,583
Mat'ls & supplies 38,975 37,383
Def. charges & prepaid accounts x81,757 87,314
Total \$5,403,870 \$5,175,980

x Including unamortized debt discount and expense and commission on capital stock. y Represented by 5,000 shares (no par). z Represented by 5,000 shares (no par).—V. 133, p. 2763.

United Gas Improvement Co.—New Director.—
Fred Morgan Kirby of Wilkes-Barre, Vice-President and a director of the F. W. Woolworth Co. has been elected to the directorate of the United Gas Improvement Co. to fill the vacancy caused by the death of Charles Day.—V. 133, p. 2930.

United Railways & Electric Co., Baltimore.—Omits Income Bond Interest.—
The directors have voted to omit the semi-annual interest of 2% due Dec. 1 on the outstanding \$13,977,000 income bonds.—V. 132, p. 4058.

Westchester Lighting Co.—Lower Electric Rates.—
This company, which supplies electric current to residents of Westchester County and part of the Bronx, has agreed to a reduction in rates which will mean the saving of more than \$1,000,000 a year to consumers in these sections, it was announced on Nov. 24.

The hearings before the New York P. S. Commission followed the filing of a petition by Walter Otto, Mayor of New Rochelle, N. Y., asking for a 28% reduction in rates.
The new rates represent a 20 to 33% reduction from the present rates under which a consumer must use \$19.20 worth of electricity before allowed a rate of 9 1/2 cents a kilowatt hour. The rates under the proposed schedule are:

First five kilowatt hour, \$1; each kilowatt hour thereafter up to 25 kilowatt hours, 7 cents; up to 170 kilowatt hours, 6 1/2 cents; over 200 kilowatt hours, 5 cents.

Commissioner Milo R. Maltbie estimated that the proposed rates would mean a saving of \$600,000 to resident consumers in Westchester County, \$100,000 to commercial users there and a saving of \$125,000 in the form of a voluntary reduction by the company of its charges for street lighting under existing contracts. Commissioner Maltbie also estimated the saving to Bronx consumers at \$175,000.

The question whether consumers shall retain two meters as at present or have them replaced by one meter has yet to be decided, he said.
The Commission will meet on Dec. 1 to give the proposal final consideration.—V. 133, p. 3465.

West Virginia Water Service Co.—Earnings.—
For income statement for 12 months ended Sept. 30 see "Earnings Department" on a preceding page.

Comparative Balance Sheet.
Assets— Sept. 30 '31. Dec. 31 '30.
Plant, property, equipment, &c. \$7,227,974 \$5,733,181
Misc. spec. dep'ts. 4,800 1,963
Cash 57,083 67,419
Notes & accts. rec. 258,244 163,715
Due from affil. cos. 43,140 56,952
Materials & suppl. 93,220 56,952
Deferred charges & prepaid accounts x765,625 701,895
Total \$8,406,945 \$6,768,264

x Including unamortized debt discount and expense and commission on capital stock. y Represented by 11,500 shares (no par). z Represented by 5,000 shares (no par). a Represented by 12,000 shares (no par). b Of which \$143,200 construction advances due to affiliated companies.—V. 133, p. 2604.

York Railways Co.—Earnings.—
For income statement for three and 12 months ended Sept. 30 see "Earnings Department" on a preceding page.—V. 133, p. 1455.

INDUSTRIAL AND MISCELLANEOUS

Price of Copper Cut 1/2 Cent for Export.—Copper Exporters, Inc., have reduced the price of copper for export 1/2 cent a pound to the equivalent of 7 cents a pound c.i.f. Hamburg, Havre and London. The cut brings the foreign price to parity with the domestic custom smelters' asking price of 6 1/2 cents a pound delivered in the Connecticut Valley. New York "Times" Nov. 21, p. 32.

Southern Hosiery Mills Keep Active.—The Golden Balt full-fashioned hosiery mill has curtailed slightly within the last few weeks, but is still operating two shifts five days a week. Durham Hosiery Mills and the Erwin Cotton Mills also are operating full time. "Wall Street Journal" Nov. 21, p. 3.

Theatre Men Face 36-Week Wage Cut.—A plan to reduce wages of theatrical employees by 10 to 15% for 36 weeks, after which the present scale will be reinstated, was announced by William F. Canavan, President of the International Alliance of Theatrical Stage Employees and Moving Picture Machine Operators of the United States and Canada. N. Y. "Times" Nov. 26, p. 37.

Matters Covered in the "Chronicle" of Nov. 21.—(a) New construction in United States in first 10 months of 1931 surveyed by Indiana Limestone Co. p. 3324. (b) Foreign copper interests return to Europe without effecting agreement on curtailment; compromise proposals to be submitted to Belgians, p. 3335. (c) Reduction in price of lead, p. 3338. (d) \$50,000,000 group in New York to aid home building; savings bankers and Joseph P. Day act to form credit corporation to assist owners; many industries to help; easy mortgaging aim; ready backing for builders of dwellings costing \$15,000 or less would be assured, p. 3356.

Air Investors, Inc.—Dropped from List.—Boston Stock Exchange
On and after Nov. 25 1931 capital stock of the following companies will be dropped from the Boston Stock Exchange list: Air Investors, Inc., New Dominion Copper Co. and Seneca Copper Mining Co.—V. 130, p. 4419.

Allied Chemical & Dye Corp.—No Action on Stock Div.—
The directors have declared the regular quarterly dividend of \$1.75 per share on the pref. stock, payable Jan. 2 to holders of record Dec. 11.

\$35,164,221 to \$17,465,768, and that the difference, \$17,698,453, be set aside as capital surplus. The reserve for obsolescence amounting to \$2,400,000 for the year 1931 will be applied in whole or in part also to mark-downs, reserves, &c. Any balance not so applied will be included in income account. It is the intention to discontinue from Jan. 1 1932, charges against income to create this special reserve.

By this change in the capital structure, an important obstacle in the way of resumption of dividends on the common stock will have been removed. The charter of the company provides that no dividends shall be declared except out of net profits earned subsequent to Oct. 1 1930. It is proposed to amend the charter provisions so that it shall clearly state that no items so charged are to be considered as charges against earnings available for dividends since Oct. 1 1930.

The company has outstanding 310,000 shares of no par \$5 cum. conv. preference stock and 1,998,769 shares of no par common stock.—V. 133, p. 3263.

Goldblatt Bros., Inc.—Dividend.

The company has declared quarterly cash dividends of 37½c. a share on the common stock, no par value, payable Jan. 2 to holders of record Dec. 10. The stockholders have the privilege of accepting additional common stock at the rate of 6% per annum (1½% quarterly) in lieu of cash. A like amount has been paid quarterly since and including April 1 1929.—V. 133, p. 1621.

Graham-Paige Motors Corp.—Comparative Balance Sheet.

Table with columns: Assets, Liabilities, and dates (June 30 '31, Dec. 31 '30). Rows include Plant & equip., Cash, U.S. Gov. secur., Collection drafts, Dealers & cust. acct., Sundry receivables, Inventories, Advances to assoc. cos., Prepaid accounts, Stks. & oth. inv., Impr'mts to leased property, Deferred charges, 7% preferred stock, 7% 2d pref. stock, Com. stock, Accts. & notes pay., Sund. credit bals., Accrued payroll, taxes, &c., 6% s. f. gold debts., 6% ser. g. notes., Land contract., Operating reserves, Prov. for divs. on 2nd pref. stock., 6% st. fd. del. (not current), 6% ser. gold notes (not current), Land contr. (not current), Equity of mln. stk. hldrs. of sub. cos., Employees' subs., Total.

Total.....22,513,872 23,734,474
a After depreciation of \$5,073,513. b Represented by 1,728,361 no par shares. c Includes sundry receivables.—V. 133, p. 3099.

Great Northern Iron Ore Properties.—\$1 Dividend.

The trustees have declared a semi-annual distribution of \$1 a share on the certificates of beneficial interest, payable Dec. 28 to holders of record Dec. 7. On June 25 last a similar distribution was made. During 1930 the following distributions were made: 75c. a share on April 29 and \$1 regular and 50c. a share extra on Dec. 29.—V. 133, p. 2444.

Grigsby-Grunow Co.—Changes Fiscal Year.

The directors have voted to change the fiscal year to end Dec. 30 instead of May 31 as previously.—V. 133, p. 2274.

Haloid Co.—Extra Dividend.

An extra dividend of 50 cents per share has been declared on the common stock in addition to the regular quarterly dividend of 25 cents per share, both payable Dec. 31 to holders of record Dec. 15. An extra payment of 25 cents per share was made on this issue on Oct. 1 1931. The usual quarterly dividend of \$1.75 per share has been declared on the preferred stock, payable on the same date.—V. 133, p. 1773.

Harnischfeger Corp., Milwaukee.—Defers Dividend.

The directors have voted to defer the regular quarterly dividend of \$1.75 per share, due Jan. 1 on the 7% cum. pref. stock, par \$100. The last quarterly distribution at this rate was made on Oct. 1 1931.—V. 132, p. 1815.

Hartford Steam Boiler Inspection & Insurance Co.—Extra Dividend.

The directors have declared a special extra dividend of 20c. per share, payable Dec. 1 to holders of record Nov. 25. This brings total payments for the year to \$1.80 per share on the present \$10 par stock. An extra of 20c. per share was also paid on Dec. 1 1930.—V. 131, p. 3716.

Houdaille-Hershey Corp.—Earnings.

For income statement for 9 months ended Sept. 30 see "Earnings Department" on a preceding page.—V. 133, p. 1935.

Hazel-Atlas Glass Co.—Extra Dividend.

The directors have declared an extra dividend of 25c. per share in addition to the regular quarterly dividend of 75c. per share, both payable Jan. 2 to holders of record Dec. 15. Like amounts were paid on Oct. 1 last. The company on Jan. 2, April 1 and July 1 1931 made the usual extra distributions of 25c. per share in addition to regular quarterly dividends of 50c. per share. A special extra of 25c. per share was also paid on July 1 1931.—V. 133, p. 2936.

(George W.) Helme Co.—Extra Dividend of 8%.

The directors have declared an extra dividend of 8% in addition to the regular quarterly dividend of 5% on the outstanding \$6,000,000 common stock, par \$25, both payable Jan. 2 to holders of record Dec. 10. An extra dividend of 8% was paid Jan. 2 1931, 1930 and 1929, and extra of 12% on Jan. 3 1928, an extra of 16% Jan. 3 1927, extras of 15% each on Jan. 2 1925 and on Jan. 2 1926, while on Jan. 2 1924 an extra dividend of 7% was paid. In March 1928, the dividend rate on the common stock was increased from 16% to 20% per annum, the first payment on the new basis being made on April 2 1928.—V. 132, p. 1233.

Honolulu Plantation Co.—Extra Dividend.

The directors have declared an extra dividend of \$2 per share in addition to the regular quarterly dividend of 25c. per share, both payable Dec. 10 to holders of record Nov. 30. In Dec. 1930 and 1929 extra distributions of like amount were made, as compared with an extra of \$1.50 per share in Dec. 1925 and an extra of \$1 per share in Dec. 1927.—V. 132, p. 4774.

Household Finance Corp.—Listing of Additional Participating Preference Stock.

The New York Stock Exchange has authorized the listing of 41,000 additional shares of participating preference stock (par \$50) upon official notice of issue from time to time and payment in full making the total amount applied for 221,000 shares of participating preference stock. The board of directors by resolutions adopted at a meeting held Nov. 17, authorized the issue and sale of 41,000 additional unissued shares and 5,000 issued shares in treasury, of its participating preference stock in consideration of cash equal in amount to at least the par value thereof; the proceeds are to be used to provide in part additional sums required by the increase in number of loans and volume of business and for general corporate purposes. Participating preference stock is not subject to preemptive rights of holders of any class of stock.

General Statement of Operations. Table with columns: Year, Loans Made, Amount Loaned, Average Amt. Loaned. Rows for 1926-1931.

Earnings.—For income statement for 10 months ended Oct. 31 see "Earnings Department" on a preceding page.

Consolidated Balance Sheet.

Table with columns: Assets, Liabilities, and dates (Oct. 31 '31, Dec. 31 '30). Rows include Cash, Loans to bankers, Install. notes rec., Sundry notes and acct., Notes receivable, Other receivables, Fixed assets, Notes payable, Empl. thrift acct., Fed'l income tax., Divs. payable, Miscellaneous, Purch. money oblig., Res. for conting., Partic. pref. stock, Class A com. stock, Class B com. stock, Surplus.

Total.....53,318,307 46,122,964
x Less reserves of \$1,104,738. y Less reserve for depreciation of \$179,611.
z Stated value of \$25 per share.—V. 133, p. 2771.

Holland Land Co.—\$2½ Liquidating Dividend.

The directors have declared a liquidation dividend of \$2.50 a share on the common stock, payable out of special surplus account on Dec. 4 to holders of record Nov. 25. A liquidation dividend of \$2 a share was paid on Oct. 13 last.—V. 133, p. 2608.

I. G. Farben-Industrie Aktien-Gesellschaft (I. G. Dyes), Frankfurt-on-Main, Germany.—To Reduce Div.

According to a Berlin dispatch, the company has announced that profits for 1931 have been considerably below last year, consequently a dividend reduction will be a necessity. It is expected that a dividend of from 6% to 8% will be declared, as compared with 12% for the last year. The company announces its dividend action but once a year, namely, following the meeting of the board of directors at their last sitting before the meeting of stockholders in the spring.—V. 133, p. 652.

Illinois Brick Co.—Omits Dividend.

The directors have decided to omit the quarterly dividend ordinarily payable about Jan. 15 next. At the November meeting last year, the board declared four quarterly dividends of 30 cents per share for the entire year 1931 the last of which were payable on Oct. 15. Previously the company made regular quarterly distributions of 60 cents per share.—V. 132, p. 1044.

Independence Fire Insurance Co., Philadelphia.—Merger Approved.

The stockholders of this company on Nov. 20 and of the American Equitable Assurance Co. of New York on Nov. 23 approved the proposition to merge the two companies, subject to the further approval of the Superintendent of Insurance of the State of New York and the Commission of Insurance of the Commonwealth of Pennsylvania. The consolidated company will operate under the name of American Equitable Assurance Co. of New York and will continue under the underwriting management of Corroon & Reynolds, Inc. See also V. 133, p. 2936.

International Business Machines Corp.—5% Stock Distribution.

The directors have declared a 5% stock dividend and the regular quarterly cash dividend of \$1.50 per share on the capital stock, no par value, both payable Jan. 11 to holders of record Dec. 21. On Jan. 10 1930 this issue was placed on a \$6 annual cash dividend basis, compared with \$5 per annum previously. A stock dividend of 5% was paid on Jan. 10 1930 and 1931 and on Dec. 28 1928.—V. 133, p. 3469.

International Cement Corp.—Div. Meeting Postponed.

The meeting of the directors for dividend action, which was scheduled for Nov. 25, has been postponed until Dec. 2. From Dec. 31 1923 to and including Sept. 30 1931 regular quarterly distributions of \$1 per share were made on the common stock. A 10% stock payment was also made on Dec. 31 1924.—V. 133, p. 2771.

Interstate Equities Corp.—Preferred Dividend Deferred.

The directors recently voted to defer the regular quarterly dividend of 75c. per share due Nov. 1 on the no par value \$3 cum. conv. pref. stock, series A. The last quarterly distribution on this issue was made on Aug. 1 1931.—V. 133, p. 3263.

International Match Corp.—Subsidiary to Acquire Federal Match Corp.—See latter above.—V. 132, p. 4072.

Keystone Securities Corp.—Protective Committee.

The protective committee for the outstanding \$1,097,000 6% secured notes due July 1 1931 and which have been defaulted, both principal and interest, is composed of J. William Hardt, V.-Pres., Philadelphia National Bank; Stephen G. Duncan of Janney & Co., and John H. Mason (Chairman), V.-Pres. of Pennsylvania Co. for Insurances on Lives and Granting Annuities. Louis F. Bruner, 1529 Walnut St., Philadelphia, is Sec'y, and Montgomery & McCracken, Philadelphia, are counsel. The Pennsylvania Co. for Insurances on Lives and Granting Annuities is depository.

Kilburn Mills, New Bedford.—To Vote on Liquidation.

The stockholders on Nov. 23 voted \$,428 to \$,317 for continuance in business. As 409 shares were not voted, the vote was not considered decisive, and another meeting will be held within a month to decide the future of the mills.

President Henry L. Tiffany in a recent letter to stockholders said: "The directors have been considering for some time what the future policy of the company should be. They are of opinion that liquidation at this time would not be in the best interest of the stockholders. They feel, however, that the stockholders should be given an opportunity to express their opinions.

"During recent years, the company has lost money. In 1928 and 1929 the company was affected by a strike lasting about six months. During the last two years there were severe declines in the price of cotton and general acute business depression.

"It does not seem probable that every textile business in Massachusetts is never to be profitable again. The directors believe that the business of your company, which is the manufacture of yarns of very high grade and of excellent reputation in the trade, has a reasonable prospect of becoming profitable again. The results of the last four years, for the reasons above stated, seem to be abnormal.

"The financial condition of the company is strong, but in the opinion of the directors it would be absolutely unwarranted to make any cash payments to stockholders at present if the business is to continue.

"If the company should liquidate at present, the directors are convinced that very little would be realized from the plant and that substantially all that would be available for distribution to stockholders would be the proceeds of the current assets less the current liabilities and expenses of liquidation.

"If, in the judgment of the directors, a majority in interest of the stockholders definitely appear to desire present liquidation, the directors propose to cause a special meeting of the stockholders to be called to take action on that matter.—V. 133, p. 3470.

Kroger Grocery & Baking Co.—New Director.

B. H. Kroger Jr., has been elected a director to succeed his father, B. H. Kroger.—V. 133, p. 3470.

Liquid Carbonic Corp.—Annual Report.

Chairman W. K. McIntosh says in part: No major capital expenditures were made during the year. There was expended for replacements and additions in the ordinary course of business approximately \$250,000. Plants and equipment have been adequately maintained and the cost of maintenance and repairs charged to operations in addition to a charge for depreciation of over \$600,000.

Through an exchange of stock, company has reduced its holdings in the subsidiary, now known as Liquid Carbonic Canadian Corp., Ltd., and has acquired stock of the Dominion Carbonic Co., Ltd. of Toronto, the com-

Sinclair not Interested in Company.

The Sinclair Consolidated Oil Corp. issued Nov. 24 the following statement: "To correct an impression that seems to exist in some quarters, H. F. Sinclair stated to-day that he was not an official of the Rio Grande Oil Co. and that Sinclair Consolidated Oil Corp. was not a stockholder, its interest being that of a creditor with others who had made advances to the company. Mr. Sinclair was tendered the chairmanship of the Rio Grande board some months ago, but never accepted nor acted in this capacity." —V. 133, p. 3104.

Ritter Dental Mfg. Co., Inc.—Earnings.

For income statement for three and nine months ended Sept. 30 see "Earnings Department" on a preceding page.—V. 133, p. 1301.

St. Mary's Mineral Land Co.—Sale Ratified.

The stockholders on Nov. 24 authorized the directors to sell all or substantially all of the property and assets of this corporation, including its good will, to Copper Range Co. and also approved a certain plan of reorganization and offer of the latter company to acquire the properties and assets of this corporation in exchange for 160,000 shares of its stock without par value.

President George P. Gardner, Nov. 12, in a letter to the stockholders, stated in substance:

The directors have reached the conclusion that it would be advantageous for the company to sell or exchange all its property and assets to Copper Range Co. for stock of the latter, on the basis of one share of its stock for each share of your company outstanding. The result would be to combine the properties and businesses of the two companies.

For many years the St. Mary's company's single substantially productive property has been its one-half interest in Champion Copper Co., of which Copper Range Co. owns the other half. Under present conditions, Champion is operating on a reduced scale and is showing an operating deficit before property taxes, depreciation and depletion. Your company, through its wholly owned subsidiary St. Mary's Canal Mineral Land Co., also has substantial land holdings in Michigan which are largely adjacent to the lands of Copper Range Co.

In the present situation, it is essential to put into effect every possible economy. The plan proposed should result in more effective and economical management of the properties of both companies. Duplication of corporate organizations and management can be eliminated and it is estimated that substantial tax savings can also be made.

Copper Range Co. is a Michigan corporation having an authorized capital stock of 400,000 shares of the par value of 25 each, of which 395,000 shares are outstanding. Under the plan of reorganization Copper Range Co. will change its existing shares into shares without par value and will increase its capital by authorizing 100,000 additional shares without par value. These additional shares are to be issued in payment for the property and assets of your company, and Copper Range Co. is to assume the existing liabilities of your company. In the opinion of counsel the additional shares will be fully paid and non-assessable, subject only to the Michigan statutory liability of stockholders for wages. After the completion of the above, it is planned that your company will dissolve.

On the dissolution the stockholders are to receive the Copper Range Co. stock on a share for share basis.

Copper Range Co. has important properties in addition to its interest in Champion and its lands. It has a large interest in Copper District Power Co., from which it expects a substantial return. It has recently acquired a large interest in C. G. Hussey & Co. of Pittsburgh, one of the principal consumers of Champion copper. It owns the Baltic property. It owns all the stock and just under one-half of the outstanding bonds of the Copper Range RR. So far this year the railroad has not fully earned the interest on its bonds, but any substantial improvement of present conditions should be reflected in its earnings.

On consummation of the proposal, the directors of the Copper Range Co. will be increased from seven to 12, and it is expected that five of your present directors will be members of the Copper Range Co. board.

It is planned to call a second meeting of stockholders to act upon the dissolution and liquidation of your company.

[The stockholders of the Copper Range Co. will meet Dec. 14 to vote on approving the acquisition of the above company.]—V. 133, p. 3475.

St. Nicholas Hotel Co.—Bonds Offered.

Dated Dec. 15 1931; due serially from June 15 1934 to Dec. 15 1941. Interest payable J. & D. at Springfield Marine Bank, Springfield, Ill. Denom. \$500 and \$1,000. Red. as a whole or in part on or before Dec. 15 1934 at 102 and int. and at 101 and int. thereafter, except bonds redeemed by the sinking fund are at par and int. All redemptions in reverse of numerical order.

Data from Letter of Herbert B. Bartholf, President of the Company.

Sinking Fund.—Mortgage provides for an annual sinking fund to be paid the trustee to be used to call bonds in excess of the serial maturities. When gross room rentals in any calendar year are in excess of \$200,000, but do not exceed \$205,000, such excess is to be applied entirely to the sinking fund. Should such rentals exceed \$205,000, 25% of such excess is also to be so applied. It is estimated this sinking fund will retire, prior to 1941, a total of \$42,000 of these bonds in excess of the fixed serial maturities.

Security.—These bonds are a direct obligation of the company, which owns and operates the St. Nicholas Hotel, and are secured by a 1st mtge. on the fee and hotel buildings, with equipment and furnishings located at Fourth and Jefferson Sts. in Springfield, Ill. The ground, in two parcels, fronts 157 feet on Fourth St., by 160 feet on Jefferson St. and 57 feet on Fourth St. with an even depth of 90 feet, all owned in fee. The improvements upon completion of the contemplated addition will consist of a 296-room hotel, fireproof, modern in design. A new five-story addition is to be erected in February 1932 to replace a part of the existing structure. This addition will occupy the corner of Fourth and Jefferson Sts. and include 33 new hotel rooms, a new lobby, dining rooms, enlarging the ballroom and other changes to increase the rentable space and efficiency of the hotel. The new addition will occupy a ground area of 67x60 feet. Upon completion of the addition and alterations the hotel will have 248 rooms with bath and 48 without bath, together with enlarged convention and banquet facilities, and be the largest hotel in Springfield.

Value of Security.—The security has been appraised by James A. Easley as to the ground and by John Mueth Jr. of the Alzina Construction Co., Springfield, as to the buildings, as follows:

Table with 2 columns: Description and Value. Total value of security: \$1,095,591.

Earnings.—Upon completion of the new addition and alterations as planned, it has been conservatively estimated the net earnings available for interest will amount to \$75,000 per annum, or 2 1/2 times the greatest annual interest requirements on this loan. Certain economies in operation and increased efficiency of operation will result from the addition and alterations, of which no account has been taken in these calculations.

Mortgage.—Company which holds title to the security will have a paid-in capital stock of \$480,000, over 60% of which is owned by Herbert B. Bartholf, President of the corporation, and Fred Schuster, Vice-Pres. The hotel is operated under the personal supervision of Herbert B. Bartholf.

Scott Paper Co.—2% Stock Dividend.

The directors have declared a semi-annual dividend of 2% in common stock in addition to the regular quarterly dividend of 35c. per share on the common stock, both payable Dec. 31 to holders of record Dec. 17. A 2% stock distribution was also made on the common stock in June and December of each year since and including 1929.—V. 133, p. 2611.

Second Investors Corp., Providence, R. I.—Reduces Capitalization, &c.—

The stockholders on Nov. 12 (1) approved a proposal to amend the articles of association of the corporation (a) by decreasing the authorized capital stock and each class thereof and by changing the par value of the shares of authorized capital stock and of each class thereof so that its authorized capital stock shall be \$1,600,000, consisting of \$1,000,000 of conv.

prior pref. stock divided into 40,000 shares, par \$25 each, \$200,000 of conv. pref. stock divided into 40,000 shares, par \$5 each, and \$400,000 of common stock divided into 400,000 shares, par \$1 each, and (b) by reason of said change in the par value of the conv. prior pref. and conv. pref. stock, by providing that the cumulative preferential dividends on the conv. prior pref. stock shall be at the rate of \$3 instead of 6% per share per annum and the cumulative preferential dividends on the conv. pref. stock at the rate of \$1.50 instead of 6% per share per annum and changing all references to dividends on the conv. prior pref. stock to references to dividends at the rate of \$3 per share per annum and all references to dividends on the conv. pref. stock to references to dividends at the rate of \$1.50 per share per annum, and by the former of said amendments to the articles of association to reduce the issued capital stock of the corporation from \$2,244,000 to \$813,300, consisting of 24,300 shares of conv. prior pref. stock, \$25 each, 24,300 shares of conv. pref. stock, par \$5 each, and \$4,300 shares of common stock, par \$1 each; and (2) authorized the board of directors to employ from time to time the surplus created by such reduction of the issued capital stock for the purpose of making such distributions by way of dividends or otherwise to the stockholders of the corporation and (or) for such other purposes as may be deemed desirable and be permitted by law.

President F. B. Wilcox Oct. 27 stated in part:

The corporation is at the present time receiving income from its investments sufficient to meet the dividend requirements of the conv. prior pref. stock and conv. pref. stock; but the general and drastic decline in the market prices of securities had on Sept. 30 1931 reduced the value of the corporation's net assets to \$1,727,989. This amount is equivalent to \$73.07 for each of the 23,647 shares of conv. prior pref. stock of the par value of \$50 per share outstanding on Sept. 30 1931; and, after allowing \$50 for each share of conv. prior pref. stock then outstanding, it is equivalent to \$22.45 for each of the outstanding 24,300 shares of conv. pref. stock of the par value of \$25 per share. It is slightly less than the capital represented by the shares of the conv. prior pref. stock and conv. pref. stock.

The board of directors has been advised that this shrinkage in the value of the corporation's assets renders it illegal to continue the payment of dividends on the conv. prior pref. stock and conv. pref. stock unless the capital represented by the shares of stock of the corporation is reduced. The board is of the opinion that under these circumstances the capital represented by each of the three classes of stock should be reduced so that the income from the corporation's investments may be available for the payment of dividends on the conv. prior pref. stock and conv. pref. stock and so that the surplus created by the reduction of the capital represented by the shares of the corporation's stock may be available for the payment of dividends on the conv. prior pref. stock to the extent to which the income from investments is insufficient for that purpose.

Such a reduction of the capital represented by the corporation's stock would not affect the net asset value of any class of its stock; nor would it change the preference, either as to dividends or in liquidation, of the conv. prior pref. stock or conv. pref. stock.

The board anticipates that if the proposed reduction of the capital represented by the corporation's stock is effectuated, the payment of the quarterly dividends on the conv. prior pref. stock can be continued as also, except for the Dec. 1 1931 dividend, the payment of quarterly dividends on the conv. pref. stock. It will, however, be necessary that payment of the Dec. 1 1931 dividend on the conv. pref. stock should be deferred even though the reduction of capital is effectuated; for the income between the date of the stockholders' meetings, Nov. 12 and Dec. 1, will not be sufficient for the dividend requirements of the full quarter ending on Dec. 1. The board regrets this necessity, and will look forward to paying the Dec. 1 div. on the conv. pref. stock at as early a date as is practicable.—V. 133, p. 3267.

Seneca Copper Mining Co.—Off List.

See Air Investors, Inc. above.—V. 133, p. 1938.

Shaffer Stores Co.—No Common Dividend.

The directors have taken no action on a dividend at this time on the common stock, no par value. Distributions of 25 cents per share were made on Jan. 1 and July 1 last.—V. 132, p. 4782.

Sherwin-Williams Co. of Canada, Ltd.—New Pres., &c.

George A. Martin, a member of the Canadian board since 1911 and President of the Sherwin-Williams Co. of Cleveland, has been elected President of the Canadian company to succeed W. S. Falls, who has been elected Chairman of the board. E. M. Richardson of New York, a director of the American company, has been elected a director of the Canadian company.

Table with 5 columns: Earnings, 1929-30, 1928-29, 1927-28, and 1926-27. Rows include Earnings, Depreciation, Provision for losses, Net profit, Preferred dividends, Ordinary dividends, Balance, surplus, Previous surplus, Other deductions, Total surplus, Shares com. stock outstanding (no par), Earnings per share, y Par \$100.

Table with 4 columns: Comparative Balance Sheet Aug. 31, 1931, 1930, 1931, 1930. Rows include Assets (Property account, Investments, Inventories, Accounts and bills receivable, Marketable securities, Cash, Insurance & taxes prepaid, &c.) and Liabilities (Pref. 7% cum. stk., Common stock, Accts. payable, &c., Bal. pay. to assoc. cos. on curr. acct., Depr. & renew. reserv., Pension reserve, Surplus).

Total value of security: \$1,095,591. Includes land and buildings, leaseholds, machinery and equipment; also good-will, formulae and trade marks.—V. 132, p. 2012.

Shubert Theatre Corp.—To Be Reorganized.

Creditors, stockholders and bondholders will each, as a group, form a committee to work out a satisfactory plan of reorganization, according to a resolution adopted at a meeting of the three groups held Nov. 24 to hear the first report made by the receivers. The meeting asked the receivers to petition the court for an extension of the receivership. The separate committees will be organized as soon as possible and then, after discussions of plans, they will meet together and attempt to work out a plan of reorganization acceptable to each group. The date of the first meeting of the combined committees was left open.

Table with 3 columns: Theatre, Loss, Theatre, Loss. Rows include Ambassador, New York; Comedy, New York; Cort, New York; 49th Street, New York; Forrest, New York; Ritz, New York; Lyric, Boston; Woods, Chicago.

The receivers also discontinued the operations of a subsidiary which operated three theatres. Of the theatres remaining in the possession of the corporation, the receivers reported, 9 are dark this week, while 17 others in which the corporation has an interest are also dark. Other contracts which the receivers have disaffirmed include one for the installation of motion-picture sound apparatus in some of the properties. The receivers stated that at the time the receivership began operation there was about \$100,000 in obligations as salaries and box office advances

outstanding, which had to be met. To do this \$150,000 in receivers' certificates were authorized...

In addition to eliminating unprofitable leases of theatres the receivers cut \$3,226 a week from operating expenses...

The receivers reported that they had accumulated a small cash balance through postponing payments of taxes and other deferrable charges...

Sinclair Consolidated Oil Corp.—Sale of Louisiana Properties.—

Acquisition of holdings of the Sinclair Oil Co. of Louisiana, a subsidiary, by the Tex-York Utilities Corp. of New York...

Count Leschinsky acted as principal in the corporation's purchase of the Sinclair Oil Co. of Louisiana refinery...

Expenditure of approximately \$10,000,000 within the next few months on construction of a 400-mile pipeline...

Count Leschinsky said between now and March 1 a 20,000-barrel unit would be added to the refinery...

The Meraux refinery has been closed some time. It is rated at 20,000 barrels daily capacity...

Skelly Oil Co.—Earnings.—

For income statement for three and six months ended Sept. 30 see "Earnings Department" on a preceding page.

(A. O.) Smith Corp.—Wins Welding Patent Suit.—

A decree was recently entered in the Federal Court in Chicago, upholding the corporation in its defense against the Morton automatic arc welding patents...

"Snia Viscosa" (Societa Nazionale Industria Applicazioni Viscosa), Turin, Italy.—Earnings.—

Financial table for Snia Viscosa showing Calendar Years (1930-1927) and Consolidated Balance Sheet (1930-1927) with columns for Profits, Assets, and Liabilities.

Southern Bond & Share Corp.—Earnings.—

For income statement for 9 months ended Sept. 30 see "Earnings Department" on a preceding page.

Table showing Preferred stocks and Common stocks with Cost and Market Value columns.

The principal changes in the list of holdings since Dec. 31 1930 are as follows:

Table showing Purchases and Sales of various stocks including American Chicle, Corn Products, Kelsey Hayes Wheel, etc.

Southwest Dairy Products Co.—Plan of Reorganization.

At the joint request of the company and the holders of a large amount of its outstanding securities, the following have consented to act as a reorganization committee...

Reorganization Committee.—Arthur Andersen (Arthur Andersen & Co., C.P.A.), Neil C. Hurley (Chairman Executive Committee Independent Pneumatic Tool Co.)...

Bank & Trust Co.), with A. F. Luecker, Sec., 77 W. Washington St., Chicago, and Pam & Hurd, Counsel, Chicago.

The depositary is Central Republic Bank & Trust Co., 208 So. LaSalle St., Chicago, with Empire Trust Co., 120 Broadway, N. Y. City, as sub-depositary.

The committee in a circular to the security holders states in substance:

The committee has been advised by company that it was unable to pay the interest due Nov. 1 1931 on the 6 3/4% debenture bonds.

Company, formed during the favorable business era of 1928, acquired a number of dairies and ice properties in Texas, Arkansas and Louisiana...

Earnings continued favorable and for the 12 months' period ended March 31 1930 amounted as reported by Arthur Young & Co. to \$512,740 before depreciation, interest and Federal taxes...

The drastic decline in earnings for 1930 and 1931 forced the company to borrow large amounts of short-term money to meet fixed charges and maturing purchase money obligations.

As of Sept. 30 1931, the outstanding capital and other liabilities of the company according to its books were substantially as follows:

Table showing Ten-year 6 3/4% gold debentures, Contract loan, and Purchase money obligations.

Table showing Current liabilities (other than purchase money obligations and installment notes).

Table showing Accrued liabilities, Deferred liabilities, and Minority interest in subsidiary companies.

Table showing Second preferred stock and Common stock (no par).

In addition to its plants and properties, the current assets of the company, as indicated in its balance sheet of Sept. 30 1931, plus the book value of its investments in other corporations...

It seems obvious to the committee that any reorganization plan must contemplate the substitution for the company's outstanding bonds and \$500,000 contract loan a security which imposes upon the company no fixed liability...

In order to preserve the credit of the company and its good will and trade position, it also seems obvious to the committee that the current liabilities must be paid in due course; but taking into account the company's existing current assets...

The so-called "purchase money obligations" will necessarily have to stand in their present position as they underlie the whole structure and are well secured and there would be no basis for calling upon the holders...

Digest of Plan of Reorganization.

New Company.—A new company will be organized with an authorized issue of—

Table showing Ten-year 6 3/4% debentures and 6% pref. stock, non-cum.

Table showing Common stock (no par value) and Results of industry.

\$1,750,000 Ten-year 6 3/4% debentures together with 105,000 shares of common stock will be offered all existing security holders...

\$3,041,000 6% preferred stock together with 60,820 shares common stock will be issuable in exchange, par for par...

The Nov. 1 1931 coupons on the deposited debenture bonds will be paid in non-interest bearing scrip, payable Sept. 1 1932...

10,000 shares of common stock will be issuable in exchange for 250,000 shares of 2d pref. stock now outstanding.

10,016 shares common stock will be issuable in exchange for 250,404 1/2 shares of common stock now outstanding on the basis of one share of new stock for each 25 shares of old stock deposited.

The preferred stock will be issued in shares of \$100 each and will be entitled to dividends at the rate of 6% per annum...

The new debentures will be issued under a suitable debenture agreement. The committee shall impose suitable restrictions so that the amount realized by the new company for such debentures...

The new company will, if and when in the judgment of the committee sufficient securities have been deposited to make the plan practicable, acquire the deposited securities and may, either before or after the consummation of the reorganization plan...

At the joint request of the company and the holders of a large amount of its outstanding securities, the following have consented to act as a reorganization committee and have approved a plan of reorganization...

The Commercial Markets and the Crops

COTTON—SUGAR—COFFEE—GRAIN—PROVISIONS

PETROLEUM—RUBBER—HIDES—METALS—DRY GOODS—WOOL—ETC.

COMMERCIAL EPITOME

The introductory remarks formerly appearing here will now be found in an earlier part of this paper immediately following the editorial matter, in a department headed INDICATIONS OF BUSINESS ACTIVITY.

New York, Friday Night, Nov. 27.

COFFEE.—Spot coffee was quiet at one time, and 8 to 8½¢. for Santos 4s and 6½¢. for Rio 7s. Fair to good Cucuta, 12 to 12½¢.; prime to choice, 14 to 15¢.; washed, 13 to 14½¢.; Colombian, Ocana, 11½ to 12¢.; Bucaramanga, natural, 12½ to 13¢.; washed, 14½ to 14¾¢.; Honda, Tolika and Giradot, 12¾ to 13¼¢.; Medellin, 15½ to 15¾¢.; Manizales, 13 to 13½¢.; Mexican, washed, 15 to 17¢.; East India, Ankola, 24 to 34¢.; Mandheling, 23 to 32¢.; Genuine Java, 23 to 24¢.; Robusta, washed, 7¾ to 8¢.; Mocha, 14½ to 15¢.; Harrar, 13½ to 14¢.; Abyssinian, 9¼ to 9½¢.; Salvador natural, 12¢.; washed, 12½ to 13¢.; Nicaragua, natural, 9½ to 10¢.; washed, 13 to 13½¢.; Bourbon, 12 to 13¢.; San Domingo, 14 to 14½¢. Santos 4s, irregular at 7½ to 8¼¢.; Rio 7s, 6¾ to 6½¢.; Victoria, 6¼¢. On the 24th cost and freight offers were unchanged to 10 points higher. Prompt shipment, Santos Bourbon 2-3s at 8.10 to 9.05¢.; 3s at 8.00 to 8.60¢.; 3-4s at 7.90 to 8.80¢.; 3-5s at 7¾ to 8.05¢.; 4-5s at 7.70 to 7¾¢.; 5s at 7¾¢.; 5-6s at 7.40 to 7.70¢.; 6s at 7.15 to 7.55¢.; 6-7s at 7.30¢.; 7s at 7¼¢.; 7-8s at 7.15 to 7¼¢.; Part Bourbon 3s at 8.15¢.; 3-4s at 7.55 to 7.70¢.; 3-5s at 7.95¢.; Peaberry 3s at 7.90¢.; 4s at 7.80¢.; 4-5s at 7.85¢.; Rio 7-8s at 6.05¢.; Victoria 7-8s at 6¢. For prompt shipment, Sul de Minas, 5-6s were offered at 7.40¢., and Santos 7-8s via Paranagua at 6.60¢. Victoria 7s for January to March shipment, inclusive, were quoted at 5.80¢., and 7-8s at 5.70¢., while for February-April shipment, 7s were offered at 5.85¢., and 7-8s at 5¾¢. New York spot market was dull and slightly easier for Santos. Some holders are sellers at 7½¢. for 4s; principal holders quoted 8.00 to 8¼¢. Rio 7s nominal at 6½¢.; Victoria 7-8s, 6¼¢. On the 25th, the first notice day for December, there were 25 Santos and 88 Rio (including 83 Rio, 2 Bahia, 2 Victoria and 1 Robusta) and 200 Giradot notices issued. Brazilian press cables said the delay of the government at Rio de Janeiro in filling Cabinet vacancies and appointing a provisional Governor for Sao Paulo State is causing strong efforts to hasten the national elections. The constitutional group urges the adoption immediately of a provisional constitution which would permit the election of a Parliament which would draw a permanent constitution. The State of Rio Grande do Sul is again manifesting impatience over the delay.

On the 26th the Exchange was closed for the Thanksgiving holiday. On the 21st inst. Santos futures here were unchanged to 6 points off and Rio 2 points off to 4 higher. The sales were 7,000 bags of Santos and 12,000 Rio. The undertone was steady. Traders feared bullish news about coffee destruction by Brazil. The sequel proved that these fears were well founded. On the 23rd inst. speculation was active and Rio futures closed 13 to 18 points higher with sales of 30,250 bags. Santos closed 14 to 22 points higher with sales of 53,750 bags. The Brazilian news was naturally considered bullish. The cables to the Exchange here said the State Federal Government has agreed to the reorganization of National Coffee Council and to elimination of 12,000,000 bags of surplus coffee from the market, by destruction. This started the shorts and they covered precipitately. According to the cables it is understood that the second coffee convention in Brazil is expected to be held in Rio Nov. 24. This meeting is in line with the proposal of the National Coffee Council of Nov. 11 when they asked for greater autonomy. Agreement by the State Government of the reorganization of the National Coffee Council includes the assumption of the obligation of the \$100,000,000 coffee loan floated in 1930, the taxing of coffee to meet this obligation and the destruction of the surplus stocks.

On the 24th inst. futures fell 2 to 5 points lower on Rio with sales of 31,000 bags and 7 to 11 lower on Santos on liquidation on the eve of the December notices due on the 25th inst. The Santos sales were 17,750 bags. The sales were 31,000 bags of Rio. European houses sold December and bought May and March and bought Santos against sales of Rio Decembers. The National Coffee Council reported that destruction of coffee last week amounted to 57,000 bags of Santos, 30,000 bags of Rio and 10,000 bags of Victoria, making the cumulative totals to date 1,640,000 bags of Santos, 397,000 bags of Rio and 148,000 bags of Victorias. In addition to June 30, the Sao Paulo Coffee Institute has destroyed 479,000 bags. The visible supply of Brazils in the United States is 1,803,729 bags. On the 25th inst. futures advanced 6 to 12 points, despite the issuance of 115 notices. They were promptly stopped. Offerings were small. Of the notices 25 were for Santos, 83 for Rio, 2 for Bahia, 2 for Victoria and 1 for Robusta. The sales were only 16,500 bags of Santos and 21,000 of Rio. To-day a Comtelburo cable from Rio to the New York Exchange said:

"National Coffee Council convention is scheduled for Nov. 30; all coffee States sending delegates and Federal Government to be represented by extra delegate from Sao Paulo." To-day futures declined with selling by local and trade interests and buying by European and Brazilian connections. December notices included 38 Santos, 6 Rio and 1 Victoria. The opening was 1 to 11 points higher on further covering, but later on liquidation carried prices downward, and the ending was at a decline of 12 to 20 points on Rio with sales of 15,000 bags and 7 to 12 points lower on Santos with sales of 20,000 bags. Final prices show an advance for the week on Rio of 5 to 8 points and on Santos of 1 to 2 points.

Rio coffee prices closed as follows:

Spot unofficial	6½ @	May	5.47 @
December	5.10 @	July	5.56 @
March	5.32 @	September	5.65 @

Santos coffee prices closed as follows:

Spot unofficial	8.00 @	May	7.83 @
December	7.40 @	July	8.00 @
March	7.67 @	September	8.13 @

COCOA to-day closed 2 to 4 points lower with sales of 123 lots. Dec. ended at 4.37¢.; March at 4.55¢.; May at 4.70¢.; July, 4.91¢.; Sept., 5.08¢. Final prices are 25 to 32 points lower than a week ago.

SUGAR.—Spot Cuban raws were quoted early in the week at 1.35 to 3.35¢. with sales of 8,500 tons of Philippines of which 5,500 tons were for Jan. shipment at 3.22¢., 1,000 tons for Feb. at 3.24¢. and 2,000 tons for March-April at 3.25¢., all to operators and outport refiners. Refined was 4.50¢. with only a moderate trade. On the 21st inst. 5,100 tons of Porto Rico it turned out sold at 3.30¢. On the 21st inst. Dec. fell to 1.19¢. the season's low up to that date. Futures ended 3 points lower on Dec. under the pressure of liquidation. Other months closed unchanged though at one time 1 point lower in a few cases. Spot raws were 1.36 to 3.36¢. with trade dull. On the 21st London opened at ¾d. to ¼d. decline, except Dec. which was unchanged. Liverpool opened quiet and unchanged to ¼d. lower. Sterling was quoted at \$3.73. On the 23rd inst. futures were 2 points lower to 1 point higher at the close with sales of 47,550 tons. At one time prices were 2 to 4 points lower but rallied on covering. The weakness or irregularity was due to tired Dec. liquidation, hedge selling, the London depression and fears of a decline in refined sugar. Wall Street bought the distant months. Cuba bought Dec. and sold later months. Dec. went to 1.15¢. a new low for the season.

On the 23rd Havana cabled the following particulars of the Cuban crop movement during the week ended Nov. 21: Arrivals, 33,375 tons; Exports, 53,975 tons; Stock, 798,120 tons. The exports were distributed as follows: To New York, 13,579; Philadelphia, 8,268; Boston, 1,016; Baltimore, 12,176; New Orleans, 29; Savannah, 7,023; Galveston, 1,161; Norfolk, 961; Interior of U. S., 94; United Kingdom, 9,660 tons. On the 23rd London opened unchanged to ½d. higher. Liverpool opened unchanged to ½d. off. On the 24th inst. the world price of raw sugar sank to a new low at 1.30 to 3.30¢. here on spot Cuba, with London down 0.88 to 0.89¢. f.o.b. Cuba. Futures declined 1 to 3 points the latter on December. It fell to 1.13¢. The sales of futures were 22,950 tons about one-third switches. Some sold against buying of Philippines for forward delivery. Big Cuban interests were credited with buying. Private London cables reported on the 24th raw sugars quiet, with sellers at 6s. 4½d., the equivalent at \$3.64 exchange of 0.89¢. f.o.b. Cuba. Parcels were reported sold at 6d. 3¾d., equivalent to 0.88¢. f.o.b. Cuba. Home trade slow. Havana cabled: "Local press published cable from Amsterdam to Dr. Gutierrez Geerligs reduced Russia estimate to 2,200,000 tons agreed in principle Java to restrict crop of 1933 to 1,500,000 tons. (Signed Bravao Consul)."

The Sugar Institute, Inc., stated the total melt and total deliveries of 14 United States refiners up to and including the week ended Nov. 14 1931 and same period for 1930 as follows: Melt—1931, Jan. 1 to Nov. 14, 3,790,000 long tons; 1930, Jan. 1 to Nov. 15, 4,225,000 long tons. Deliveries—1931, Jan. 1 to Nov. 14, 3,575,000 long tons; 1930, Jan. 1 to Nov. 15, 4,040,000 long tons. On the 24th London opened unchanged to ½d. lower. Liverpool opened unchanged to ½d. higher. British refined was reduced 3d. to 19s. 9d. In New York it was the first notice day for December, but none were issued. Berlin on Nov. 24 cabled: "It was reported here to-day that the Soviet Government is planning to dump 500,000 tons of beet sugar on the world markets, cutting prices a cent, or 5¼ cents f.o.b. at Hamburg and other European ports. It is understood that this price cutting is an attempt to make up for the reduction in wheat exports." This is here given for what it is worth. A New York statistician said: "Sugars play an important part

in the diet of football players. At some colleges bowls of sugar are placed in the dressing room every day. At Notre Dame jugs of molasses and maple syrup are on the Sunday breakfast table, and the players are encouraged to make full use of them. At Harvard hard candy balls are used freely. Chocolate bars are also used at some colleges." On the 25th London opened easy at 1/4 to 1d. decline. Liverpool was quiet and unchanged at the opening. On the 25th private cables from London reported that sales of raws were made there on the 24th at 6s. 3 3/4d. c.i.f., equal to 91c. f.o.b. Cuba at the prevailing rate of exchange. To-day there were further sellers of that price, but trade slow. London cabled that there had been sales of 45,000 tons Java whites at 6 3/4 florins and 10,000 tons browns at 6 1/2 florins, equivalent to 1.23c. for whites and 1.18c. for browns in Java. On the 26th the Exchange was closed for the Thanksgiving holiday. On the 25th inst. the rumor was denied that Russia is planning to strike the European market with 500,000 tons of beet sugar. Also it was stated that the Java sales were only 55,000 tons and not 150,000, as at one time reported. Refined was 4.50c.

On the 25th inst. futures closed 1 to 4 points off with sales of 49,950 tons. Persistent Dec. liquidation was the outstanding feature attributed to the dullness of spot raws and what were taken as the dubious outlook for the trade in actual sugar; 2,000 tons of Philippines for Feb.-March shipment sold to an operator at 3.23 c.i.f. Some 750 tons sold ex-warehouse at Norfolk for shipment to Baltimore at 3.28c. delivered. It was rumored but not fully confirmed that 4,000 tons of Philippines for early Jan. arrival had been sold at 3.23c. To-day private London cables said: 7,000 tons of Cubas for first half Dec. shipment to the United Kingdom have been sold at 6s. 3d. c.i.f. equivalent at the current rate of exchange to 86c. f.o.b. Cuba. This is understood to complete sales of the Cuban sugars segregated for export to Europe this year. Tate-Lyle was reported to have bought to-day at 6s. 3d. and some business was done in Mauritius Crystals at 10s. 6d. c.i.f. London opened steady at unchanged to 1d. advance compared with Wednesday's close. Liverpool was quiet and unchanged to 1/2d. lower. To-day futures were dull and lower with Cuba apparently and also commission houses selling. Near months weakened the most. The decline for the day was 3 to 5 points with sales of 19,250 tons. Final prices are 8 to 14 points lower than a week ago.

Closing quotations follow:

Spot unofficial	1.25@	May	1.16@
December	1.08@ 1.09	July	1.22@
January	1.07@ 1.08	September	1.28@
March	1.10@		

LARD.—Futures on the 21st inst. closed unchanged to 17 points higher with grain up though hogs fell 10c. Refined to the Continent 6 3/4c.; South America, 7c.; Brazil, 7 3/4c. On the 24th inst. futures closed 10 points off to 7 up; hogs advanced 10 points. Cash lard was steady with prime Western, 6.90 to 7c.; Refined Continent, 7c.; South America, 7 1/4c.; Brazil, 8c. On the 25th inst. futures closed unchanged to 8 points lower with grain down. That counted for more than a rise of 10 to 15c. in hogs though that fact was evidently tended to curb any downward movement of price for lard. To-day futures ended unchanged to 3 points higher. The market acted short and showed a certain firmness in spite of declines of late in hogs, due to large receipts recently. Final prices show a rise for the week of 2 to 5 points.

DAILY CLOSING PRICES OF LARD FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December	6.05	6.10	6.10	6.07	---	6.07
January	6.07	6.12	6.12	6.07	---	6.10
May	6.32	6.32	6.37	6.32	---	6.35

Season's High and When Made—		Season's Low and When Made—	
December	8.15 July 1 1931	December	5.65 Sept. 28 1931
January	6.87 Nov. 9 1931	January	5.82 Oct. 1 1931
May	6.67 Nov. 14 1931	May	6.30 Nov. 20 1931

PORK steady; Mess, \$20.50; family, \$20; fat back, \$17 to \$18. Ribs, Chicago, cash 7c.; Beef firm; Mess nominal; packet nominal; family, \$15 to \$17; extra India mess, nominal; No. 1 canned corned beef, \$2.25; No. 2, \$4.50; six lbs., South America, \$14; pickled beef tongues, \$65 to \$68. Cut meats steady; pickled hams, 14 to 16 lbs., 10 3/4c.; 10 to 12 lbs., 11c.; pickled bellies, 6 to 12 lbs., 9 1/2c.; bellies, clear dry salted, boxed, 16 to 18 lbs., 9c.; 18 to 20 lbs., 8 3/4c. Butter, lower grades to higher than extra, 25c to 32c. Cheese, flats, 13 1/2 to 18c.; daisies, 14 1/4 to 16 1/4c.; Young America, 14 1/2 to 18c.; Eggs, medium to premium marks, 20 to 45c. Chicago wired Nov. 23 that future deliveries of eggs dropped to-day to the lowest prices of the season on the Chicago Mercantile Exchange. December sold at 17 3/4c., off 3/8 to 1/2c. from Saturday's close. November sold off to around 17 7/8. News that eggs were going into storage rapidly and that withdrawals were unusually light, with unseasonably warm weather favoring continued heavy production, caused the decline. On the 25th firsts, 30 to 31c. in Chicago; others, 15 to 18 1/4c.; December closed at 17 3/8c.

OILS.—Linseed was rather quiet and lower at 7.6c. for carlots, cooperage basis. Concessions could be obtained it was reported on good-sized orders. The Argentine seed market was lower on the 25th inst. and this imparted an easier tone to linseed. Coconut, Manila coast tanks, 3 1/2 to 3 3/4c.; spot New York tanks, 3 7/8 to 4c.; corn, crude tanks f.o.b. Western mills, 4c.; China wood, New York drums, carlots, spot, 7 3/8 to 7 1/2c.; tanks, 6 1/4 to 6 3/4c.; Pacific Coast, tanks, 5 7/8 to 6c.; soya bean, tank cars f.o.b., Western mills, 3 3/4c.; carlot delivered New York, 5c.; L.C.L., 5 5/8 to 6c.; edible olive, 1.65 to 2.15c.; lard, prime, 12c.; extra

strained winter New York, 8 1/4c.; cod, Newfoundland, 28 to 30c. Turpentine, 40 1/2 to 45 1/2c. Rosin, 3.90 to 7.80c.

COTTONSEED OIL sales to-day including switches, 5 contracts. Crude S. E., 3 3/8c. bid. Prices closed as follows:

Spot	4.25@	March	4.60@ 4.66
December	4.50@	May	4.69@ 4.73
January	4.50@ 4.59	July	4.79@ 4.83

PETROLEUM.—Export gasoline prices early in the week advanced 1/8c. A general strengthening in the Midcontinent was responsible. The export demand was a little better than heretofore. Consumption of gasoline is larger than expected. The tankwagon and service station price of gasoline was advanced 1c. but tankwagon kerosene prices were reduced 1c. to 1 1/2c. at many Up-State points. Kerosene buying was on a larger scale, although prices show little or no change, i.e. water white 41-43 was offered freely at 5 1/2c. in tank cars at refineries. Export inquiries were rather numerous but there was very little actual buying by foreign interests. Bulk gasoline was in fair demand with all the leading suppliers here quoting 6c. for U. S. Motor in tank cars at refineries. Some of the smaller sellers however were said to be willing to do business at 5 1/2c., but this could not be confirmed. There was a good jobbing demand owing partly to the warm weather of late and partly to the fact that stocks on hand are not particularly heavy. There was a fair export inquiry but foreign buyers as a rule confine their purchases to small quantities to fill immediate needs. Heating oils were somewhat more active. Large consumers to all appearance are well covered but others are inquiring for spot oil. No. 5 oil was easier of late. Bunker C bunker fuel oil met with a routine demand at 60c. refinery. Diesel oil was steady at \$1.30 refinery. Lubricating oils were in fair demand and steady.

Tables of prices usually appearing here will be found on an earlier page in our department of "Business Indications," in an article entitled "Petroleum and Its Products."

RUBBER.—On the 21st inst. futures dropped 1 to 6 points under further liquidation. The sales were 540 tons of No. 1 standard and 50 tons of new "A." December ended at 4.48c.; March at 4.65 to 4.70c.; May at 4.78 to 4.80c.; July, 4.88 to 4.90c.; September, 4.90 to 5.01c.; October, 5.08 to 5.10c.; New "A" November, 4.46c.; December, 4.50c.; January, 4.53c., closing 4 points off to 1 up. Old "A" November, 4.40c. bid; December, 4.40c. bid or 10 points lower. Outside prices: Plantations R. S. sheets spot, November and December, 4 3/4c.; January-March, 4 13-16c.; Apr.-June, 5c. On the 21st London opened quiet, unchanged to 1/8d. lower and closed quiet, unchanged to 1-16d. decline; November, 2 7/8d.; December, 2 15-16d.; January, 3d.; Jan.-March, 3 1-16d.; April-June, 3 3-16d. Singapore closed quiet, unchanged to 1-16d. lower; December, 2 3/4d.; Jan.-March, 2 9-16d.; April-June, 2 11-16d. On the 23rd inst. London opened quiet and unchanged to 1-16d. decline and at 2:36 p. m. was quiet, unchanged to 1-16d. advance; November and December, 2 15-16d.; January, 3d. Singapore closed 1-16d. higher. London's stock on Nov. 21 was 74,322 tons, a decrease of 934 tons for the week. Liverpool stock increased 406 tons to 56,339 tons. The net decrease of 538 tons in the weekly British stock was slightly larger than expected. London closed quiet, 1-16d. higher to 1-16d. lower; November and December, 2 15-16d.; January, 3d.; Jan.-March, 3 1-16d.; April-June, 3 3-16d.; July-Sept., 3 5-16d.; October-December, 3 1/2d.

On the 24th inst. prices ended 5 to 12 points higher on covering by shorts with sales of 490 tons of No. 1 standard, 10 tons of new "A" and 50 tons of old "A." No. 1 standard closed with Dec., 4.50c.; March, 4.74c.; July, 4.96c.; Sept., 5.08c.; New "A" Dec., 4.50c.; Jan., 4.58c.; Feb., 4.66c.; March, 4.74c.; Old "A" Dec., 4.40c. Outside prices: Spot Nov. and Dec., 4 9-16 to 4 5/8c.; Jan.-March, 4 11-16 to 4 13-16c.; April-June, 4 3/4 to 5c.; spot first latex thick 5c. On the 24th London opened unchanged to 1-16d. advance and at 2:35 p.m. was quiet, unchanged to 1-16d. decline; Singapore closed 1-16d. to 1/8d. up, Dec., 2 11-16d.; Jan.-March, 2 3/4d. London closed dull and generally unchanged except Oct.-Dec. which was 1-16d. lower; Dec., 2 15-16d.; Jan., 3d.; Jan.-March, 3 1-16d. On the 25th London opened quiet and unchanged and at 2:35 p.m. was dull, unchanged to 1-16d. up; Dec., 2 15-16d.; Jan., 3d. Singapore closed dull, unchanged to 1-16d. off; Nov., 2 5/8d.; Jan.-March, 2 11-16d.; April-June, 2 13-16d. On the 25th London closed dull and net unchanged; Dec. 2, 15-16d.; Jan., 3d.; Jan.-March, 3 1-16d. On the 26th the Exchange was closed for the Thanksgiving holiday.

The Lee Tire & Rubber Co. announced reductions of 5 to 12% in the prices of its tires. This put the quietus on attempts to stabilize prices. It is inferred that mail-order houses may cut prices. On the 25th inst. prices declined 1 to 8 points with London off 1/8d. and stocks and other commodities lower. Also liquidation of December rubber was on a fair scale and had some effect. No restriction measures have been proposed by Malayan or Ceylon Governments. No. 1 standard November and December, 4.46c.; March, 4.68c.; May, 4.79c.; July, 4.90c.; September, 5.03c.; sales 920 tons. New "A" December, 4.49c.; January, 4.53c.; sales 140 tons. Old "A" December, 4.40c.; sales 17 1/2 tons. Outside prices: Spot, November and December, 4 9-16c.; January-March, 4 9-16c.; April-June, 4 3/4c.; spot, first latex thick, 5c. To-day London opened quiet and 1-16d. to 1/8d. off, compared with Wednesday, and at 2:35 p. m. was dull, 1-16 to 1/8d. decline; December, 2 7/8d.; January, 2 15-16d.

Singapore closed quiet, unchanged to 1-16d. lower, compared with Wednesday; November, 2 9-16d.; January-March, 2 11-16d. Unofficial estimates of stocks in Great Britain for Nov. 28 are: London, 1,250 tons decrease, and Liverpool, 50 tons increase. London closed quiet and 1-16d. lower to 1-16d. higher than Wednesday; December and January, 2 15-16d.; January-March, 3d.; April-June, 3 1/2d.; July-September, 3 1/4d.; October-December, 3 1/2d. To-day futures closed 9 to 12 points off on No. 1 standard new "A" and 10 points lower on old "A," with sales of 139 lots of No. 1 standard and 4 tons of old "A." Final prices are 12 to 15 points lower than a week ago.

HIDES.—On the 21st inst. futures declined 10 to 15 points with sales of 1,040,000 lbs., closing with December 6.50c.; March, 7.20c.; June, 8c., and September, 8.90c. Of River Plate, 5,000 November frigorifico steers sold at 8 3/4c., and 2,000 December cows at 9 11-16c. On the 23rd inst., prices closed unchanged to 25 points lower with sales of 880,000 lbs., closing with December 6.50c.; March, 7.10c.; June, 7.80 to 7.90c.; July, 8.05c., and September, 8.65c. On the 24th inst. early prices were 5 to 20 points off but a rally followed which left the closing prices unchanged to 15 points net higher. The sales were 720,000 lbs. Chicago was quiet but 3,000 July native cows sold at 7c., 4% time included. On the 25th inst. prices closed unchanged to 9 points lower with sales of 1,920,000 lbs. Trading in the Central West and the Argentine was larger, however, and the following sales were reported: Group sale of 7,000; heavy, native steers, November, at 8 1/4c.; butt branded steers, November, at 7 3/4c.; heavy, native cows, November, at 7 1/4c.; light, native cows, November, at 7 1/4c.; branded cows, November, at 7c.; 4% trim adjustment absorbed in the above prices; 4,000 frigorifico steers, November, at 8 5/8c.; 6,000 at 8 9-16c. At the Exchange the closing was: December, 6.50c.; March at 7.05 to 7.06c.; June, 7.95 to 8c.; Sept. at 8.70 to 8.80c.; Outside prices: Common, dry Orinocos and Santa Marta, 8c.; Maracaibo, La Guayra, Ecuador and Savanillas, 7c.; Central America, 6c.; Packer, native steers and butt brands, 8c.; Colorados, 7 1/2c.; New York City calfskins 9-12s, 1.40 to 1.50c.; 7-9s, 1.00 to 1.10c.; 5-7s, 85 to 95c. To-day futures closed unchanged to 21 points lower with sales of 16 lots; December ended at 6.50c.; January, 6.60c.; March, 6.85 to 6.87c., and June, 7.75 to 7.85c. Final prices are 10 to 45 points lower for the week.

OCEAN FREIGHTS.—Business fell off. Later there was a fair business.

CHARTERS included grain 45,000 qr., 10c. Montreal, Nov. 19-27; A. R., 10 and 10 1/2c.; Bordeaux-Havre, 10 1/2c. and 11c. picked; United Kingdom, 2s. 7 1/2d. and Mediterranean, 12c. Sugar.—Cuba, 6,000 tons, 5s.; Dec. United Kingdom, 15s. 6d. Time.—Prompt West Indies round, \$1.10; West Indies round, \$1.10. Grain booked 20 prompt loads to Antwerp at 5c.; 3 loads grain London, 1s. 6d. Tankers.—Gulf-Adriatic, 9s. 6d. clean, Nov., 25-Dec., 15; Curacao-South Georgia, 9s. 6d., fuel oil, Nov.; part cargo, California-Australia, 28s. (Australian currency), clean, Dec.; Antarctic whale oil round voyage 4s. on deadweight, charters paying £2,070 extra insurance, delivery United Kingdom-Continent, Nov.

TOBACCO has met with little demand for cigar leaf. It has been confined to new Connecticut shade wrappers. The smaller sizes sell the most readily. Old tobacco is dull. Both domestic and imported are neglected. Farmers who raised binders and fillers this year have not had a chance, as a rule it seems, to sell their crops. At the current prices some think that it would be the part of wisdom for manufacturers to lay in at least a certain percentage of their requisite supplies. The man who tries to get in at the very bottom, needless to say, often misses his market. Not for years have prices of cigar leaf been so low as they are now with a good supply to select from. From Holland comes word that only 185,000 bales of the 1931 Sumatra crop will be exported to Amsterdam this year and it is added that the 1932 crop now being planted is not likely to exceed 170,000 bales. This looks strange. For years the crop was 225,000 to 240,000 bales. But times have changed. Raleigh, N. C., to "U. S. Tobacco Journal": "A total of 125,498,567 lbs. of producers' tobacco changed hands in North Carolina markets in October at an average price of \$9.93, or \$4.99 less than the average of \$14.92 paid for 142,094,665 lbs. in October 1930. The Federal-State Crop Reporting Service, in its October summary, announcement makes this total 241,701, 828 lbs. sold in the State up to Nov. 1 at an average of \$9.90, compared with \$13.37 at the same time last year. Prices were reported 'distressingly low' in the Old Belt. In eastern Carolinas, the sales, it is stated, are large, as growers brought their better grades. Cigarette tobaccos were in demand, the larger domestic companies being the chief buyers. The leaf grades also in demand and slightly higher. The average for the various markets is \$11. The South Carolina markets are practically sold out. Small amounts are sold on the three largest markets each week. Wendell, N. C., sales here for the past week, 524,748 lbs., at an average of \$8.12. Total sales, 5,263,092 lbs., at an average of \$9.01.

COAL.—At the West screenings tend moderately higher. Hampton Roads steamers on the 21st and 22d loaded 82,965 long tons to steamers, a fair quantity, but trade later was distinctly dull, which partly explained decrease of production in the Pocahontas fields from 43,600,000 tons for 10 months of 1930 to 37,326,000 tons for the similar 10 months of 1931. Warm weather told against trade in parts of this country. The remarkably warm weather in the East has, of course, been bad for trade, and the blizzard in parts of the West do not seem to have had any great effect in stimulating

business. The coke trade has a rather better tendency. Saovard says shipments of hard coal this year will be under 50,000,000 tons owing to warm weather. It is stated that Southern smokeless coal and Northern bituminous carriers are considering a rate that will enable them to compete against the growing danger of cheap petroleum in New England.

SILVER.—On the 23rd inst. futures closed 120 to 155 points lower with sales of 1,225,000 ounces. Dec. ended at 29.40c.; March at 30c.; April at 30.20c.; May at 30.42 to 30.50c.; August, 30.55c.; Sept., 30.65c.; Oct., 30.75 to 30.90c. On the 24th inst. futures closed 75 to 105 points higher with sales of 1,450,000 ounces. December closed at 30.25c.; Jan. at 30.45c.; March at 30.75 to 31c.; May at 31.28c.; July, 31.45c.; Sept., 31.60c. and Oct., 31.70c. On the 25th inst. futures ended 25 to 50 points lower with sales of 575,000 ounces; Dec. ending at 29.81 to 30c.; March at 30.30c.; May at 30.85c.; June at 30.85c.; July 31 to 31.35c.; and Sept. at 31.35c. To-day futures closed unchanged to 30 points higher with sales of 1,200,000 ounces. Dec. ended at 30 to 30.10c.; Jan., 30.05 to 30.20c.; March, 30.56c.; May, 31.05 to 31.26c.; July, 31.10c.; Aug., 31.21c.; Sept., 31.30c. Final prices show a decline for the week of 90 to 94 points.

COPPER was quiet but steady at 6 1/2 to 6 3/4c. for domestic and 7c. for export. Futures on the 25th inst. were unchanged with sales of 8 lots. November ended at 5 to 5.25c.; December, 5 to 5.30c.; January, 5.10 to 5.35c.; with 5 points higher per month through April; May, 5.40c.; June through September, 5.25c.; October, 5.60 to 5.70c. London on the 25th inst. advanced 2s. 6d. to £33 15s.; on the spot; futures 3s. 9d. to £34 6s. 3d.; sales 100 tons spot and 900 futures. Electrolytic unchanged at £39 bid and £41 asked. At the second London session spot standard was unchanged, while futures fell 1s. 3d. on sales of 125 tons. Futures on the Exchange here to-day closed 5 to 20 points higher with no sales; December, 5.10c.; January, 5.15c.; February, 5.20c.; March, 5.25c.; April, 5.30c. The tone is said to be firmer as regards actual copper and to-day it appears 1,375,000 lbs. was sold for export, said to be at 6 3/4c., pointing to a parity of 6 1/2c. for the domestic market. It appears that Belgian copper interests will accept the American proposals for curtailment of copper production, including a drop in the output by the Belgians to 115,000,000 lbs., or a cut of 26 1/4% of their estimated capacity.

TIN declined to 22 7/8c. on the 25th inst. after having been steady at around the 23c. level for many days. Buying was still very light. Futures on the 25th inst. on the Exchange here declined 10 to 25 points with sales of 9 lots. Nov. and Dec. closed at 22.65c. and May at 23.60c. London on the same day advanced £1 7s. 6d. to £137 2s. 6d. for spot and £139 12s. 6d. for futures; sales of 100 tons spot and 950 futures; spot Straits ended at £139 12s. 6d.; Eastern c.i.f. London, £141 5s. on sales of 100 tons; at the second London session standard was unchanged with sales of 10 tons of spot and 280 tons of futures. To-day futures on the Exchange here closed 70 points lower with sales of 45 tons; Dec. ended at 21.90 to 21.95c.; March, 22.50c.; May, 22.90 to 22.91c.

LEAD was reduced 10 points to 3.85c. New York by the American Smelting & Refining Co. There was some increase in buying on the reduction in price Monday, but the demand soon fell off. Most of the buying was for December shipment. In London on the 25th inst. prices dropped 3s. 9d. to £14 15s. for spot and £14 10s. for futures; sales, 650 tons futures.

ZINC was quiet and rather easier at 3.15c. East St. Louis, London on the 25th inst. dropped 2s. 6d. to £14 for spot and £14 6s. 3d. for future sales 425 tons of futures; at the second session prices rose 1s. 3d. on sales of 150 tons of futures.

STEEL remained quiet and no one was surprised. This is not the time of the year when a revival of business is apt to take place. Awards of fabricated structural steel during most of this year has been somewhat larger than for the same time in 1930 but of late there has been so marked a falling off that now the total is stated at 1,660,000 tons for this year to date against 1,710,000 for the same period of last year. Some think the Ford Co. during the next three months may buy as much as 300,000 tons. The competition is already sharp for this business. The Dec. output of automobiles in some quarters is estimated at anywhere from 40,000 to 65,000 more than in Oct. and Nov. It is said that operations have fallen off 2% this week to 29%. In Chicago it seems it is only 22% of capacity. Chicago does not usually lag behind.

PIG IRON was quiet and as usual competition is keen. It is said that eastern Pennsylvania iron is selling at times at as low as \$14 at furnace. Foreign iron is competing with America. That, of course, makes a bad situation worse. Dutch iron is sharply watched by the trade. The Buffalo district is to all appearance very quiet and one blast furnace went out of blast last week, leaving only four active units in that section.

WOOL was steady with at best only a fair business. Boston on the 24th inst. wire a Government report as follows: "Moderate activity in domestic wools in maintained at steady prices as compared with sales last week.

cember liquidation accounted partly for that, but the steady decline in stocks and the big fall in wheat were also potent factors. There has been something of a rally, however, and the net decline for the week is only about 15 points. There is no disguising the fact, however, that the cotton goods business is in anything but satisfactory shape, and that the spot demand, according to some reports, has been less active. Of course supplies are enormous. Yet there are those who believe that if the market could maintain a certain degree of steadiness for a time there would be an investment demand for the distant months.

On the 21st inst. there was a net decline of half a dozen points or more on big ginning, liquidation of December, persistent selling by the South as well as by Wall Street and "wire" houses. Also there was selling, supposedly by Japanese concerns, co-operatives and New Orleans. The stress was on the selling side, though hardly so much so as earlier in the week. Cotton goods were quiet at the new decline of late last week. There was talk of overproduction and unprofitable or nearly unprofitable prices. The ginning up to Nov. 14 was 500,000 bales larger than many had expected. In fact, some private estimates up to Nov. 14 had been only 13,472,000 to 13,582,000 bales. The actual total of the Census Bureau to Nov. 14 was no less than 14,210,301 bales against 11,962,827 bales in the same time last year and 11,890,006 two years ago. That is to say, if the average private estimate be called 13,500,000 bales here is an official statement some 700,000 bales larger than was expected. The total for the period was unprecedented of 2,080,613 bales for Nov. 1 to Nov. 14. Some inferred that the December Government crop estimate would be increased. Texas had ginned 4,541,652 bales against 3,525,479 in the same time last year and only 3,308,156 two years ago. That is, Texas' total thus far is over 1,000,000 bales greater than up to the same time last year. Yet the fact remains that the decline was very moderate regardless of the enormous ginning. Some were struck by this fact. The technical position looked better. December liquidation had evidently made considerable progress. It may have largely spent its force. March was in active demand at 6.30c. That helped to check the decline. Whatever the size of the notices on the 24th inst. might be it was believed that big interests would stop them. Stocks and wheat rallied at one time. The trade bought cotton persistently on a scale down. Other buyers were the Continent, Liverpool, the West and scattered interests. The price was low and profit-taking on the short side seemed to be regarded as the prudent course. Some people at the South were said to be turning cash into cotton for taxation purposes. The holding back of cotton on a considerable scale at the South is an unquestioned fact. The recent decline had been 75 to 80 points. Some thought a rally, if only temporary, was due.

On the 23rd inst. the market acted oversold. It ended practically unchanged, or 2 points lower to 1 point higher. Offerings fell off. Early prices, to be sure, were some 5 to 8 points lower, with some further December liquidation by New Orleans, the Continent and scattered interests. Co-operatives, Wall Street and Japanese interests also sold. The Sino-Japanese situation, on the surface, seemed a bit more pacific. Manchester was doing only a moderate business. Silver was lower. Worth Street was dull. An announcement that some 6,500,000 bales would be held off the market fell flat. The South sold freely for a time for hedge account. The co-operatives were said to be good sellers, especially of July. For all that, there was a rally later of 10 to 15 points in the teeth of declining stocks and grain, for offerings slackened and the trade, Liverpool, local traders and outsiders bought. But when buying flagged later the lower prices for grain and an unsettled market for stocks told to some extent on cotton, and the ending showed that the rally had disappeared. But the outstanding fact of the day was that cotton on the whole showed a more independent tone. The eve of the December notices the next day portended a cotton rally which was due. There was a persistent demand from the trade on a scale down. Washington wired that an agreement to lock up 6,600,000 bales of cotton for one year until the crush of the current crop has spent its force was announced by the Farm Board. Word was received from Dallas, Texas, that bankers have arranged to make or renew loans to farmers for holding 3,100,000 bales, or 400,000 short of the original goal. The Board of the American Cotton Co-operative Association has pledged to

hold stores of 3,500,000 bales until July 31 1932. This pledge, however, would not be binding if the price should reach 12½c. during the interim.

On the 24th inst. prices advanced some 25 points in an evidently short market. Sentiment had been running all one way, with stocks and wheat declining and December liquidation a noticeable feature. Then on the 23rd inst., at Jackson, Miss., at a cotton conference, it was recommended that all 10 cotton growing States cut the 1932 acreage 50%. Also the world's consumption of American cotton during October was approximately 1,027,000 bales against 961,000 in October last year, 982,000 in September this year, and 918,000 in August, according to the New York Cotton Exchange Service. The total consumption in three months from Aug. 1 to Oct. 31, the first quarter of the season, was approximately 2,927,000 bales against 2,626,000 in the same period last season. Consumption is running moderately higher than last year in this country, considerably higher in Great Britain, very much higher in the Orient, but considerably lower on the Continent of Europe. The United States used 452,000 bales of American cotton in October this year against 426,000 last year; Great Britain 93,000 against 85,000, and the Orient 183,000 against 95,000. On the other hand, the Continent used only 285,000 against 337,000 for the same time last year. On the 24th inst. stocks, silver and wheat advanced. The December cotton notices of delivery were for only about 12,500 bales, and were promptly stopped. That of itself had lifting power on a market in which a rally was plainly due. In Liverpool the Continent and Bombay bought. The Sino-Japanese news was more warlike. The South sold little. December liquidation seemed to have shot its bolt. It was reported that a private settlement had been made by trade shorts with "long" co-operatives of 50,000 bales of December. This was the signal for a better demand from the trade and from scattered shorts. There was less selling by spot firms, the South and Wall Street. Contracts became relatively scarce. There were rains in Texas, Oklahoma, Louisiana and Arkansas. The spot demand at the South was reported less active. Cotton goods were quiet on this side of the water, and Manchester was doing less business.

On the 25th inst. prices fell some 20 to 25 points, with stocks and silver and wheat lower, and less demand from cotton shorts. Local and Wall Street interests sold. There was more hedge selling. Some recalled that prices have often declined in the last month of the year. The trade bought less freely after the heavy price fixing of late. Cotton goods were very quiet. Manchester's trade was reported unequal to the output. In Liverpool, Bombay and the Continent bought, but Liverpool closed 7 to 9 points off. The weather was, in the main, favorable. It suggested big ginning. The Fossick Bureau said: "This remarkable crop has continued to improve in baleage prospects since Nov. 1, due to exceptionally favorable weather without an important break, since about Aug. 10. Killing frost, three weeks overdue, has not yet occurred except in a few localities so limited in extent as to be negligible. Moderate to very heavy rains occurred during the week over most Northern sections of the belt. Picking was delayed. The chief damage was to grade."

To-day prices ended 8 to 12 points lower, with the drift of the news against the price. Stocks fell 1 to 4 points, and wheat 3c. Liverpool lent the believers in lower prices no aid. Washington advices were that the heads of the farm organizations would insist before the Agricultural Committee on the debenture plan being passed by the next Congress. Some think this talk will tend to check the export demand for fear of heavy losses to the foreign buyer should this plan be enacted into law. On the other hand, many think a debenture bill will never be passed, and that it certainly would not be passed over a veto should the Executive approval be withheld. It is believed it would be. Worth Street, as a rule, was quiet at the recent decline of ½c. Manchester advices suggested that there may be labor trouble in a project of the mills to increase working hours from 48 to 55½ hours a week, affecting 200,000 operatives, who, it seems, will fight this measure. Liverpool, the Continent, Wall Street and the South sold, especially Europe and Wall Street. The buying was good by the trade, and there was, it seemed, some buying by Japanese interests as well as shorts. The weekly figures attracted little attention. The technical position is better, but the sentiment is very generally bearish. Final prices for the week are 8 to 15 points lower. Spot cotton closed at 6.15c. for middling, a decline for the week of 5 points.

To-day the "Department of Agriculture estimates that of the 12,129,700 bales of cotton ginned in the United States prior to Nov. 1 1931, 12,124,300 bales, or 99.9%, was American upland and 5,400 bales, or less than 1/10 of 1%, was American Egyptian. Of the American upland 11,449,000, or 94.4%, was tenderable, while 674,000, or 5.6%, was untenderable. Of the total tenderable 10,134,500, or 83.6%, was ⅞ to 1 1/32; and 1,315,000, or 10.8%, 1 1/32 or over. Of the untenderable 477,000, or .4 of 1%, was untenderable in grade; 613,000, or .5 of 1%, in staple, and 13,600, or .10 of 1%, in both grade and staple."

Staple Premiums 60% of average of six markets quoting for deliveries on Dec. 3 1931.

Differences between grades established for delivery on contract Dec. 3 1931 Figured from the Nov. 25 1931 average quotations of the ten markets designated by the Secretary of Agriculture.

Table with columns for market size (1-16 to 1-11 inches), market grade (e.g., Middling Fair, Strict Good), color (White, Yellow, Gray, Blue), and price per unit. Includes sub-headers for Spot and Futures markets.

* Not deliverable on future contracts.

The official quotations for middling upland cotton in the New York market each day for the past week has been: Nov. 21 to Nov. 27 - Sat. Mon. Tues. Wed. Thurs. Fri. Middling upland 6.10 6.10 6.35 6.20 Hol. 6.15

NEW YORK QUOTATIONS FOR 32 YEARS: The quotations for middling upland at New York on Nov. 27 for each of the past 32 years have been as follows: 1931 6.15c, 1930 10.70c, 1929 17.30c, 1928 20.80c, 1927 19.75c, 1926 12.95c, 1925 21.35c, 1924 24.25c, 1923 36.55c, 1922 25.25c, 1921 18.00c, 1920 15.50c, 1919 39.45c, 1918 29.75c, 1917 31.20c, 1916 20.90c, 1915 12.45c, 1914 7.75c, 1913 13.30c, 1912 13.10c, 1911 9.30c, 1910 15.15c, 1909 14.75c, 1908 9.45c, 1907 11.45c, 1906 11.40c, 1905 12.00c, 1904 9.70c, 1903 9.30c, 1902 11.35c, 1901 8.55c, 1900 10.12c.

MARKET AND SALES AT NEW YORK.

Table showing Spot Market and Futures Market data for Saturday through Friday, including closing prices for Middling upland cotton. Total week sales: 3,400 bales, 200 contracts, 3,600 tons.

FUTURES.—The highest, lowest and closing prices at New York for the past week have been as follows:

Table showing futures price ranges for cotton from Nov. 21 to Nov. 27, 1931, categorized by month (Nov., Dec., Jan., Feb., March, April, May, June, July, Aug., Sept., Oct.).

Range of future prices at New York for week ending Nov. 27 1931 and since trading began on each option:

Table showing the range of future prices at New York for week ending Nov. 27 1931 and since trading began on each option, with columns for Option for, Range for Week, and Range Since Beginning of Option.

THE VISIBLE SUPPLY OF COTTON to-night, as made up by cable and telegraph, is as follows: Foreign stocks as well as afloat are this week's returns, and consequently all foreign figures are brought down to Thursday evening. But to make the total the complete figures for to-night (Friday) we add the item of exports from the United States, including in it the exports of Friday only.

Table showing visible supply of cotton by region and market: Nov. 27—1931, 1930, 1929, 1928. Includes categories like Stock at Liverpool, Stock at London, Total Great Britain, Total European stocks, etc.

Table showing Continental imports for past week have been 230,000 bales. The above figures for 1931 show an increase over last week of 71,514 bales, a gain of 754,025 over 1930, an increase of 2,738,499 bales over 1929, and a gain of 3,061,315 bales over 1928.

AT THE INTERIOR TOWNS the movement—that is, the receipts for the week and since Aug. 1, the shipments for the week and the stocks to-night, and the same items for the corresponding period of the previous year, is set out in detail below:

Table showing movement of cotton at interior towns from Nov. 27 1931 and Nov. 28 1930. Columns include Towns, Movement to Nov. 27 1931 (Receipts, Shipments, Stocks), and Movement to Nov. 28 1930 (Receipts, Shipments, Stocks).

Total, 56 towns 196,503.3, 154,039.172, 605.2200307 202,922 3,247,178 143,013 1770725 * Includes the combined totals of 15 towns in Oklahoma. The above total shows that the interior stocks have increased during the week 23,416 bales and are to-night 429,582 bales more than at the same time last year. The receipts at all towns have been 6,419 bales less than the same week last year.

OVERLAND MOVEMENT FOR THE WEEK AND SINCE AUG. 1.—We give below a statement showing the overland movement for the week and since Aug. 1, as made up from telegraphic reports Friday night. The results for the week and since Aug. 1 in the last two years are as follows:

Table with 4 columns: Date (Nov. 27), 1931 Week, 1931 Since Aug. 1, 1930 Week, 1930 Since Aug. 1. Rows include Shipped (Via St. Louis, Via Mounds, &c., Via Rock Island, Via Louisville, Via Virginia points, Via other routes, &c.) and Deduct Shipments (Overland to N. Y., Boston, &c., Between interior towns, Inland, &c., from South).

* Including movement by rail to Canada.

The foregoing shows the week's net overland movement this year has been 12,753 bales, against 29,264 bales for the week last year, and that for the season to date the aggregate net overland exhibits a decrease from a year ago of 92,470 bales.

Table with 4 columns: Date (Nov. 27), 1931 Week, 1931 Since Aug. 1, 1930 Week, 1930 Since Aug. 1. Rows include In Sight and Spinners' Takings (Receipts at ports to Nov. 27, Net overland to Nov. 27, South'n consumption to Nov. 27) and Total marketed.

* Decrease.

Movement into sight in previous years:

Table with 4 columns: Date (Nov. 31, Dec. 1, Dec. 2), 1929 Bales, 1929 Since Aug. 1, 1928 Bales, 1928 Since Aug. 1, 1927 Bales, 1927 Since Aug. 1.

QUOTATIONS FOR MIDDLING COTTON AT OTHER MARKETS.—Below are the closing quotations for middling cotton at Southern and other principal cotton markets for each day of the week:

Table with 7 columns: Week Ended Nov. 27, Closing Quotations for Middling Cotton on— (Saturday, Monday, Tuesday, Wednesday, Thursday, Friday). Rows include Galveston, New Orleans, Mobile, Savannah, Norfolk, Baltimore, Augusta, Memphis, Houston, Little Rock, Dallas, Fort Worth.

NEW ORLEANS CONTRACT MARKET.—The closing quotations for leading contracts in the New Orleans cotton market for the past week have been as follows:

Table with 6 columns: Date (Nov. 21, 23, 24, 25, 26, 27) and Receipts at Ports (1931, 1930, 1929). Rows include November, December, January, February, March, April, May, June, July, August, September, October, November.

WEATHER REPORTS BY TELEGRAPH.—Reports to us by telegraph this evening indicate that cotton picking has been delayed in the northwestern section of the cotton belt by unfavorable weather. Some damage to cotton remaining in the fields has been reported.

Memphis, Tenn.—Picking has been interrupted by wet weather.

Table with 4 columns: Rain, Rainfall, Thermometer. Rows include Galveston, Texas; Abilene, Texas; Brownsville, Texas; Corpus Christi, Texas; Dallas, Texas; Del Rio, Texas; Houston, Texas; Palestine, Texas; San Antonio, Texas; New Orleans, La.; Shreveport, La.; Mobile, Ala.; Savannah, Ga.; Charleston, S. C.; Charlotte, N. C.; Memphis, Tenn.

The following statement we have also received by telegraph, showing the height of rivers at the points named at 8 a. m. of the dates given:

Table with 3 columns: Location, Nov. 27 1931, Nov. 28 1930. Rows include New Orleans, Memphis, Nashville, Shreveport, Vicksburg.

COTTON GINNING REPORT.—The Bureau of the Census on Nov. 21 issued the following report showing the number of bales of cotton ginned in each of the cotton-growing States the present season up to Nov. 14, in comparison with corresponding figures for the two preceding seasons. It appears that up to Nov. 14 1931 14,210,301 bales of cotton were ginned, against 11,962,827 bales for the corresponding period a year ago and comparing with 11,890,006 bales two years ago. We give below the report in full:

NUMBER OF BALES OF COTTON GINNED FROM THE GROWTH OF 1931 PRIOR TO NOV. 14 1931, AND COMPARATIVE STATISTICS TO THE CORRESPONDING DATE IN 1930 AND 1929.

Table with 4 columns: State, 1931, 1930, 1929. Rows include Alabama, Arizona, Arkansas, California, Florida, Georgia, Louisiana, Mississippi, Missouri, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, All other States, United States.

*Includes 7,307 bales of the crop of 1931 ginned prior to Aug. 1, which was counted in the supply for the season of 1930-31, compared with 78,188 and 86,974 bales of the crops of 1930 and 1929.

The statistics in this report include 484,684 round bales for 1931, 402,609 for 1930 and 412,476 for 1929. Included in the above are 6,184 bales of American-Egyptian for 1931, 13,251 for 1930 and 13,946 for 1929.

The statistics for 1931 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail. The corrected statistics of the quantity of cotton ginned this season prior to Nov. 1 are 12,129,688 bales.

Consumption, Stocks, Imports and Exports (United States)—Cotton consumed during the month of October 1931 amounted to 462,025 bales. Cotton on hand in consuming establishments on Oct. 31 was 1,115,793 bales and in public storage and at compresses 9,449,987 bales. The number of active consuming cotton spindles for the year was 25,188,112. The total imports for the month of October 1931 were 2,636 bales and the exports of domestic cotton, excluding linters, were 1,014,180 bales.

World Statistics.—The world's production of commercial cotton, exclusive of linters, grown in 1930, as compiled from various sources, is 25,304,000 bales, counting American in running bales and foreign in bales of 478 lbs. lint, while the consumption of cotton (exclusive of linters in the United States) for the year ending July 31 1931 was approximately 22,402,000 bales. The total number of spinning cotton spindles, both active and idle, is about 162,000,000.

ACTIVITY IN THE COTTON-SPINNING INDUSTRY FOR OCTOBER.—Persons interested in this report will find it in our department headed "Indications of Business Activity" on earlier pages.

RECEIPTS FROM THE PLANTATIONS.—The following table indicates the actual movement each week from the plantations. The figures do not include overland receipts nor Southern consumption; they are simply a statement of the weekly movement from the plantations of that part of the crop which finally reaches the market through the outports.

Table with 9 columns: Week Ended, Receipts at Ports (1931, 1930, 1929), Stocks at Interior Towns (1931, 1930, 1929), Receipts from Plantations (1931, 1930, 1929). Rows include August, September, October, November.

The above statement shows: (1) That the total receipts from the plantations since Aug. 1 1931 are 6,296,324 bales; in 1930 were 7,044,562 bales, and in 1929 were 6,706,628 bales. (2) That although the receipts at the outports the past week were 317,628 bales, the actual movement from plantations was 341,044 bales, stock at interior towns having increased 23,416 bales during the week. Last year receipts from the plantations for the week were 356,120 bales and for 1929 they were 275,215 bales.

WORLD'S SUPPLY AND TAKINGS OF COTTON.—The following brief but comprehensive statement indicates at a glance the world's supply of cotton for the week and since Aug. 1 for the last two seasons from all sources from which statistics are obtainable; also the takings or amounts gone out of sight for the like period:

BREADSTUFFS

Friday Night, Nov. 27 1931.

FLOUR.—On the 24th inst. prices advanced 5c. with cash wheat firm, especially at the Northwest. Later prices again sagged, with trade as dull as ever.

WHEAT.—The decline in stocks, the sharp drop in Argentine prices, the fall of beneficial rains in the Southwest and over much of the winter wheat belt and steady and enormous liquidation have left their mark in a very sharp decline for the week, and over 19 cents from the high levels of early in the month. One big drawback is the dullness of the export trade.

On the 21st inst., prices advanced early 1 $\frac{3}{4}$ to 2c., after which came a break of 2 $\frac{3}{4}$ to 3 $\frac{3}{8}$ c. to a new low. Still later came a rally of 1 $\frac{3}{4}$ to 2c. winding up at a net rise of $\frac{3}{8}$ to $\frac{1}{4}$ c. Export demand was rather better; 600,000 bushels were sold, mostly Manitoba from the Pacific Coast. The technical position was better. Australia's exportable surplus was estimated at 105,000,000 bushels against 160,000,000 last year. Of the latter, about 85,000,000 bushels have gone to non-European countries, leaving only 20,000,000 available from the new crop for Europe if the non-European demand continues at its present ratio. The gradual widening of the difference between Chicago and Liverpool caused comment, suggesting a renewal of export business in domestic hard winters.

On the 23d inst., prices ended 2 to 2 $\frac{1}{4}$ c. lower with stocks irregular, Sino-Japanese news seemingly more pacific, export demand still poor, with sales of only 300,000 bushels and the Southwest and Winnipeg selling. Beneficial rains fell in the West and Southwest. Reports that the quality of the new Argentine crop had been lowered by persistent rains fell flat. Liverpool reported liquidation under way and prices off equal to 2 $\frac{5}{8}$ to 2 $\frac{7}{8}$ c. Buenos Aires fell $\frac{5}{8}$ to 1 $\frac{3}{4}$ c. Prices in Chicago were 14 to 14 $\frac{1}{2}$ c. below the high on Nov. 9.

On the 23rd the Bureau of Agricultural Economics says that in Argentina and Australia, where the harvest season is now approaching, acreages have been greatly reduced from last year. Growing conditions up to date appear to be somewhat better than a year ago. In Argentina weather conditions point to a crop of around 200,000,000 bushels compared with 236,000,000 in 1930. In Australia weather indications and early estimates place the production at close to 180,000,000 bushels against 213,000,000 harvested in 1930-31.

On the 24th inst. prices ended $\frac{3}{4}$ to 1c. higher though at one time they were $\frac{3}{4}$ to 1 $\frac{1}{4}$ c. lower on the official announcement that the Federal Farm Board holds nearly 190,000,000 bushels. Prices thereupon dropped to a point 13 $\frac{1}{2}$ to 15 $\frac{1}{2}$ c. under the high of Nov. 9. Later there were rumors that 1,600,000 to 2,000,000 bushels of Manitoba had been sold for export in all positions; also stocks advanced and the Sino-Japanese news was more war-like. Big commission houses bought freely. Shorts covered hastily. Stop orders were reached. Winnipeg ended 1 to 1 $\frac{1}{2}$ c. higher. Liverpool was down only $\frac{1}{8}$ to $\frac{1}{4}$ c. It had gained noticeably on Chicago in the last week. The spread in the May ended 5 $\frac{1}{2}$ c. against 4 $\frac{5}{8}$ c. a week ago. Buenos Aires fell 1 to 1 $\frac{5}{8}$ c. December being the weakest. Kansas had sleet storms. Recent rains have been beneficial.

On the 25th inst. prices dropped 2 to 2 $\frac{1}{4}$ c. on long liquidation as stocks fell and old bull interests in wheat became discouraged. Export business was disappointing. England was said to have bought 1,000,000 bushels from Russia. That was not the most cheering circumstance in the world. Whatever export business there was on this side was confined to oats and barley and no great quantity at that. The decline in wheat from the high of the season on Nov. 9 was 14 $\frac{1}{4}$ to 16 $\frac{1}{4}$ c. Liverpool was about 1 $\frac{1}{2}$ c. under the closing price on Sept. 19, while Chicago was 5 $\frac{7}{8}$ c. higher than at that date and Buenos Aires up 4 $\frac{1}{8}$ c. In Chicago on the 25th inst. the open interest was 126,314,000 bushels; sales, 43,200,000 bushels.

To-day prices closed 2 to 3 $\frac{1}{2}$ c. lower at Chicago, 2 $\frac{1}{8}$ to 2 $\frac{5}{8}$ c. lower at Minneapolis and 1 $\frac{3}{4}$ to 2c. lower at Winnipeg than on Thursday. The cables were weak. Export demand was unsatisfactory. The sales in all positions, mostly Manitoba, were estimated at only 500,000 bushels. Prices were down 16 $\frac{3}{8}$ to 19 $\frac{1}{4}$ c. from the high of Nov. 9. In the later trading it was said that the Farm Board was buying May in Chicago, and prominent elevator interests were understood to be buying at Winnipeg, supposedly for

the Canadian Government. The buying from these two sources caused a rally of 1c. from the low. Moreover, Southern Hemisphere exports were rather small. Russian shipments for the week were only 448,000 bushels, against 4,392,000 in the same week last year. Beneficial snows, however, fell over Western Canada and there were further and favorable rains in the winter wheat belt. The West and Southwest need more rain. But speculative interest has declined. The morale of the bulls has been noticeably lessened by such a drop in about three weeks as, say, 16 to 19c. It is a good deal like a bolt from the blue. Nothing of the kind was expected. It was supposed that wheat had started upward for good. Final prices show a decline for the week of 4 $\frac{1}{4}$ to 6 $\frac{1}{4}$ c.

DAILY CLOSING PRICES OF BONDED WHEAT IN NEW YORK.					
	Sat.	Mon.	Tues.	Wed.	Thurs. Fri.
December	59 $\frac{1}{2}$	57 $\frac{1}{2}$	58 $\frac{3}{4}$	56 $\frac{3}{4}$	54
March	64	62	63	60 $\frac{3}{4}$	58

DAILY CLOSING PRICES OF WHEAT IN NEW YORK.					
No. 2 red	Sat.	Mon.	Tues.	Wed.	Thurs. Fri.
	74 $\frac{3}{4}$	72 $\frac{3}{4}$	73 $\frac{3}{4}$	71 $\frac{1}{2}$	69 $\frac{1}{2}$

DAILY CLOSING PRICES OF WHEAT FUTURES IN CHICAGO.					
	Sat.	Mon.	Tues.	Wed.	Thurs. Fri.
December	57 $\frac{3}{4}$	55 $\frac{3}{4}$	56 $\frac{3}{4}$	54 $\frac{3}{4}$	52 $\frac{3}{4}$
March	59 $\frac{3}{4}$	57 $\frac{1}{2}$	58 $\frac{3}{4}$	56 $\frac{3}{4}$	53 $\frac{3}{4}$
May	61 $\frac{3}{4}$	59	60	58 $\frac{3}{4}$	55 $\frac{3}{4}$
July	61 $\frac{1}{2}$	59 $\frac{1}{2}$	59 $\frac{3}{4}$	57 $\frac{1}{2}$	54 $\frac{3}{4}$

Season's High and When Made—			Season's Low and When Made—		
December	69	June 3 1931	December	44 $\frac{3}{4}$	Oct. 5 1931
March	71 $\frac{3}{4}$	Nov. 9 1931	March	47 $\frac{1}{2}$	Oct. 5 1931
May	73	Nov. 9 1931	May	48 $\frac{3}{4}$	Oct. 5 1931
July	73 $\frac{1}{4}$	Nov. 7 1931	July	49	Oct. 5 1931

DAILY CLOSING PRICES OF WHEAT FUTURES IN WINNIPEG.					
	Sat.	Mon.	Tues.	Wed.	Thurs. Fri.
November	63 $\frac{3}{4}$	61 $\frac{1}{4}$	62 $\frac{3}{4}$	60 $\frac{3}{4}$	57 $\frac{1}{2}$
December	63 $\frac{3}{4}$	61 $\frac{3}{4}$	62 $\frac{3}{4}$	60 $\frac{3}{4}$	57 $\frac{1}{2}$
May	68 $\frac{3}{4}$	66 $\frac{1}{4}$	67 $\frac{1}{4}$	65	61 $\frac{3}{4}$
July	69	67	68	65 $\frac{3}{4}$	62 $\frac{3}{4}$

INDIAN CORN.—In general, corn prices have followed those of wheat and there is a very noticeable decline for the week. At times, however, the cash demand has been good, though of late it has fallen off. With hogs at 4.50 to 4.60c., as they are to-day, some think the farm consumption of corn will decrease. On the 21st inst., prices were irregular, closing $\frac{1}{8}$ c. lower to $\frac{5}{8}$ c. higher. December acted the best. At one time prices dropped 2 to 2 $\frac{3}{8}$ c. from the early top. Later they rallied 1 to 1 $\frac{1}{2}$ c. December was in a tight position. The cash market was strong. Chicago sold some cars to Wisconsin. Country offerings were small, though Iowa industries bid higher prices. Shipping demand was less active. On the 23d inst., prices declined $\frac{3}{4}$ to 1c. net, following wheat, though not closely. The shipping demand, however, was poor. On the other hand, the market resisted pressure. Cash corn was wanted. Bids for cash corn were high to parts of Nebraska, without bringing out much corn. The visible supply was 9,221,000 bushels, against 9,150,000 a week ago and 6,338,000 a year ago. On the 24th inst., prices ended $\frac{1}{8}$ to $\frac{1}{4}$ c. lower after an early rise of $\frac{5}{8}$ to $\frac{3}{4}$ c., with country offerings small and cash corn wanted. Later came selling of corn against buying of wheat and a drop from the high of the morning of 1 $\frac{3}{8}$ to 1 $\frac{7}{8}$ c. Then there was a rally with wheat and covering. The shipping demand, however, was poor. On the 25th inst., prices fell 1 $\frac{1}{4}$ to 1 $\frac{1}{2}$ c., following up to a certain point in the wake of wheat. Moreover, the weather was very favorable for the husking and cribbing of corn. Prices were off 8 $\frac{1}{2}$ to 9 $\frac{1}{4}$ c. from the high recently. On the Chicago Board of Trade on the 25th inst., 13,778,000 bushels sold and the open interest was 40,290,000 bushels.

To-day prices closed 1 $\frac{1}{2}$ to 1 $\frac{3}{4}$ c. net lower under the influence of a decline in wheat, and despite bad weather for the movement. The drop from the top this month is roughly 10 $\frac{1}{2}$ to 11 $\frac{1}{2}$ c. The cash corn market was a damper. There was very little cash business. The cash basis was somewhat lower. The offerings from the country were not heavy. Profit-taking and buying against bids reined up the decline. Final prices show a drop for the week of 4 $\frac{1}{4}$ c.

DAILY CLOSING PRICES OF CORN IN NEW YORK.					
No. 2 yellow	Sat.	Mon.	Tues.	Wed.	Thurs. Fri.
	60 $\frac{3}{4}$	59 $\frac{1}{2}$	58 $\frac{3}{4}$	57 $\frac{1}{2}$	56

DAILY CLOSING PRICES OF CORN FUTURES IN CHICAGO.					
	Sat.	Mon.	Tues.	Wed.	Thurs. Fri.
December	43	42	41 $\frac{1}{2}$	39 $\frac{3}{4}$	38 $\frac{3}{4}$
March	45 $\frac{3}{4}$	44 $\frac{3}{4}$	43 $\frac{3}{4}$	42 $\frac{3}{4}$	41
May	47 $\frac{1}{4}$	46 $\frac{3}{4}$	45 $\frac{3}{4}$	42 $\frac{3}{4}$	42 $\frac{3}{4}$
July	48 $\frac{3}{4}$	47 $\frac{1}{4}$	47 $\frac{1}{2}$	46 $\frac{3}{4}$	44 $\frac{3}{4}$

Season's High and When Made—			Season's Low and When Made—		
December	56 $\frac{1}{4}$	April 1 1931	December	32 $\frac{3}{4}$	Oct. 5 1931
March	51 $\frac{1}{4}$	Nov. 9 1931	March	34 $\frac{3}{4}$	Oct. 5 1931
May	53 $\frac{1}{4}$	Nov. 9 1931	May	36 $\frac{3}{4}$	Oct. 5 1931
July	55	Nov. 9 1931	July	38 $\frac{3}{4}$	Oct. 7 1931

OATS.—Prices have declined, as might have been expected from the example of other grain. Some export business has been done and oats have certainly shown greater individual steadiness than the rest of the grain list. On the 21st inst. prices advanced $\frac{3}{4}$ to $\frac{7}{8}$ c. with talk of possible export business through Montreal. Certainly Montreal asked Chicago for offers for export. It is said that the quality of the German crop is too poor to be milled. On the 23rd inst. prices were $\frac{1}{2}$ to $\frac{3}{4}$ c. lower, with demand slow. Liquidation was the dominant note so far as there

was any. Exporters bid within 1c. of a working basis. Montreal wanted to buy for export. On the 24th inst. prices closed unchanged to 1/8c. higher. At one time they were 1/4 to 3/8c. higher. There was a much better shipping demand; the sales were 172,000 bushels and 20,000 bushels of No. 2 white were sold from Akron, Ohio, supposedly for export from Montreal. On the 25th inst. prices declined 3/4 to 1c. in sympathy with corn. To-day prices ended 1 to 1 1/2c. lower in response to the decline in other grain. Liquidation seemed to be quite general. Stop orders were reached. Final prices show a decline for the week of 1 1/2 to 2 1/4c.

DAILY CLOSING PRICES OF OATS IN NEW YORK.

No. 2 white... 38 1/4-39 1/2 38 1/4-39 1/2 38 1/4-39 1/2 37 1/2-38 1/2 36 1/2-37 1/2

DAILY CLOSING PRICES OF OATS FUTURES IN CHICAGO.

Table with columns for month (December, May, July) and price ranges (Sat., Mon., Tues., Wed., Thurs., Fri.).

Season's High and When Made— Season's Low and When Made—

Table showing seasonal high and low prices for oats with corresponding dates.

DAILY CLOSING PRICES OF OATS FUTURES IN WINNIPEG.

Table with columns for month (December, May) and price ranges (Sat., Mon., Tues., Wed., Thurs., Fri.).

RYE.—Prices have plunged downward sharply lacking an export demand to support them and with wheat also falling heavily. Yet it is a fact that the crop this year, especially in North America, is small even if the recent advance in prices put rye above an export basis. On the 21st inst. prices advanced 1/8 to 1/4c., with some export business reported in Canadian rye. On the 23rd inst. prices declined 1 1/2 to 2 1/2c. in company with wheat and because of its weakness. On the 24th inst. prices closed 1/2 to 3/4c. higher under the influence of wheat. Spreaders bought rye and sold wheat and corn. On the 25th inst. prices declined 1 1/2 to 2 1/2c. in response to the drop in wheat with no sign of an export trade and liquidation general. To-day prices closed 3 1/2 to 4c. lower or 16 1/4 to 17 1/2c. below the recent high levels. Rye was quite as weak as wheat, which is so apt to follow. There was no export demand. Russia shipped nearly 1,000,000 bushels this week. Final prices show a decline for the week of 6 to 7 cents.

DAILY CLOSING PRICES OF RYE FUTURES IN CHICAGO.

Table with columns for month (December, March, May, July) and price ranges (Sat., Mon., Tues., Wed., Thurs., Fri.).

Season's High and When Made— Season's Low and When Made—

Table showing seasonal high and low prices for rye with corresponding dates.

Closing quotations were as follows:

GRAIN.

Table listing prices for various grain types: Wheat—New York, Oats, New York, Corn, New York, Flour.

FLOUR.

Table listing prices for various flour types: Spring pat., high protein, Spring patents, Clear, first spring, Soft winter straights, Hard winter straights, Hard winter patents, Hard winter clears, Fancy Minn. patents, City mills.

For other tables usually given here, see page 3531.

The exports from the several seaboard ports for the week ending Saturday, Nov. 21 1931, are shown in the annexed statement:

Table showing exports from various ports (New York, Portland, Me., Philadelphia, Baltimore, Norfolk, New Orleans, Galveston, Montreal, Quebec, Houston, Sorel) for Wheat, Corn, Flour, Oats, Rye, and Barley.

The destination of these exports for the week and since July 1 1931 is as below:

Table showing exports for week and since July 1 for Flour, Wheat, and Corn to various destinations (United Kingdom, Continent, So. & Cent. Amer., West Indies, Brit. No. Am. Col., Other countries).

The visible supply of grain, comprising the stocks in granary at principal points of accumulation at lake and seaboard ports Saturday, Nov. 21, were as follows:

GRAIN STOCKS.

Table showing grain stocks for United States and Canadian locations (Boston, Philadelphia, Baltimore, Newport News, New Orleans, Galveston, Fort Worth, Buffalo, Toledo, Detroit, Chicago, Milwaukee, Duluth, Minneapolis, Sioux City, St. Louis, Kansas City, Wichita, Hutchinson, St. Joseph, Peoria, Indianapolis, Omaha, On Lakes, On Canal and River).

Summary table for grain stocks for Nov. 21 1931, Nov. 14 1931, and Nov. 22 1930.

Note.—Bonded grain not included above: Oats—New York, 2,000 bushels; Buffalo, 30,000; total, 32,000 bushels, against 4,000 bushels in 1930. Barley—New York, 1,000 bushels; Buffalo, 224,000; Buffalo afloat, 465,000; Duluth, 3,000; total, 693,000 bushels, against 1,674,000 bushels in 1930. Wheat—New York, 1,295,000 bushels; New York afloat, 3,594,000; Buffalo, 3,925,000; Buffalo afloat, 9,466,000; Duluth, 36,000; On Lakes, 540,000; Canal, 4,083,000; total, 229,39,000 bushels, against 26,649,000 bushels in 1930.

Table showing Canadian grain stocks for Montreal, Ft. William & Pt. Arthur, and Other Canadian.

Summary table for Canadian grain stocks for Nov. 21 1931, Nov. 14 1931, and Nov. 22 1930.

Summary table for American grain stocks for Nov. 21 1931, Nov. 14 1931, and Nov. 22 1930.

Summary table for total grain stocks for Nov. 21 1931, Nov. 14 1931, and Nov. 22 1930.

The world's shipment of wheat and corn, as furnished by Broomhall to the New York Produce Exchange, for the week ending Friday, Nov. 20, and since July 1 1931 and 1930.

Table showing world's shipment of wheat and corn by region (North Amer., Black Sea, Argentina, Australia, India, Oth. countries) for Week Nov. 20 1931 and Since July 1 1931.

Summary table for world's shipment of wheat and corn for Nov. 21 1931, Nov. 14 1931, and Nov. 22 1930.

WEATHER REPORT FOR THE WEEK ENDED NOV. 25.

The general summary of the weather bulletin issued by the Department of Agriculture, indicating the influence of the weather for the week ended Nov. 25, follows:

The weather of the week was characterized by marked contrasts in temperature conditions between the eastern and western parts of the country. From the western Great Plains westward it was decidedly cold and stormy, especially the latter part of the week, with the mean temperatures averaging from 12 deg. to more than 20 deg. below normal. (See Chart I.) Subzero weather covered a considerable area, this being the first week with any first-order station reporting minimum temperatures as low as zero; the lowest reported was 18 deg. below zero at Havre, Mont., on the 22d. In this western area freezing weather extended to the extreme southern limits of the country, with some record-low temperatures for so early in the season in southwestern Utah, and frost general over the agricultural sections of California.

On the other hand, temperatures over the eastern half of the country continued abnormally high, with a large number of stations reporting the highest of record for so late in the season. From the Mississippi Valley eastward the weekly means averaged generally from 12 deg. to as much as 24 deg. above normal, with freezing weather confined to a small area in the interior of the extreme Northeast. The lowest temperature reported as far north as New York, N. Y., and Harrisburg, Pa., was 50 deg., while in some Gulf sections the minima exceeded 60 deg.

Chart II shows that rainfall was subnormal to heavy or excessive in practically all sections of the country between the Great Plains and Appalachian Mountains. It was especially heavy in the Mississippi and lower Missouri Valleys where many stations reported weekly totals of more than 3 inches. Moderate rains to heavy snows occurred also in most Rocky Mountain sections and in the Pacific Northwest. The drought remains very largely unrelieved, however, in the Atlantic Coast States where rainfall, as a rule, was very light.

Generous to heavy rainfall during the last two weeks has amply supplied the soil with moisture for present needs over nearly all of the principal agricultural sections of the country, though some west-central Plains districts need more precipitation, and dryness in the Atlantic States is still largely unrelieved. Heavy general rains in the Mississippi and lower Missouri Valleys have given the best soil moisture supply in nearly two years, with small streams full, wells improving, and even lowlands flooded in some places; the latter did a moderate amount of harm in limited areas through soil erosion and damage to ungathered crops, principally corn. Some sections of the upper Mississippi Valley have already had the heaviest rain of record for November. With the continuation of abnormally warm and ample moisture, fall-sown crops and grass in the central valleys and Central-Northern States continue to grow rapidly, and livestock are still grazing in the more northern sections.

In the West the cold, stormy weather has laid a snow blanket over large areas. Outside operations were limited because of the cold and snow, and livestock suffered considerably in many places, with some shrinkage, but no appreciable losses. The western snows were beneficial to small grains and permitted a wider range of sheep in places where water has been lacking.

The drought in the central Gulf States has been largely broken, but much of Texas, principally the south, and more generally the Atlantic States, are still unrelieved. Good, soaking rains are badly needed nearly everywhere from New York to Florida, but, at the same time, light, scat,

tered showers were helpful in holding forest fires in check in south Atlantic areas. The question of water supplies is still acute in some of the more eastern States, with hauling necessary for domestic purposes in places.

SMALL GRAINS.—Winter wheat continues in fine condition generally in the Ohio Valley, while improvement was noted in some adjacent sections to the southward, notably in Kentucky and Tennessee. In central Mississippi Valley districts moisture conditions are highly satisfactory, while in portions to the westward, including eastern Nebraska and Kansas and Oklahoma, winter wheat is good to excellent. In the western part of the above-named States the soil is still insufficiently supplied with moisture, or the previous dryness has delayed advance. Widespread snows over the Rocky Mountain region were beneficial to winter grains, while in the Pacific Northwest moisture conditions are improved, although severe frosts generally stopped growth. Showers were helpful in parts of the Southeast, but were too light to be of material benefit, with progress of winter grains very backward.

CORN AND COTTON.—East of the Mississippi Valley husking and cribbing corn made good progress, but work was largely at a standstill, because of frequent rains and wet fields, to the westward. In the lower Missouri and upper Mississippi Valleys there were considerable complaints of damage to outstanding corn either by flooded lowlands or by sprouting and rotting of grain because of the mild, damp weather.

The late gathering of cotton was delayed by unfavorable weather in the northwestern portion of the belt, and also in Mississippi Valley districts, with some damage reported to that still outstanding; elsewhere remnant gathering made good advance.

The Weather Bureau furnishes the following resume of the conditions in the different States:

Virginia.—Richmond: Abnormally high temperatures; with heavy smoke and dense fog, but practically no precipitation. Favorable for husking corn, threshing peanuts, and marketing tobacco, but decidedly unfavorable for butchering, milling, plowing and germination of wheat. Pastures brown. Southern truck fair.

North Carolina.—Raleigh: Warmest week for this part of November in 31 years. No material relief from drought, though light rain, mainly in west and south, assisted in checking forest fires and helped germination of winter grain, but much not yet sown. Water supply becoming very low in some localities.

South Carolina.—Columbia: Unseasonably warm; scattered, light showers beneficial locally to small-grain germination, but insufficient generally to promote necessary fall plowing and sowing, which are backward. Much smoke cleared out, but many forest fires still smoldering. Desultory cotton picking, with some ginning. Fall and winter truck and pastures practically at standstill. Some corn husking.

Georgia.—Atlanta: Good rains over most of northern division early in week and light showers as far south as Macon and Augusta, but practically none in southern division where need is greatest. Remarkably warm entire week. Rains aided germination of wheat and oats already planted and plowing and planting cereals more active. Grinding cane and gathering pecans continue; otherwise harvest mostly finished.

Florida.—Jacksonville: Unseasonably high temperatures and continued dry, although showers in Atlantic coast counties and locally in the interior of north and central, which were favorable, but no relief in nine-tenths of truck and fruit belts. Heavy shipments of beans continued from Okechobee district. Citrus small; maturing slowly. Planting truck and setting strawberries suspended, except on lowlands. Oats backward.

Alabama.—Montgomery: Temperatures decidedly above normal and rainfall quite general first part of week; beneficial, but insufficient in many localities, especially in southeast. Sowing oats progressing slowly; some up to good stands. Condition of truck crops, vegetables, ranges, and pastures mostly poor to fair; remainder of other miscellaneous crops mostly fair to good. But little farm work being done.

Mississippi.—Vicksburg: Week warm, with moderate to excessive rains first half, beneficial to fall-seeded crops, pastures and truck. Cotton picking and harvesting corn delayed; some damage to cotton remaining in fields.

Louisiana.—New Orleans: Temperatures decidedly above normal throughout, with heavy rains on several days. Soil thoroughly wet and water supplies replenished. Cane harvest delayed somewhat and sucrose decreased by moisture and warmth; harvest of remnants of other crops also delayed, but favorable for gardens, truck, pastures and for germination of seed.

Texas.—Houston: Moderate to cool in northwest and extreme west; warm elsewhere. Moderate to heavy rains on coast and in extreme east and light or none elsewhere. Stock water scarce in portions of central and southwest where continued drought hindered normal growth of wheat, oats, and fall gardens. Truck still backward in winter garden section and on lower coast, but showers helpful in Corpus Christi district. Citrus condition good. Grains and pastures good in northern half of State where cotton picking nearing completion.

Oklahoma.—Oklahoma City: Unseasonably warm, except freezing in northwest latter part of week; mostly cloudy, with moderate to heavy general rains and snow in extreme northwest. Abundant soil moisture, except in extreme northwest. Unfavorable for field work and gathering corn and cotton mostly suspended account rains and wet fields. Progress and condition of winter grains good to excellent; some wheat yet to be planted. Pastures fair to good.

Arkansas.—Little Rock: Picking and ginning cotton delayed by cloudy, wet weather most of week; cotton was beaten down or damaged by wind and heavy to excess rains in northeast; first serious damage by weather this season. Downpours caused considerable erosion, but otherwise very favorable for growing crops.

Tennessee.—Nashville: Temperatures abnormally high, while light rains in east and heavier rains in west relieved drought, except over areas where rain too light to have material effect. Small grains about sown and showing considerably, except in drier sections. Stock fair to good condition; feeding mostly on winter roughage.

Kentucky.—Louisville: Temperatures averaged nearly 20 deg. above normal; moderate to heavy rains, except in southeast. Grass and fall grains grew rapidly. Pastures good in north. Wheat excellent in north; size mostly medium, but some earliest-sown needs freeze to check advance. Water situation much better.

THE DRY GOODS TRADE

New York, Friday Night, Nov. 27 1931.

Reports from mercantile agencies and various other official and unofficial appraisals of the condition of sentiment in general business channels indicate that some measure of the improved confidence which materialized with recoveries in leading markets a short time ago has been retained. However, sustained and, it would appear, progressively sharper downward reactions in the great security and commodity markets are again making Wall Street a dispensary of gloom. The despondent atmosphere which has settled anew upon the nation's financial center is again spreading abroad, and textiles, still in the grip of a demoralized price situation, seem to be suffering also from the prevailing inability to see anything in the outlook that promises better things. Unseasonable weather, though broken in some areas by sudden but often very brief invasions by winter, has continued to foster buyers in their habitual avoidance of anticipating future needs, and the limitation even of their currently salable lines, to a shrunken minimum. The natural restraining influence of the Thanksgiving holiday has of course been a contributing factor, and all dry goods divisions are in a more or less dull state. Further recessions in values have been registered in both gray and finished constructions of cotton goods, both on spot and contract orders, notwithstanding the fact that

values were already at a point involving losses to producers. The silk trade was reported as offering better resistance to pressure for concessions, most sellers of those fabrics being disposed to turn down business rather than book a loss. The woolen goods trade, it now appears, has not been entirely free from the practice of pushing goods on the market below cost, some instances having recently been uncovered of sales of spring fabrics at unreasonably low levels, but the tendency has not been general, and it is thought that individual readjustments to reduce overhead costs may enable some producers to come near breaking even on such business. Substantial concessions to attract business have been registered in rayon markets also, the practice of selling inferior yarns at cut prices and the adverse effect of disguising poor qualities under good styling at retail being partly responsible. However, at least one thing which is designed to restrain the acceptance of business at unprofitable levels in the future is the growing severity of banks in instances of this nature, and refusal of credit to offenders against sound business principles.

DOMESTIC COTTON GOODS.—A combination of depressing news from general business channels, inauspicious weather, and intensified hesitancy on the part of buyers early in the week, partly as a result of the holiday, resulted in a very dull market until late yesterday, when further lowering of the price basis attracted fairly good volume in print cloths. The renewed weakness cited is causing widespread apprehension in the trade, which regards this persistent whittling of values as a portent of disaster unless some counteracting influence is brought to bear on the problem at a near date. From such expressions of opinion as are available in the trade it appears to be generally agreed that curtailment of production to the extent of 50% of capacity of the print cloth division as a whole is needed, if the current serious emergency is to be adequately coped with. However, though prices have fallen far below profit levels, prospects of general regulation of output in the near future seem very dubious, and it is possible that the present position may develop into an even more intense competitive war, in which stronger constituents would naturally have the best chance of coming out whole. At the present time the problem in point is being widely discussed among agents, manufacturers, and bankers alike, not only in relation to the immediate outlook, but to that for the spring, when dumping of gray goods on an already congested market is a possibility, unless some radical constructive change is introduced. But as yet no concerted action is planned, though it is hoped that a meeting of Southern manufacturers, scheduled for next week, may bring some of the important mill men together in a program to combat the problem. What has made a number of important manufacturers averse to the policy of curtailment has been their experiences in past months, when they practiced restriction of production while competitors operated intensively and this with reduced overhead. Meanwhile there has been somewhat better interest in carded broadcloths, but prices in this case are also slightly lower. The sheetings position is somewhat better, values having held relatively stable with fair buying in some quarters. Heavy goods have continued quiet, though interest in osnaburgs has been good. Print cloths 27-inch 64x60's constructions are quoted at 2½c., and 28-inch 64x60's at 2½c. Gray goods 39-inch 68x72's constructions are quoted at 3¼c., and 39-inch 80x80's at 5c.

WOOLEN GOODS.—Business in markets for woolens and worsteds has continued spotty. A brisk demand for favored kinds of overcoatings is counterbalanced by slow buying of suitings and dress goods. The outlook, on which opinion differs, holds a possibility of some expansion in activity in coming weeks, if there is a decided and sustained downward change in temperatures, but otherwise no measurable increase is expected before the turn of the year. However, present conditions are not without their more encouraging aspects. Prices on men's wear suitings are apparently more stable, with complaints about price-cutting less frequent. The firm undertone in the raw wool market has helped to strengthen manufacturers in the determination manifested by many to maintain their prices, it having been demonstrated before that price reductions are more likely to deflate confidence than to attract increased business. Orders for new spring women's wear fabrics, which have mostly been offered, are few, in most cases, it is reported, though they have been widely sampled. Women's wear mills are not making up further goods for next season at this time, and there is widespread curtailment in that division. The credit situation continues an irritant, reports being about that there are many concerns whose finances have been undermined by the long duration of the depression.

FOREIGN DRY GOODS.—A moderately good seasonal movement of goods suitable for gift offerings, notably household lines and handkerchiefs, is offset by continued lack of interest in high-priced fabrics, and in suitings and dress goods, in linen markets. Burlaps continued the reactionary trend inaugurated last week, though firmer Calcutta cables in the past day or so have had a tendency to stabilize the market and make for better demand. Light weights are quoted at 3.60c., and heavies at 4.80c.

State and City Department

NEWS ITEMS

Cisco, Texas.—*Court Dismisses Suit for Collection of Money on Defaulted Bonds.*—The suit of Charles P. Bullard and others against this city for the collection of \$355,787 interest and \$14,000 principal on municipal bonds was dismissed by U. S. District Judge James C. Wilson in the Federal Court at Abilene (see V. 132, p. 3926) when the judge ruled that his court was without jurisdiction, according to recent news dispatches from this city.

Golden Gate Bridge and Highway District (P. O. San Francisco), Calif.—*Supreme Court Decision Validates \$35,000,000 Bond Issue.*—In a decision handed down on Nov. 25 the State Supreme Court upheld the validity of the \$35,000,000 Golden Gate Bridge bonds, overruling the objections brought by the syndicate which made a provisional purchase offer on the initial block of \$6,000,000 of these bonds, the option on which expired Nov. 16—V. 133, p. 3493. It is stated that the officials of the district will act at once to dispose of a block of bonds and get the actual construction work under way.

Los Angeles Metropolitan Water District, Calif.—*Validity of Proposed Financing Questioned.*—A demurrer was recently filed by a local taxpayer to the proposed issuance of the \$220,000,000 Colorado River Aqueduct bonds—V. 133, p. 3288—denying the validity of the bonds, which were approved by the voters in September—V. 133, p. 3288. The Los Angeles "Times" of Nov. 18 had the following to say:

Opposing validity of the \$220,000,000 bond issue voted last September for the Colorado River Aqueduct, the demurrer interposed by J. E. Burney, taxpayer, will be heard on the 27th inst., before Superior Judge Willis, counsel in the case yesterday stipulating to the continuance. Recently the Metropolitan Water District petitioned the Superior Court to validate the bond issue for the construction of the aqueduct. Burney said to be affiliated with the Long Beach Taxpayers' Association, then filed an answer denying the validity, thereby establishing himself as a defendant. In the demurrer filed through his attorney, Reuel L. Olson, Burney sets forth that the bond issue is insufficient and that the legislative act of May 10 1927 under which the Metropolitan Water District was formed and cities empowered to vote bonds is unconstitutional.

When the case was called yesterday before Judge Willis, attorneys in the case entered into a stipulation agreeing to the postponement of the hearing for 10 days.

National Advisory Unit Formed on Florida Bonds.—George W. Simons Jr., executive director of the Municipal Securities Association, which is active in developing bond refunding plans for various Florida municipalities has announced that a National advisory committee, to consist of prominent Americans in different parts of the country, was being formed to work with the Florida Bondholders Protective Committee. R. E. Olds, the automobile manufacturer, of Lansing, Mich., will be chairman of the advisory committee. The Municipal Securities Association recently completed an exhaustive survey of the financial status of Florida municipalities and upon its findings will be based a plan and agreement for solving their debt problems. The Florida Bondholders Protective Committee as now officially constituted, consists of the following men: John S. Harris, of Stranahan, Harris & Co., Inc., Toledo, Ohio, Chairman; A. S. Huyek of A. C. Allyn & Co., Chicago; R. E. Crummer of Brown, Crummer Co., Wichita, Kansas; B. J. Van Ingen of B. J. Van Ingen & Co., New York, and C. T. Diehl, of the Provident Savings Bank & Trust Co., Cincinnati, Ohio.

Pennsylvania.—*Attorney-General Holds Proposed Income Tax Levy Is Illegal.*—On Nov. 23 Attorney-General Schnader gave an opinion holding that a proposed income tax levy introduced in the House as an unemployment relief measure—V. 133, p. 3122—was illegal as it was not included in the call for the special session. This and other opinions were reported in the Philadelphia "Ledger" of Nov. 24 as follows:

Attorney-General Schnader to-night submitted to the presiding officers of both Houses legal opinions on measures introduced at last week's session of the Legislature.

He ruled that House bills providing for a levy of an income tax in Pennsylvania and providing for a return of 2c. on the present 3c. tax on gasoline to counties are illegal as these points were not mentioned by the Governor in his proclamation convening the special session. Similarly he ruled unconstitutional bills to amend the poor relief act and to appropriate \$30,000,000 from the general fund to the motor license fund.

On the Senate side he ruled unconstitutional Senator Woodward's bill to create a Pennsylvania industrial army to take care of the unemployed, and the Woodward bill eliminating utilities and certain charities from tax exemptions in Philadelphia.

Tennessee.—*Emergency Financing of State Obligations Contemplated.*—On Nov. 24 it was stated by Paul M. Davis, President of the American National Bank of Nashville, that financing will be arranged before Dec. 1 to meet a maturity of \$5,000,000 in State obligations which mature on that date, according to a special dispatch from Nashville to the New York "Herald Tribune" of Nov. 25. The action of Governor Henry Horton in calling an extra session of the Legislature to convene on Nov. 30 made this result possible. It is expected that both local and New York banks will handle the short term renewal. Members of the State Funding Board were recently in New York negotiating for the sale of Tennessee's bonds but nothing definite was arranged. A special session of the Legislature convened on Nov. 16 to relieve the financial stress—V. 133, p. 3285—but sufficient authority had not been vested in the call to allow of the necessary revenue measures. A statement regarding the financial affairs of the State was issued by State Senator John A. Chambliss, member of the Finance

Committee, and appeared in the Nashville "Banner" of Nov. 19 as follows:

First, the absence of the Funding Board has created some concern which has been pretty well settled now. Members felt that the Funding Board should have been present, and it was unfortunate the Board had to be absent. I understand members of the Board have communicated with some of the leaders and the absence appears to have been imperative. The resolutions offered and speeches being made in both Houses are largely the result of there being nothing definite to do, and much that is said would never be said if there was tangible work before the two bodies.

Much Misapprehension.

Second, there is misapprehension on the part of quite a few who think the Legislature is to deal with obligations aggregating \$24,000,000 and that amount is a new issue. This is not so because the State has owed for some time the \$9,000,000 and the \$5,000,000 which are now merely being renewed. Furthermore, the State will soon owe the \$10,000,000 to pay our current bills with which we are being pressed at this time. We have no income to pay them and therefore more borrow money to do so, but we owe the money and we are merely putting it into interest-bearing notes instead of letting the open accounts drag and hurt our credit.

Third, a good deal has been said about "call money" being so cheap, the idea being we ought to be able to borrow money at call and time rates. Loans of the size and character of ours are never handled as "call loans" that expression refers to a loan payable whenever the creditor wants the money and what we want is a substantial bit of time to raise the money. Call loans are almost entirely confined to stock market transactions, the one note is that due in 30 to 90 days, on rare occasions six months, but we are not in position to borrow time money and it is an unintended reflection on the Funding Board and on the State's standing as a borrower to speak of our having to pay interest rates much in excess of those now paid for call and time money when we do not wish to borrow in that way and it is impracticable to do so.

Fourth, much has been said in complaint about the Funding Board being allowed to go as high as 6% in negotiating the renewal of some of its paper. Some seem to feel that the Funding Board is immediately going to execute notes for the \$24,000,000 at 6%, due 20 years from date. No doubt the Funding Board will merely renew these loans for a six or nine months' period, and certainly not for any extended term, and as the money situation will be much easier during the course of the next year, and as we can prepare to balance our budget our interest rate will, of course, change to our advantage.

In this connection I might say that the town of Lookout Mountain recently authorized \$100,000 in bonds. We have an assessment above \$3,000,000 and with this will only have \$280,000 in bonds outstanding, but the bond houses advise that this is a very poor time to sell them; that we will have to pay excessive rates, and that we should wait until there is a better tone in the market.

I happen to know that a Chattanooga investor bought quite a few Tennessee bonds several days ago, and because of the depressed condition purchased these bonds on a basis which give a yield, income tax considered, of slightly more than 6%; this means that people who hold Tennessee bonds and who wish their money are having to lower the price of them so that they will yield six to a purchaser and, therefore, purchasers of new bonds, knowing if they wish to sell them they must take a loss are not going to pay par for the bond with a lower rate of interest.

Condition Temporary.

I wish to emphasize the fact that this is a temporary condition and say that I feel Tennessee is in a sounder business condition than it has been for some time. Just Wednesday, in response to an inquiry, I was advised that Tennessee citizens had on June 30 1931, before people were so scared, nearly \$2,250,000 on deposit in the United States postal savings; it must be more.

To appreciate what this means one must know that postal savings only pay 2% and not more than \$2,500 can be put in by one person. I would say that the people of Tennessee who have these postal savings could readily buy \$5,000,000 of 4½% bonds if we had not given way to the panic created by fear. Even good business men occasionally ask me whether taxes come ahead of first mortgages, apparently not realizing that Tennessee bonds are first as to every bit of property in the State.

Fifth, I want to say that in spite of the excitement which some may think is raging in Nashville, the feeling on the whole is most reassuring and I think that the various differences which have heretofore existed are being to substantial extent ignored and we are going to get sane and sensible consideration of these problems by the General Assembly. Practical patriotism is being practiced.

I understand that some of the members of the House contemplate changing the acts affecting the Funding Board so as to provide that at least four out of the five members must approve any action, and that there is a possibility there will be an insistence on unanimous action. I see no particular objection to this and do not think that there will be any unpleasantness over it. It is reassuring to hear men from middle and west Tennessee speak of the magnificent crops in these sections, of the fact that there is abundant money in the banks. I predict that when we swing up from the idiotic price of cotton and other commodities to a price range we are bound to go to there will be a restoration of confidence and then our problem will be to make renewed efforts to hold our expenditures down and devise revenue producing methods under some system which it is absolutely imperative we put into effect in the very near future.

We are informed on Nov. 27 that the \$5,000,000 six months notes had been purchased at 6% by a syndicate composed of the Chemical Bank & Trust Co., the Chase National Bank, and the National City Bank, all of New York, the American National Co. of Nashville, and banks in Memphis, Chattanooga, Nashville and Knoxville. These notes will be used to take up a similar amount of notes that mature on Dec. 1.

It is also stated that a special legislative session has been called for Nov. 30, in order that tax measures may be passed that will be sufficient to balance the State's budget and provide the revenue that will be needed to pay off an issue of bonds to be floated at a later date to retire outstanding notes amounting to about \$10,000,000.

BOND PROPOSALS AND NEGOTIATIONS.

ABERDEEN, Grays Harbor County, Wash.—*BONDS DEFEATED.*—At the election held on Nov. 17—V. 133, p. 2957—the voters rejected the proposal to issue \$175,000 in refunding bonds by a count reported to have been 2,524 "against" and 1,706 "for."

ABILENE, Taylor County, Texas.—*BOND ELECTION.*—It is reported that an election has been called for Dec. 19 in order to have the voters pass on the proposed issuance of \$120,000 in bonds to refund short term warrants maturing on Feb. 1 1932.

ABINGTON TOWNSHIP (P. O. Abington) Montgomery County, Pa.—*BONDS NOT SOLD.*—The issue of \$60,000 4% township bonds offered on Nov. 12—V. 133, p. 2957—was not sold, as no bids were received. The bonds are dated Dec. 1 1931 and mature Dec. 1 as follows: \$6,000, 1936; \$12,000, 1941; \$18,000 in 1946, and \$24,000 in 1951.

ALAMO HEIGHTS INDEPENDENT SCHOOL DISTRICT (P. O. San Antonio) Bexar County, Texas.—*BOND DETAILS.*—The \$24,000 issue of 5% school bonds that was purchased at par by the State of Texas—V. 133, p. 3491—is dated Oct. 11 1931. Due \$1,000 from Oct. 11 1932 to 1955. Interest payable A. & O. 11.

ALCORN COUNTY (P. O. Corinth), Miss.—*BOND OFFERING.*—Sealed bids will be received until Dec. 8 by W. L. Madden, Clerk of the Chancery Court, for the purchase of a \$47,000 issue of 5½% semi-ann. funding bonds. Dated Sept. 1 1931. These bonds have been validated by the Chancery Court and also approved by a regular bond attorney.

ALICE, Jim Wells County, Tex.—*BONDS REGISTERED.*—The \$10,000 issue of 5½% semi-ann. water works bonds that was scheduled for sale without success on Nov. 16—V. 133, p. 3491—was registered by the State Comptroller on Nov. 16. Due from 1939 to 1957.

CANADA, its Provinces and Municipalities.

CANADA (Dominion of).—DESCRIPTION OF DOMESTIC LOAN OF \$150,000,000.—Subscription books for the purchase of the \$150,000,000 5% Dominion of Canada national service loan bonds, the proceeds to be used to promote the economic and financial welfare of Canada, will be open on Nov. 23 and will close on or before Dec. 12, with or without notice, at the discretion of the Minister of Finance, it was announced on Nov. 23. The bonds are being offered in two maturities (the choice of which is optional with the subscriber) as follows: Bonds in denominations of \$1,000, \$500 and \$100, to mature Nov. 15 1936, and those of \$1,000 and \$500, each due Nov. 15 1941. The 5-year bonds are priced at 99.25 and accrued interest and the 10-year bonds at 99 and accrued interest. Subscriptions will be received by any branch in Canada of any chartered bank and from recognized security dealers from whom official application forms may be obtained.

The following information regarding the bonds is taken from the notice issued by the Minister of Finance:
Principal payable without charge, in lawful money of Canada, at the office of the Minister of Finance and Receiver-General of Canada at Ottawa or at the office of the Assistant Receiver-General at Halifax, St. John, Charlottetown, Montreal, Toronto, Winnipeg, Regina, Calgary and Victoria.

Interest payable half-yearly, May 15 and Nov. 15, in lawful money of Canada, without charge, at any branch in Canada of any chartered bank. The loan is authorized under Act of the Parliament of Canada, and both principal and interest are a charge on the Consolidated Revenue Fund of Canada.

Bearer bonds with coupons will be issued in denominations of \$100, \$500 and \$1,000 in the case of the 5-year bonds and in denominations of \$500 and \$1,000 in the case of the 10-year bonds. These bonds may be registered as to principal. Fully registered bonds, the interest on which is payable direct to the owner by Government cheque, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000 and \$100,000.

Subject to such reasonable regulations as the Minister may prescribe and the payment of 50 cents for each new bond issued, holders of fully registered bonds without coupons will have the right to convert into bonds with coupons, and holders of bonds with coupons will have the right to convert into fully registered bonds without coupons, at any time on application to the Minister of Finance or any Assistant Receiver-General.

Pending preparation of the engraved definitive bonds, bearer interim certificates in denominations of (\$100 for the 5-year bonds only) \$500, \$1,000, \$10,000 and \$100,000 will be delivered on all allotments on subscriptions to this loan. Registration as to principal, or as to both principal and interest, will be effected when the interim certificates are exchanged for definitive bonds, on or about March 1 1932.

Subscriptions will be received and receipts issued by any branch in Canada of any chartered bank and by recognized dealers. Interim certificates will be delivered through the bank or dealer designated by the subscriber in the application upon surrender of the receipt.

Applications will not be valid on forms other than those printed by the King's printer. The books of the loan will be kept at the Department of Finance, Ottawa.

Figures prepared in connection with the above loan show that the total national debt amounted to \$2,404,321,857, of which \$1,702,612,820 is held in Canada, \$390,040,900 in the United States and \$311,668,136 in London, Eng.

Success of Project Assured.

Early success of the undertaking is assured considering the fact that within a few hours following the formal reception of subscriptions a preliminary survey indicated that offers for more than \$40,000,000 of the loan had been received, and during the first two days of the campaign it was officially reported that a total of about \$71,500,000 had been subscribed for. A large volume of orders, is stated to have been received from investors in the United States, who are taking advantage of the discount of about 11 cents at which the Canadian dollar is being quoted here, according to press dispatches from Montreal. It was also pointed out that not since 1923 have bonds of the Dominion been offered at yields as high as those in the present instance, which are about 5.17% for the 1936 maturity and 5.13% for that of 1941.

Banks to Assist Buyers.

In order to facilitate the sale of the bonds, the chartered banks of the Dominion have agreed to assist investors who may desire to subscribe for more bonds than they are readily able to pay for. This feature was explained in the Montreal "Gazette" of Nov. 23 as follows:
The Canadian chartered banks will assist any customers who are subscribing to the National Service Loan and who desire to pay for their bonds from their income over a period of months. It was stated at the Department of Finance that arrangements in this regard were effected with the Canadian Bankers' Association by Premier R. B. Bennett shortly before he left Canada.

"It is recognized that there will be many investors who, in determining the amount of their purchase, would like to anticipate the receipt of certain income or moneys and increase their purchases accordingly. It is understood that in all cases the matter will be one of private negotiation between the individual investor and his bank.

"The general basis of the arrangement is that the banks will lend amounts not in excess of 75% of the subscriptions of those who give satisfactory assurance of being able to complete their payments within a period of six months. In other words, the subscribers will be expected to have cash of at least 25% of his subscription. The Government will receive the entire proceeds of the purchase at once, and deliver the bonds to the bank, which will hold them as security for the loan as in the ordinary course of banking business. The rate of interest to be charged by the bank upon such loans is 5%, which corresponds with the interest rate on the bonds."

The "Gazette" of Nov. 23 also gave the table below showing the yields on Dominion bonds since 1923, together with a list of the early subscribers to the current loan:

Year	Maturity	Int. Rate	Yield	Year	Maturity	Int. Rate	Yield		
1923	-----	5	4 1/2%	5.33%	1926	-----	30	4 1/2%	4.65%
1923	-----	20	4 1/2%	5.15%	1930	-----	---	---	4.28%
1924	-----	20	4 1/2%	4.73%	1931a	-----	---	---	---
1925	-----	15	4 1/2%	4.75%	1931b	-----	5	5	5.17%
1926	-----	20	4 1/2%	4.73%	1931b	-----	10	5	5.13%

Name	Amt. Subscribed For	Name	Amt. Subscribed For
Great West Life	\$3,000,000	Crown Life	\$300,000
Manufacturers' Life	2,000,000	Ontario Loan & Debenture	250,000
Canada Life	2,000,000	Can. Order of Foresters	200,000
Mutual Life	2,000,000	National Life	200,000
New York Life	1,000,000	Northern Life	155,000
Imperial Life	1,000,000	Union of Canton Insur	100,000
Confederation Life	1,000,000	Trust and Guarantee	50,000
London Life	1,000,000	Toronto Mortgage	50,000
Royal-Liverpool-London-Globe group	1,000,000	London & Western Trust	50,000
Metropolitan Life	500,000	London & Lancashire	25,000
		Canadian Surety	10,000

Purposes of the Loan.

A dispatch from Ottawa to the New York "Herald Tribune" of Nov. 24 set forth the purposes for which the bonds are being sold as follows:

Commitments already entered into by the Dominion under the unemployment and farm relief Act will require \$27,000,000 from the Federal Treasury. Substantial loans have been made to the Provinces to meet maturing obligations and to finance relief work. The payment of five cents a bushel on wheat in the Prairie Provinces will mean a total expenditure exceeding \$10,000,000. Loans to harbor commissions will require more than \$15,000,000. Loans will be extended to the Canadian National Railways. Then there is the relief to the drought sufferers.

"The Dominion National Service Loan is to meet the foregoing and other demands on the Dominion Exchequer, E. N. Rhodes, Acting Minister of Finance, explained to-night in a message to the Canadian people. The Dominion-wide campaign to raise the loan of \$150,000,000 was launched to-day. The Minister dwelt on the interest rates and urged that applications for bonds be made immediately because the "opportunity will not be open after Dec. 12, and the lists may close without notice at any time before that date."

"Upward of \$8,500,000 are required to refund the unconverted balance of the loan issued in 1916, which matured on the first of October last," the Minister said, in detailing some of the principal purposes of the loan.

"Large amounts have been paid and further payments must be made as provided by Parliament by way of loan to several harbor commissions to enable them to develop and equip our great National ports. These amounts are exceptionally large in the case of the Port of Saint John as a result of the disastrous fire which occurred there this spring. In the aggregate this year these will total upward of \$15,000,000.

Relief Aid \$27,000,000.

"In accordance with the provisions of the Unemployment and Farm Relief Act, passed at the last session of Parliament to alleviate distress and provide a measure of employment, already Dominion, provincial and municipal undertakings have been approved which will require some \$27,000,000 from the Dominion treasury.

"To render assistance to some of the Provinces to meet maturing obligations in New York and to enable them to complete promptly their undertakings with respect to unemployment relief, substantial loans have been made from the Dominion treasury."

EAST YORK TOWNSHIP, Ont.—IMPROVEMENTS VOTED.—The rate-payers have approved of the expenditure of \$135,000 for school construction and \$160,000 for paving purposes. Funds will be obtained through the issuance of bonds.

LENNOXVILLE SCHOOL COMMISSION, Que.—BOND SALE.—The \$25,000 4 1/2% coupon school bonds offered on Nov. 25—V. 133, p. 3498—were awarded to the Sherbrooke Trust Co., of Sherbrooke, at a price of 87.657, a basis of about 5.71%. Dated Sept. 1 1931 and due serially on Sept. 1 from 1932 to 1961 incl. The Canadian Bank of Commerce bid a price of 86.03 for the issue.

WINDSOR, Ont.—PLAN TO CONSOLIDATE DEBT DEFEATED.—At a special meeting of the city council on Nov. 23 unanimous dissent was registered against the proposal to consolidate the city's debenture debt by a refinancing plan to extend the payment over a 30-year period, according to the Detroit "Free Press" of the following day, which continued as follows:

"The Council's action definitely disposes of any attempt to escape payment of its financial obligations as they fall due and under the pressure now being brought to bear to compel tax collections, it is expected that payment of principal and interest will be met at maturity.

"The special Council meeting followed the receipt of a telegram by Mayor David A. Croll from J. A. Kingsmill, general secretary of the Investment Bankers' Association, Toronto, in which concern was expressed by the bankers at a report that debenture payments might be postponed.

"The Association views with alarm the proposal that Windsor postpone payment of debenture obligations and thereby effect a reduction in the tax rate," the Kingsmill telegram said.

Damaged Credit Feared.

"Debenture holders expect the city to live up to its contracts. Such a proposition would ruin the city's credit for years. The Association urges the Council to make every effort to increase tax collections and cut expenditures so the city may meet its obligations to debenture holders."

NOTICE OF SALE

\$85,000

Borough of Glassport, Pa.

4% COUPON BONDS

The Borough of Glassport, Allegheny County, Pennsylvania, will receive sealed bids and proposals for the sale of \$85,000.00 Coupon Bonds of said Borough. Said bonds will be of the denomination of \$1,000.00 each and will be dated December 1st, 1931, and will mature as follows: Series A, Nos. 1 to 45, both inclusive, December 1st, 1941. Series B, Nos. 46 to 85, both inclusive, December 1st, 1951.

Said bonds will bear interest at the annual rate of 4%, payable June 1st and December 1st of each year and will be sold free of State Tax. Purchaser to pay for the printing of said bonds. All bids must be accompanied by certified check drawn to the order of the Treasurer of said Borough in the sum of \$850.00 and must be in the hands of the Secretary of said Borough not later than

DECEMBER 14th, 1931,

at 7:00 P. M.,

EASTERN STANDARD TIME.

The bids will be opened in the Borough of Glassport Municipal Building, corner of Monongahela Avenue and Fifth Street, Glassport, Allegheny County, Pennsylvania. Council reserves the right to reject any and all bids.

Mail bids to N. J. Chaverini, Secretary, Glassport Municipal Building, Monongahela Ave. & 5th St., Glassport, Pa.

C. A. DAVIS,

Solicitor for Glassport Borough,
603 Bowman Building,
Pittsburgh, Pa.

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